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HEARINGS

ON

MILITARY POSTURE

AND

H.R. 6495

[H.R. 6974]

DEPARTMENT OF DEFENSE AUTHORIZATIONS FOR APPROPRIATIONS FOR FISCAL YEAR 1981

AND

CONSIDERATION OF THE PRESIDENT'S PROPOSED BUDGET REVISIONS TO FISCAL YEAR 1981 BUDGET REQUEST

AND

H.R. 6676

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TO AUTHORIZE APPROPRIATIONS FOR FEDERAL CIVIL DEFENSE PROGRAMS FOR FISCAL YEAR 1981

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-SIXTH CONGRESS
SECOND SESSION

Part 6 of 6 Parts

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NINETY-SIXTH CONGRESS, SECOND SESSION

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[1] Resigned from committee Feb. 26, 1980.
[2] Elected to committee Mar. 19, 1980.
[3] Resigned from U.S. House of Representatives Mar. 10, 1980.
[4] Elected to committee Mar. 10, 1980.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Thursday, March 13, 1980.

The committee met, pursuant to notice, at 10:10 a.m., in room 2118, Rayburn House Office Building, Hon. Melvin Price (chairman) presiding.

The CHAIRMAN. The committee will be in order.

This morning the committee will proceed with its hearing on the Reserve and National Guard portions of H.R. 6495, the fiscal year 1981 Defense authorization bill.

We have witnesses today throughout the day. I hope to be able to attend both the morning and afternoon sessions.

Our first witness this morning will be Maj. Gen. Francis S. Greenlief of the National Guard, U.S. Army, retired. He is the executive vice president of the National Guard Association of the United States.

General Greenlief.

General GREENLIEF. Mr. Chairman, with your permission I will submit my full statement for the record and present a 10-minute summary.

The CHAIRMAN. Without objection, the full statement will be included in the record.

STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF, NGUS, RETIRED, EXECUTIVE VICE PRESIDENT, NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

General GREENLIEF. Mr. Chairman and members, this first-ever hearing by the full House Armed Services Committee on the Guard and Reserve is truly a historic occasion. I am extremely pleased to be present to present the views of the National Guard Association on the subject of National Guard and Reserve readiness, or more importantly lack of readiness, to your full committee.

Because we, as an association, are dedicated to the improvement of the combat readiness of the Guard and Reserve, we often are in the position of seeming to dwell on weaknesses in our own programs. But we believe it necessary to define weaknesses in order that improvements can be made.

In August of 1970 the Secretary of Defense launched the total force concept. The rationale behind that concept was that the Nation could afford to reduce the Regular Forces because increased reliance would be placed on the Guard and Reserves. My full statement quotes from that Laird memorandum that directed the services to achieve seven specific objectives designed to permit Guard and Reserves to attain and maintain the readiness demanded by their new missions.

Those objectives dealt with specific resources to be provided that have never been fulfilled.

We welcomed the increased reliance which the Nation was to place on the Guard and the Reserve. We believed, as we still believe, that the Reserve Forces could, can, and should be made more ready. With more resources, we could produce more readiness.

Three years later we were still waiting. In August of 1973, Secretary of Defense Schlesinger issued a memorandum saying that the total force was firm defense policy, and he charged service leaders with pushing ahead with the promised total force improvements.

Again, we were encouraged, but again our hopes were not fulfilled. There was an increased flow of resources, but still far from enough to do the job assigned us. We improved our training readiness but still we were not manned or equipped to fight as required by the war plans.

And now it is 1980, and we are still not manned or equipped to fight as required.

The inadequacies of the plans and resources for mobilization and deployment of the Guard and the Reserve have been dramatically demonstrated by several mobilization exercises. When our military policy was broadened to encompass the total force idea, our military forces were reconfigured to incorporate Guard and Reserve units.

And so, unless those Guard and Reserve units are manned, trained, and equipped to perform as intended, this Nation cannot reasonably expect to prosecute successfully a conventional conflict.

The Army Guard force comprises 27 percent of the personnel strength of the total Army unit structure. But more significant than mere numbers is the heavy predominance of combat units in the Army Guard, giving it a very large share of the war fighting capability of the Army.

For example, the Army Guard provides 63 percent of all of the infantry batallions of the total U.S. Army, 41 percent of all the mechanized infantry batallions, 42 percent of all of the tank batallions of the Army, and 48 percent of all the field artillery batallions of the total Army. The Air National Guard percentages are equally impressive.

The Guard and Reserve provide so great a share of the conventional war forces of the United States that our conventional warfare capability can be significantly improved only if the war-fighting capability of the Guard and Reserves is significantly improved. And yet, we see little improvement provided for the Guard and the Reserves in the administration's increased defense spending proposals.

In our view, significant improvement of Guard and Reserve can be achieved only if the administration and the Congress take action to provide adequate levels of trained manpower, adequate quantities of modern equipment, adequate operation and maintenance funding, adequate mobilization planning and resources to implement that planning—and finally, adequate training and maintenance facilities.

In the Army's Reserve components, undermanning has been chronic since the advent of the all-volunteer manning. My full statement contains a chart which graphically depicts the shortages, but the short version is that the Army Guard and the Army

Reserve are short about 160,000 soldiers from the wartime strength requirement. And the Army's Individual Ready Reserve is short about 500,000 soldiers, pretrained soldiers.

The Active Army fell 16,000 short below its fiscal year 1979 authorized strength. The Active Army at the end of fiscal year 1979 was more than 75,000 below its wartime strength. Today there is no Selective Service System worthy of note. That leaves this Nation with only two alternatives, neither of them good, if we must go to war before the manpower crisis is solved.

One alternative is to send Army units into combat seriously understrengthed. Alternative two is to break up trained Army Guard and Army Reserve units, sacrifice their invaluable combat teamwork and use their personnel as fillers for other understrength units. Alternative two would have the effect of breaking up one-half of the units of the total Army.

We earnestly solicit your support of H.R. 6274, introduced by Representatives Montgomery, Holt, Chappell, Hillis, Lott, Hinson, and Carter. Their bill would establish the program we think essential—registration, classification of registrants, and authority to draft men into the IRR. We believe H.R. 6274 offers the best solution to the manpower problem. If it is or becomes politically impossible to enact a bill with those provisions, then the need for increased incentives for joining and staying in the Guard and Reserves becomes even more critical.

The Army Guard and the Army Reserve are slated to provide 70 percent of the deployable medical forces of the mobilized Army, but the Selected Reserves currently have only about 40 percent of the doctors they require. Thus, even if the President had not vetoed the Uniformed Services Health Professionals Special Pay Act, championed by Mr. Nichols of this committee, and if that act had filled the Active Army's requirements for doctors, the shortage in the ARNG and USAR would have caused the mobilized Army to be short about 42 percent of the doctors required to treat combat casualties.

The quantities of modern equipment have risen steadily in the ARNG and the ANG since the end of the Vietnam war. However, as a general principle, the Guard and Reserves receive modern equipment only at the rate permitted by modernization of the Active Forces, which permits "hand-me-downs" to come to the Guard and Reserve.

My full statement provides some detail on the equipment shortages of the Guard and Reserve, and my testimony before your Procurement Subcommittee makes specific procurement recommendations.

The magnitude of the problem can be demonstrated by citing ARNG statistics. At end fiscal year 1979, the on-hand equipment assets of the ARNG equalled 69 percent of the full wartime equipment requirements of the ARNG. At end fiscal year 1979, the estimated dollar value of the total wartime equipment requirements of all ARNG units was $10.2 billion. Equipment on hand at the end of fiscal year 1979 was $7.4 billion. Thus, the shortage is $2.8 billion.

In general, the O. & M. funding of the ARNG supports only peacetime training activities and not even the full peacetime re-

quirement is met. My full statement provides some detail on the shortages in parts load lists, organizational clothing and equipment, and full-time support personnel.

The ARNG is supported in peacetime with spare parts and other spares to fly and fight for 30 days after mobilization. There is, however, a serious shortage of chemical warfare defense equipment, cold weather clothing, and fulltime support personnel in the Army National Guard.

Training and maintenance facilities are essential for the production of combat readiness. However, the military construction backlog in the National Guard grows each year despite add-ons of authority and funding by this committee and others.

In summary, Mr. Chairman, because of the long lead times required to produce trained manpower, weapons, and equipment, the Department of Defense has adopted the policy of meeting the challenge to our national security with "come as you are" employment of Active and Reserve forces.

If the Guard and Reserves are called, we will come, but "as we are" is not ready to fight effectively.

In December 1979, the DOD released a summary of the "Review of the Guard and Reserve—A Framework for Action."

Mr. Chairman, we suggest that 10 years after declaring the policy of "total force and increased reliance" on the Guard and Reserve, there should be a positive action plan, fully supported with resources, not just a framework for action.

Mr. Chairman, I will be pleased to attempt to answer your questions.

WRITTEN STATEMENT OF MAJ. GEN. FRANCIS S. GREENLIEF

Mr. Chairman, and members of the committee, I am pleased by this opportunity to present the views of the National Guard Association of the United States on the subject of National Guard and Reserve readiness, or more importantly, lack of readiness, to your full committee. We, of course, have had the opportunity to appear before Chairman White's Subcommittee on Military Personnel. We are deeply appreciative of the great interest and concern which that subcommittee has demonstrated, over the years, in Guard and Reserve readiness. Without the tremendous support of the Military Personnel Subcommittee, the other subcommittees before which we regularly appear, and your full committee, the problems of the Guard and Reserves would be much more severe than they are.

Because we, as an association, are dedicated to the improvement of the combat readiness of the Guard and Reserve, we often are in the position of seeming to dwell on weaknesses in our own programs. We believe it necessary to define weaknesses in order that improvements can be made. However, I am -- and we as an association are -- extremely proud of the National Guard's role in our nation's defense. The National Guard as an organization has defended freedom and liberty of our colonies, and later, the nation, since 1636. We have fought, and fought well, in each of our nation's wars. We produce more readiness for the dollar than any other force and we intend to keep it that way.

RELIANCE ON THE GUARD AND RESERVES

In August 1970, through a Memorandum, to the Secretaries of the Military Departments and others, Secretary of Defense Laird launched a doctrine that he called the "Total Force" concept. In that memorandum, he said:

> "The President has requested reduced expenditures during Fiscal Year 1970 and extension of these economies into future budgets. Within the Department of Defense, these economics will require reductions in overall strengths and capabilities of the active forces, and increased reliance on the combat and combat support units of the Guard and Reserves."

Clearly the rationale was that this nation could afford to cut its regular forces but could do so only because of the increased reliance which was to be placed on the Guard and Reserves. After more language which announced and explained the Total Force concept, the memorandum continued:

> "Toward this end, the Assistant Secretary of Defense (Manpower and Reserve Affairs) is responsible for coordinating and monitoring actions to achieve the following objectives:

— Increase the readiness, reliability and timely responsiveness of the combat and combat support units of the Guard and Reserve and individuals of the Reserve.

— Support and maintain minimum average trained strengths of the Selected Reserve as mandated by Congress.

— Provide and maintain combat standard equipment for Guard and Reserve units in the necessary quantities; and provide the necessary controls to identify resources committed for Guard and Reserve logistic support through the planning, programming, budgeting, procurement and distribution cycle.

— Implement the approved ten-year construction programs for the Guard and Reserves, subject to their accommodation within the currently approved TOA, with priority to facilities that will provide the greatest improvement in readiness levels.

— Provide adequate support of individual and unit reserve training programs.

— Provide manning levels for technicians and training and administration reserve support personnel (TARS) equal to full authorization levels.

— Program adequate resources and establish necessary priorities to achieve readiness levels required by appropriate guidance documents as rapidly as possible."

Those goals, and the Total Force concept from which they stemmed, were goals that the National Guard could applaud. We welcomed the "increased reliance" which the nation was to place in the Guard and Reserves. We believed — as we still believe — that the Reserve forces could, and should, be made more ready. It was very largely a matter of resources. With more resources, we could produce greater readiness. Moreover, we truly believed that the necessary resources would be provided. That was part and parcel of the Total Force idea.

It was pointed out to us that improvements in the readiness of the Active forces would have to come first, of course, because they were the rapid reaction force. They'd have to move soonest in an emergency. The National Guard and Reserves would have to wait until the more urgent needs of the Active forces were satisfied before attention could be shifted to their own units.

Three years later, we were still waiting. It was 1973, and in August of that year, on the anniversary of Secretary Laird's initial announcement, a new Secretary of Defense reaffirmed and extended the Laird Total Force idea. Secretary James R. Schlesinger issued a memorandum saying that Total Force was no longer a mere concept, it was firm Defense policy. He pointed out that, although progress had been made, there was still much to be done to upgrade Guard and Reserve readiness. He charged Service leaders with pushing ahead with the promised Total Force improvements, in these words:

"We must assure that the readiness gains in the Selected Reserves are maintained and that we move vigorously ahead to reach required readiness and deployment response times in areas still deficient.

"I want each Service Secretary to approach affirmatively the goals of producing Selected Reserve units which will meet readiness standards required for wartime contingencies. Each Secretary will provide the manning, equipping, training, facilities, construction and maintenance necessary to assure that the Selected Reserve units meet deployment times and readiness required by contingency plans. You will have my support and personal interest in overcoming any obstacles in these areas."

Again, we were encouraged, but again our hopes were not fulfilled. There was an increased flow of resources, but still far from enough to do the job assigned us. We improved our training readiness, but still were not manned or equipped to fight as required by war plans.

Now, it is 1980. Ten years have passed since the Total Force doctrine was announced to the world with so much fanfare. Funding has been increased, but not nearly to the level required if we are to produce the strength and readiness expected of us. Additional equipment has been provided, then much of it withdrawn for shipment to hard-pressed allies. Equipment earmarked for the Guard and Reserve has been diverted to Europe to build up pre-positioned inventories. We have been given more resources and more attention -- but never enough, never anything approaching the level of support commensurate with the missions assigned us.

To cite but one example, an attractive array of recruiting and retention incentives were made available to the Active services early in the Seventies, thanks to this committee. It was 1978, however, before Defense leaders were prepared to report to you that some incentives might be useful in the Guard and Reserves as well -- and by that time, the damage was done. Guard and Reserve strength had sagged so badly that we are still trying to recover. Even then, this committee had to literally shove that program down the Defense Department's throat.

The inadequacies of plans and resources for the mobilization and deployment of the Guard and Reserves had been dramatically demonstrated by several mobilization exercises.

The SALT II debate, the Iranian crisis, and the Russian invasion of Afghanistan have served to emphasize the importance of, and the weaknesses of, the United States capability for waging conventional war. Unless the Guard and Reserves are ready and able to perform as planned, the United States cannot reasonably expect to effectively fight a conventional war of anything greater than brush fire dimensions.

I would like to repeat that assertion because it is not well understood by many in Congress, in the news media, and in some parts of the Defense hierarchy. When our military policy was broadened to encompass the Total Force idea, our military forces were reconfigured to incorporate Guard and Reserve units in very key roles. So, unless those Guard and Reserve units are manned, trained and equipped to perform as intended, this nation cannot reasonably expect to prosecute a conventional conflict successfully.

The Army National Guard (ARNG) force comprises 27 percent of the personnel strength of the total Army unit structure. More significant than mere numbers, however, is the heavy predominance of combat units in the Army Guard, giving it a very large share of the Army's war-fighting capability. For example, the ARNG provides the following percentages of the total Army's combat capability:

— 33 percent of the combat divisions.

— 72 percent of the separate brigades.

— 57 percent of the armored cavalry requirements.

— 63 percent of the infantry battalions.

— 41 percent of the mechanized infantry battalions.

— 42 percent of the tank battalions.

— 48 percent of the field artillery battalions.

The Air National Guard (ANG) force comprises 13.4 percent of the personnel strength of the total Air Force. For the Air Guard, as for the Army Guard, a very large share of the force is in combat elements that give it much greater significance than mere size. The ANG provides the following percentages of the total Air Force's combat (capability (expressed as percentages of total aircraft):

— 60 percent of air defense interceptors.

— 57 percent of tactical reconnaissance aircraft.

— 30 percent of tactical airlift aircraft.

— 25 percent of tactical fighter aircraft.

— 17 percent of strategic tanker aircraft.

The Guard and Reserves provide so great a share of the conventional war forces of the United States that our conventional warfare capability can be significantly improved only if the war-fighting capability of the Guard and Reserves is significantly improved. Yet, we see little improvement provided for the Guard and Reserves in the Administration's increased defense spending proposals.

In our view, significant improvement of the Guard and Reserves can be achieved only if the Administration and the Congress take action to provide:

- Adequate levels of trained manpower.
- Adequate quantities of modern equipment.
- Adequate operation and maintenance funding.
- Adequate mobilization planning and resources to implement mobilization planning.
- Adequate training and maintenance facilities.

TRAINED MANPOWER

The most critical problem facing the Armed Forces today is, as it has been for several years, inability to attract adequate numbers of capable people. Although the Active forces have come close to attaining authorized strength levels, each Service reported strength shortfalls during FY 1979, despite strong advertising campaigns, beefed-up recruiter forces and excellent incentive programs. The Army, with the greatest recruiting problem, had a 16,000-man strength shortfall in FY '79. In the Reserve Components, particularly the Army National Guard and Reserve, undermanning has been chronic since the advent of all-volunteer manning. Both Active and Reserve Component strength problems are often disguised by the fact that DoD regularly has scaled down the authorized strength to levels which approximate the number of personnel they thought we could attract. In other words, availability rather than the actual requirement has been the determinant.

The following chart compares wartime requirements (in thousands) with authorized strength levels and available trained manpower:

	Wartime Requirement	Auth. Str. End FY '79	Actual Str. End FY '79	Currently Short from Wartime Requirement
ARNG	435.7	345.5	345.5	90.2
USAR	259.7	191.7	190.0	69.7
ANG	100.7	92.9	93.4	7.3
USAFR	64.6	56.3	56.7	7.9
TOTAL	860.7	686.4	685.6	175.1

Not shown in the chart is the situation in the Individual Ready Reserve (IRR). While the IRR strength for the Air and Naval services appears to be adequate, the Army IRR, with a wartime requirement of 700,000, stood at 202,000 at the end FY '79, of which barely half possessed the most-needed combat MOS's.

Earlier we noted that the Active Army fell short 16,000 below its FY 1979 authorized strength. The more serious problem is that the Active Army at end FY 1979 was more than 75,000 below its wartime strength requirement.

Today, there is no Selective Service System worthy of note. There is only an undermanned, underfunded, and overworked headquarters and a multitude of studies and "plans." Even if registration is reinstituted, the system cannot produce trained military manpower for units until months after it gets the green light.

That leaves the nation with only two alternatives, neither of them good, if we must go to war before the manpower crisis is solved:

ALTERNATIVE NO. 1: Send Army units into combat seriously understrength; or

ALTERNATIVE NO. 2: Break up trained Army Guard and Army Reserve units, sacrifice their invaluable combat teamwork, and use their personnel as "fillers" for other understrength units.

Selection of Alternative No. 1 would seriously limit the combat effectiveness of units committed to combat. Selection of Alternative No. 2 would fly in the face of the intent of Congress as expressed in 10 USC 672(c) which reads: "So far as practicable, during any expansion of the active armed forces that requires that units and members of the reserve components be ordered to active duty (other than for training) members of units organized and trained to serve as units who are ordered to that duty without their consent shall be so ordered with their units." (Underlining added).

Congress wisely gave the Services a degree of flexibility with the following language -- "However, members of those units may be reassigned after being ordered to active duty (other than for training) -- but Congressional intent was plain: Take full advantage of the efforts poured into creating effective units by mobilizing units as units.

Even more serious, use of members of the Army's Selected Reserve as filler personnel would destroy about one-half of the war-fighting units of the total U.S. Army.

Those units currently are scheduled, in war plans, to move into the pipeline and to a combat theater in the later months of a mobilization. Without them, plans for an orderly and sustained buildup of forces come all unravelled.

While we applaud the President's decision to begin registration of people for the draft, we believe this action falls far short of what is

required if the United States is to enjoy a credible conventional war capability.

Registration alone is simply not enough. The time required to start inducting people on some future M-Day will not be shortened in any worthwhile degree unless we also resume classifying the registrants, to get that time-consuming process completed in advance. And the immediate problem of a hugely undermanned Individual Ready Reserve won't be solved in the near future unless authority is provided to induct into the Army IRR if other means fail.

We strongly supported the valiant effort of your committee to revitalize the Selective Service System during the first session of this Congress.

Those efforts failed, at least partly because of strong opposition from the Administration. Since then, however, the Carter Administration has had a change of heart. Administration leaders have proclaimed their support of registration. We earnestly solicit your support of H.R. 6274, introduced by Representatives Montgomery, Holt, Chappell, Hillis, Lott, Hinson and Carter. Their bill would establish the program we think is essential — registration, classification of registrants, and authority to draft men into the IRR. We believe H.R. 6274 offers the best solution to our manpower problem. If it becomes politically impossible to enact a bill with those provisions, then the need for increased incentives for joining and staying in the Guard and Reserves will become even more critical.

Incentives for joining and staying in the Guard and Reserves are provided by legislation which was initiated by your committee. Because funds to support these incentives have been limited, only a small fraction of Guradsmen and Reservists are eligible for these payments. The authority for offering these incentives will expire on September 30, 1980.

We urge that the authority for payment of these incentives be extended until September 30, 1985.

We also urge that your committee recommend that adequate funding be provided to permit payment of enlistment and reenlistment bonuses to ALL members of ALL units of the ARNG and the USAR, and to personnel enlisting or reenlisting in critical skills of the Air National Guard and other reserve components.

There is a serious shortage of doctors in the Active forces. H.R. 5235, the Uniformed Services Health Professionals Special Pay Act, introduced and championed by Representative Nichols of your committee, has been passed by both Houses of the Congress. We understand that the President may, or may not, sign

that essential legislation. Even if the legislation were 100 percent effective and filled the Active force requirement, the shortage of doctors after full mobilization would remain so serious that adequate medical services could not be provided to U.S. soldiers in combat.

According to a DoD study, the ARNG and the USAR are slated to provide 70 percent of the deployable medical forces of the mobilized Army. That same study reports that Selected Reserves currently have only about 40 percent of the doctors they require. Thus, even if H.R. 5235 eliminates the shortage of doctors in the Active Army, the shortage in the ARNG and USAR will cause the mobilized and deployable Army to be short about 42 percent of the doctors required to treat combat casualties.

EQUIPMENT

The quantities of modern equipment have risen steadily in the ARNG and the ANG since the end of the Vietnam war. However, as a general principle, the Guard and Reserves receive modern equipment only at the rate permitted by modernization of the active forces, which permits combat capable "hand-me-downs" to come to the Guard and Reserves. Congress has accelerated the rate of modernization by adding authorization and funding for equipment specifically for the ARNG and ANG. This congressional action has been necessary because successive Administrations have not seen fit to include sufficient quantities to equip National Guard and Reserve units in their planned procurement.

The magnitude of equipment buys is determined by such factors as total dollars available in a given five-year defense plan (FYDP), total dollars available in a given fiscal year, procurement stretch-outs, and planned modernization/obsolescence. We believe that all units included in the approved structure of the total defense force should be provided for in planned procurement.

An example of planned procurement failing to provide for equipping the total force is the procurement plan for the Army's new attack helicopter, the AH-64. If that program had remained on schedule and the full production delivered on the programmed date, the Active Army would have been fully equipped with tank-killing helicopters, AH-64's and AH-1S's. The ARNG, however, would still have been flying obsolescent attack helicopters which the Army is not willing to deploy to a European conflict because they cannot kill tanks. And that ARNG fleet, comprised of 369 non-deployable aircraft, is 38 percent of the total Army attack helicopter force.

We have provided detailed information to the appropriate subcommittees of

this committee which in our view justifies the add-on procurement and modification of aircraft for the Army, the Air Force, the ARNG, the ANG, and the Air Force Reserve. Specifically, we have urged add-on procurement of AH-1S attack helicopters, C-12A utility transports, F-15 fighter interceptors, F-16 tactical fighters, A-7K tactical fighters, C-130H tactical transports, modification of engines for F4/RF4 aircraft, and modification of A-10 tactical fighters to a two-place configuration, upgrading of the radar of the F-106 fighter interceptor, and have expressed our support of the development of light-weight 30mm gun pods. Each of these actions would produce significant improvement of Guard and Reserve combat forces.

Regrettably, we cannot provide specific quantities of items and estimated dollar costs of ground equipment for the ARNG and the USAR. However, we have urged additional procurement of the following types of weapons and equipment which we know are in short supply in the ARNG:

Ribbon bridges
Bridge boats
Five-ton trucks (artillery prime movers)
Recovery vehicles
155mm self-propelled howitzers
Ground radar
Mortar carriers
8" self-propelled howitzers
Communication equipment
Command post carriers

Equipment of this type is not nearly as exotic as high-performance jet fighters and rocket-launching attack helicopters, but it is every bit as essential in ground combat.

The magnitude of the problem can be demonstrated by citing ARNG statistics. At end FY 1979, the on-hand equipment assets of the ARNG equalled 69 percent of the full wartime equipment requirements of the ARNG. At end FY 1979, the estimated dollar value of the total wartime equipment requirements of all ARNG units was $10.2 billion. Equipment on hand at end FY 1979 was $7.4 billion. Thus, the shortage is $2.8 billion. Considering the magnitude of the shortage, we view an annual procurement program of at least $500 million for five years as essential, just for the ARNG alone. An additional amount would be required for the USAR.

OPERATION AND MAINTENANCE FUNDING

In general, the operation and maintenance funding of the ARNG supports only the peacetime training activities of the ARNG, and not even the full peacetime requirement is met.

Parts load lists - ARNG, equipment required to operate and maintain equipment for 30 days exist only for the few units scheduled to deploy overseas within the first 30 days after mobilization.

Organization Clothing and Equipment - ARNG, shortages in ARNG units will equal $173.5 million at end FY 1981.

Full-time support personnel - ARNG. The Department of Army (DA) approved requirement for ARNG technicians is 34,813. Personnel assigned to fulfill that requirement at end FY 1981 will be:

Technicians	22,617
Full-time military	5,634
TOTAL	28,251

Thus, there will be a shortage of 6,562 full-time support personnel. The FY 1981 budget does provide an additional 1,889 full-time military personnel to meet a newly established readiness requirement.

Air National Guard. The Air National Guard is supported in peacetime with repair parts and other spares to support flying hours for 30 days after mobilization. There is a significant shortage of chemical warfare defense equipment and cold weather clothing in the Air National Guard.

There is also a serious shortage of full-time support personnel as shown by the following table:

Air Force approved requirement		26,507
Technicians	21,538	
Full-time military	2,117	
Total assigned end FY 1981		23,655
Shortage		2,852

FACILITIES

Training and maintenance facilities are essential for the production of readiness. Despite the add-on of authorization and funding for National Guard and Reserve forces construction programs which have been provided by Congress, the national construction backlog continues to grow. The actual National Guard backlog at end FY 1979 and estimated National Guard backlogs at end FY 1980 and 1981 are shown below:

	End FY 1979	End FY 1980	End FY 1981
MCARNG	$736 million	$766 million	$827 million
MCANG	$330 million	$378 million	$481 million

We have urged an add-on of construction funds before the appropriate subcommittees.

SUMMARY

Mr. Chairman, the total force policy promised increased reliance on the Guard and Reserves, and today the Guard and Reserves are fully committed to essential wartime missions. It was clearly stated as part of that policy, however, that resources would have to be provided to match the more urgent missions, and those resources have not been provided.

Most of the debate between the Administration and the Congress on the subject of national defense capability centers on the readiness of the Active forces, the peacetime military. Yet the ability to fight and win is dependent on our wartime military forces -- the total force.

Recognizing the long lead times required to produce trained manpower, weapons and equipment, the Department of Defense has adopted the policy of meeting the challenge to our national security with "come as you are" employment of Active and Reserve forces.

If the Guard and Reserves are called, we will come, but "as we are" is not ready to fight effectively.

In December 1979, the DoD released a summary of the "Review of the Guard and Reserve -- A Framework for Action." That review is prefaced by the following statement by President Carter:

> "Our nation continues to depend for its defense upon our Reserve forces. Under the Total Force concept, Reserve forces would perform critical missions in any future conflict. My Administration is committed to insuring that these vital forces are fully manned, well trained, well equipped, and capable of rapid mobilization and integration into the active force in time of national emergency."

Mr. Chairman, we suggest that ten years after declaring the policy of "total force and increased reliance" on the Guard and Reserve, there should be a positive action plan, fully supported with resources, not just a "framework for action."

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The CHAIRMAN. Thank you very much, General, for a fine statement.

I see we have a live quorum on the floor right now, so the committee will recess for enough time to give the Members an opportunity to answer and return immediately to the committee.

Before we leave, I would like to introduce a new member of our committee. I see Mr. Hopkins of Kentucky is with us this morning. He has just been assigned to the committee by the Republican Policy Committee.

Mr. HOPKINS. Thank you, Mr. Chairman.

The CHAIRMAN. The committee will be in order.

The Chair recognizes the gentleman from Florida, Mr. Bennett.

Mr. BENNETT. I just want to congratulate you on your presentation here. It is very forthright and very much needed. I hope we can help you in the objectives we have. I don't have any questions.

General GREENLIEF. Thank you, sir.

The CHAIRMAN. Mr. Stratton.

Mr. STRATTON. Thank you, Mr. Chairman.

General, I enjoyed your statement and appreciate it and think it is a very effective statement. I would just like to ask a couple of questions.

As you know, in the testimony that I gave before the Personnel Subcommittee on this same subject, I quoted a remark that the head of the Army National Guard in New York State had expressed to me—that if we went not just to registration, but also to examination and classification, and under the President's program that would mean that something like 212,000 young men aged 19 and 20 would be registered; if we examined them and classified them 1-A or 4-F or whatever the case might be—he estimated that 4,000 of those 212,000 would volunteer for the Guard or for the Reserves on the basis that once they knew they were 1-A and subject to callup they would opt, as happened during the Vietnam war, to go into the Guard or Reserves rather than being called up in the Regulars.

He indicated to me that represented the views of other commanders of the National Guard as well. I wonder if you could comment on whether you believe that would occur?

General GREENLIEF. Yes, Mr. Stratton, I will be delighted. We are, of course, talking about our mutual friend General Castalano. I am not able to comment on how good the estimate of 4,000 joining the New York National Guard would be. I am, however, quite confident that if the young men of the Nation were registered, examined, and classified and thus made aware of their availability or perhaps vulnerability for service of the Nation, they might very well then seek an opportunity to join an organization which would let them go to war, if they had to, with their own hometown unit, with their peers and contemporaries. I think that would be a very strong motivator.

To quantify it, I am not able to. I think just the fact that we make young people aware of the fact that they do have a responsibility to serve our Nation in time of war might cause them to seek a way of discharging that responsibility with their hometown friends. I think it would be a powerful incentive.

Mr. STRATTON. You indicated, I think, that there was a shortage of 160,000 in the Guard and 500,000 in the Reserves. And if we were to institute the examination and registration we would have roughly 2 million—I guess we would have 4 million in the two age groups. Out of that 4 million, we might, if this fact is true, get enough people to fill up some of the substantial portions of these vacancies without even having to go to a draft.

As you indicated, this might not be politically feasible this year. It seems to me that is a very important point. In other words, we don't get any manpower at all with registration. There is no question about that. But with examination and classification, we might find ourselves suddenly with a substantial number of people without even having to put Congress on the spot to vote for a draft.

General GREENLIEF. Mr. Stratton, the numbers of the shortage we are talking about are 160,000 being the shortage of the Guard and the Reserves. The 500,000 is the shortage in the Individual Ready Reserves, the so-called IRR.

I for one, would be very happy to see what the result would be. I have no reason to push for a draft in time of peace, except for this Nation to be ready for war.

We keep worrying out loud but we are taking a wartime step in time of peace. I submit the time between peace and war today may be a very short time. So we have to be ready in time of peace. And if your proposal and the proposal of H.R. 6274 did cause young men to volunteer for the Guard and Reserve in sufficient numbers to fill those up, then the shortage of the IRR would not be as severe.

As a matter of fact, if we shortened the length of service in the Guard and Reserve units, those personnel would flow to the IRR, and we might even solve that problem.

I am not for drafting people until we need them. What I am opposed to is toleration of the critical manpower shortage that exists today.

Mr. STRATTON. Thank you very much. My time has run out.

The CHAIRMAN. Are there any other questions of General Greenlief?

Mr. Mitchell.

Mr. MITCHELL. Thank you, Mr. Chairman.

You mentioned in your statement, General Greenlief, and I certainly agree we should have a far more effective Reserve. I think most members of this committee would agree with your analysis, and with the need for an improved Reserve.

But let's get to the bottom line. Why do you think we don't have one? Who is responsible for not pushing the Reserve movement hard enough to get the effective Reserve we need? Can you pinpoint responsibility?

General GREENLIEF. I believe I can, Mr. Mitchell. I would like to start by saying earlier I referred to the Uniform Health Services Special Pay Act, which has just been vetoed. And I would just like to pay tribute to your leadership in that bill. We thought that was very important.

In answering your question as to who is at fault, I am not able to name an individual. I am not even able to name an administration. It is not a question of Democrats or Republicans. What it is is a

question of a long series of administrations, going back to 1970, when we established the total force policy.

The Guard and Reserve were given these missions, or it was said we would be given them. And it was said we would be given the resources. We got the missions all right. We have not had the resources. When the decision was made to go to the All-Volunteer Force, I was then Deputy Chief of the National Guard Bureau on Active Duty. I participated in the discussions in which the conclusion was reached that we must do those things for the Regular Forces now to bring them up to strength; because, obviously, they are going to go first. And then we will come back and take care of the Guard and the Reserves. That never happened.

The only thing that has been done has been done by this committee, and your committee had to literally shove the incentives down the throat of DOD.

So in answer to your question, the series of administrations from 1970 until now who have failed to provide leadership by asking the Congress to provide the kinds of resources that it has taken to make strength in the Regulars, are at fault. I would also say there must be some fault shared by the Congress because it has not been too great a secret what the problem was. But when things did start to get fixed, you led the way. The same thing applies on equipment, sir.

Mr. MITCHELL. Let me get to another aspect of your statement. I haven't had time to study it thoroughly. How do you feel about registering women, General? Do you think we should or should not?

General GREENLIEF. Mr. Mitchell, the view of our association is that the purpose of our association is to support national defense and improve military readiness. We see no need to draft women for military readiness; and, therefore, that is a social engineering issue we have really not involved ourselves in.

Mr. MITCHELL. Have you addressed the problem of women in combat at all, because we do have women in the service now.

General GREENLIEF. Mr. Mitchell, our association has not specifically debated and voted on that issue, because again we see no military need for that. But I can tell you that the overwhelming majority of the leadership of the National Guard would oppose women entering into combat, and I personally would oppose it.

Mr. MITCHELL. Thank you, General.

Thank you, Mr. Chairman.

Mrs. HOLT. Mr. Chairman.

The CHAIRMAN. Mrs. Holt.

Mrs. HOLT. Thank you, Mr. Chairman.

General, thank you very much for your fine statement. I am concerned about one of the things you alluded to here; and that is the helicopter situation.

As we take a look at the proposed budget, we were bragging around here that was the one area that we out-ranked the Russians. That was the last claim that we had to fame. And now it looks like we are going down the tube in that area.

I would like to hear a further comment on that, how shortsighted we are being in not trying to rectify that situation?

General GREENLIEF. Thank you very much, Mrs. Holt. It just happens the attack helicopter program demonstrates the unwillingness or perhaps the inability of the Department of Defense when constrained by the dollars that OMB allots. That demonstrates just how inadequate the procurement program is for the Guard and Reserves, how the planned procurement failed to provide.

For example, in planning for the procurement of the Army's new attack helicopter the AH-64, the Army failed in their planning to provide for ever equipping the entire Army National Guard attack helicopter force. And if that AH-64 program had remained on-program, and if the delivery had been made as originally scheduled, the Active Army would have been fully equipped with tank killing attack helicopters, AH-64's and AH-1S's. But the Army National Guard would still have been short 191 attack helicopters, combat-capable helicopters. The Army Guard authorized 369 attack helicopters. We have 324 on hand, not one of which is deployable to NATO.

That demonstrates what I am talking about. We were promised resources. We not only have not been given them, but the planning doesn't even contemplate providing them. That is just being dishonest with the American citizen.

Mrs. HOLT. Thank you.

The CHAIRMAN. Mr. Daniel.

Mr. DAN DANIEL. Thank you, Mr. Chairman.

I yield to the lady if she has another question.

Thank you, General Greenlief. You always make a splendid contribution to our deliberations.

General, I want you to put on your enlisted man's hat for a moment. You were an enlisted man at one time. This is as you say, not political either. But I want to ask you to respond to a statement in this morning's paper. I think this originally came from the Air Force Times and the Army Times. It revealed yesterday President Carter had sent a memo to Defense Secretary Harold Brown suggesting that he and other Defense officials stop complaining about the morale and combat readiness problems stemming from the growing numbers of experienced officers and enlisted men who are leaving for higher paying jobs in the private sector.

When you were an enlisted man, did that cause a problem among the troops, a statement of that sort?

General GREENLIEF. Mr. Daniel, you told me to put on my enlisted hat. I have to tell you that is kind of an old hat, but I will try to wear it. But the facts are that the answer would be the same whether it is an officer or enlisted.

Our military forces are underpaid. I heard Mr. Laird say at a panel for the AEI the other night there ought to be a 21-percent increase. I think that is great. I don't think that would ever be achievable. But that is what he says the shortage is.

Now, the people who really know whether or not they are short are those enlisted men you are talking about. And when the Commander in Chief says, "forget it, no way we can pay them for their services," I am very certain they will start looking for better paying jobs. And what we will have left in the Army are only those who can't get a better job than the underpaid enlisted jobs in the Army today.

I think it is an atrocious position.

Mr. DAN DANIEL. General, will you list for the committee the priorities as you see them today for the Guard and the Reserves? What are the priority items? Obviously, we are not going to get everything we ask for; although I think as you have said, they are needed. But we are not going to get them; so recognizing that, what are the priorities?

General GREENLIEF. Mr. Daniel, my first priority is that there be developed a plan, a balanced plan, to provide for manpower, O. & M. funding, mobilization planning, equipment, and facilities, so that this whole force is ready.

I recognize we cannot do that all in 1 year. So the way I would prioritize it would be over some stated life cycle. For this year I would start by providing incentives to all members of the Army Guard and the Army Reserve.

Currently, only 42 percent of the new accessions in the Army Guard are eligible for the bonuses that this committee has provided.

Of all of the personnel who reenlist in the Army National Guard only 15 percent can be paid bonuses. That is because of limitations in dollars, and some policy decisions by DOD.

I would start by providing incentives for all. No. 2, I would start an increment of buy of equipment. And I have made and our association has made specific recommendations to your procurement subcommittee on aircraft; on ground items I don't have that specific a list. I can give you a list of 10 significant shortages that cost about $350 million. But the total shortage in the Army Guard is $2.8 billion.

I recommend very strongly this committee go back to the Army and say, you tell us what these shortages are. And ask for a planned procurement program for 5 years to achieve it.

Those are my highest priorities.

One other little item this year: The cut in draft funds in the Army National Guard and the Air National Guard in fiscal year 1980 is so severe that the training you are seriously concerned about is going to be badly limited. The only way I know to fix that is for DOD to ask for a supplemental, and I doubt very much they will do that. It is a fairly small item. We are talking about something like $3 million. That is the easiest. For step 1, I guess I would start with that.

The CHAIRMAN. Mr. Hillis.

Mr. HILLIS. Thank you, Mr. Chairman.

Mr. DAN DANIEL. Would the gentlemen yield for 1 second?

Mr. HILLIS. Yes.

Mr. DAN DANIEL. We have known you as General for so long, it is obvious it has been some time since you have been an enlisted man.

General GREENLIEF. I wasn't really offended. I know how old I am.

Mr. HILLIS. General, I certainly appreciate having your testimony here this morning. There are many, many matters that we can go into. Of course, we have heard the comment, and I think it is very true, if we were ever to get into war again it will be a

"come as you are" war. And I think you highlighted that this morning that we are not very ready to come out for such a thing.

I wonder if you could tell me, one of the areas I am interested in is the tactical airlift aircraft. While I see here that only 30 percent of the tactical airlift mission is with the Guard, this committee in the past and the Congress has had a program of directly uprating equipment for the Guard, rather than giving it to the Air Force and let it filter down. One of the reasons I think, is the age of much of the equipment you are called on to employ to meet your 30-percent mission.

I wondered if you could tell us where we stand and whether in your opinion it should be a high priority to continue the program of the Congress, emanating from this committee, to purchase new tactical airlift equipment directly for the Reserve and the Guard?

General GREENLIEF. Mr. Hillis, in responding to Mrs. Holt's question about the AH-1's I said that is the greatest demonstration of failure of planned procurement for the Guard and Reserve. I would have to share that honor with the C-130H because in the National Guard and the Air Force Reserve we supply 59 percent of all of the tactical airlift of the U.S. Air Force. And when you talk conventional warfare, tactical airlift is terribly important. We fly 394 aircraft. Of that number, 225 are marginal at best. That is 48 C-7's, 63 C-123's, and 114 C-130A's.

Those aircraft are not sustainable in combat in NATO. We can get them there, but you cannot maintain the aircraft or provide the tactical airlift required in the theater.

When there was an AMST plan, ultimately the Air Guard and the Air Force Reserve might have gotten well. But the AMST is canceled. There is no follow-on tactical airlift. There is no planned procurement of tactical airlift aircraft to replace those 225 aircraft that cannot be used successfully for sustained combat in NATO.

Before your Procurement Subcommittee we have asked for a buy of 16 C-130H's this year—8 for the Air National Guard, 8 for the Air Reserve. And I asked for them that way because I would like to insure they get into the Air Guard and Air Force Reserve.

Mr. HILLIS. Thank you very much, General.

The CHAIRMAN. Are there any further questions?

Mr. Carr.

Mr. CARR. Thank you, Mr. Chairman.

General, when you were before our Procurement Subcommittee requesting $1.2 billion worth of hardware add-ons, you and I had a little conversation about priorities. And I wonder if you had had occasion to think about that in the meantime, and could give this committee some guidance?

In the real world we can't be all things to all people; although the Congress does its level best to try. And that accounts for the deficit.

We have to make priorities, and it is good to know your position from an advocate point of view, from an absolute point of view, but for some of us who don't think in absolutist terms and have to think in terms relative to scarce dollars we have to make some priorities.

I appreciate you answer to Mr. Daniel's question about some of your priorities. I am wondering if you thought about our colloquy,

and could tell me where to maintain—what of that $1.2 billion is in a priority 1 category perhaps, and what is maybe in a priority 2 category. Maybe you could flush out you answer to Mr. Hillis in that kind of a system.

Perhaps if all of those things end up in priority 1 for you, where else in the military budget should we draw down? In other words, what other requests are you aware of that you would not place in such an urgent category so we might evaluate the options and the trade-offs from the point of view of the Guard?

General GREENLIEF. Mr. Carr, I have had a very solid opportunity to consider your question, because I have since had the same colloquy with Chairman Byrd of the Senate Procurement Subcommittee. My answer to Chairman Byrd was essentially as I answered you. There are a couple of parts to it, however.

No. 1, in the add-ons that we have asked, the add-on procurement and the add-on in R. & D., we do not ask for these add-ons at the expense of anything in the budget for the Regular Army or the Regular Air Force. We believe that the Army and Air Force need all of the hardware that is planned for procurement.

As a matter of fact, that is not just being objective, that is being a little selfish. Because unless the Regulars are equipped, we will never get equipped. No, I do not want anything at their expense, in terms of our listing.

I recognize $1.2 billion is a lot of money. I recognize that is a tremendous problem for this committee. The easy answer for me is to say you can cut half of it off just by eliminating the 30 F-15's; $539.4 million right there. But that is very difficult for me; because I believe those F-15's are needed for our national defense.

The Department of Defense thought they were needed until they knocked them off and traded them off for O. & M. money. I happen to share your views about the need for O. & M. money. So, no, I really don't have the expertise to balance off those terribly large dollar figures. I know we need them all. But in terms of what is quickest, the quickest fixes, for the Guard and Reserve, Air Guard and Air Force Reserve, then we are talking about the A-7's, the C-130H's, we are talking about the low smoke for the F-4's. We are talking about the 60 F-16's, because I believe those should come directly into the Guard, and the Reserve.

And on the Army side we are talking about the AH-1's, and the C-12A's. You could cut the bill in half by eliminating the 30 F-15's. But I happen to believe those are needed for national defense; and I think they can be afforded and I think they should be.

Mr. CARR. I would just respond I agree with you in terms of the O. & M. and in terms of the incentives and the bonuses and the travel pay that you say you need, but it has got to come out of somewhere. You could be most helpful to me along the way if you could give me a couple of hardware items you don't need quite so soon, you know.

General GREENLIEF. Mr. Carr, I will certainly continue to think the question, but if I may make one point. Your discussion here is about what do we trade off to stay within the dollar cost? I would like to suggest that that was the decision that was made in 1970. The administration decided to trade off Regular Army divisions and Regular Air Force wings by putting the reliance on the Guard

and Reserves. And that would have saved a tremendous amount of money. But we as a Nation weren't satisfied with that. What we did, we got rid of the Regulars, gave the mission to the Guard and Reserves, and then failed to pay the bill.

That is double dipping at its worst. And I believe that is being dishonest with the American citizen. I am suggesting that the decision was made in 1970. That is when the trade off was made.

The CHAIRMAN. Mrs. Byron.

Mrs. BYRON. Yes. Thank you, General.

I would like to follow along a little bit on personnel. And I think all of us know what is closest to home, the best. And having discussed with the Maryland National Guard as recently as last weekend on their personnel problems, and the change they see in the last 8 to 10 months, a change of the individual coming into the Guard unit, a different motivation coming into the Guard unit.

Could you speak a little bit on whether you see this nationally or is it too early to make a statement on that? They are beginning to see where up until the last 8 to 10 months individuals were in the Guard mainly for the monetary value as modest as it was. The individuals they are attracting to the Guard units now are coming in because of a national commitment, because of a commitment to national defense, and because they wish to serve their country. This is a beginning of a turn around.

General GREENLIEF. Mrs. Byron, the Army National Guard last fiscal year increased its strength by about 4,500. That was a very encouraging sign. Most of the increase, however, came from the application of the incentives provided by this committee. I really hope that what those Maryland Guard officers are telling you is true, that we are suddenly seeing a surge of patriotism that is producing the strength increase. But I have to tell you I don't really believe that. It isn't showing up in the Regular Forces. It is not showing up in other States.

All you have to do is look at our whole recruiting program, the Regulars and the Guard and Reserves, and all we are selling is a job—money. And I believe that is what people are responding to.

Mrs. BYRON. The dollar is the bottom line for the commitment?

General GREENLIEF. Training opportunity—for example, in the Air National Guard and the Air Force Reserve too who maintain their strength high. I think one of the greatest things they have going is that they can train people in skills that can then be converted to jobs. And I suspect in our society today jobs might be more important than pay.

The problem is, in the Army National Guard with 80 percent of our units being combat units, we train people to be killers. And that there is not too much of a market for that in civilian life. So we are going to have to pay more in incentives.

I am certain there are some who are joining out of some swelling up of patriotism. But that is not enough to make our force strength. And in my view we just must have incentives across the board for all personnel, for the Army Guard and the Army Reserve. And we have to have incentives for all the critical skill shortages in the Air Guard and the Air Force Reserve.

Mrs. BYRON. Thank you.

The CHAIRMAN. Mr. Mollohan.

Mr. MOLLOHAN. One question. General, I am a bit confused with numbers here. Will you straighten me out please? As I understood you earlier you stated we have a 160,000 shortage in our National Guard Reserve. Did I understand you correctly?

General GREENLIEF. Army National Guard and Army Reserve, sir.

Mr. MOLLOHAN. Then you made the reference to half a million or 500,000 men.

General GREENLIEF. That shortage is in the Individual Ready Reserve, which is an element of the Army Reserve. When I talked about the shortages of 160,000, that is in the Selected Reserve of the Army National Guard and Army Reserve—the unit program.

Mr. MOLLOHAN. That is in service at the moment?

General GREENLIEF. Yes, sir. Not on active duty. Those are Army National Guard Army Reserve units organized throughout the Nation. They are short 160,000 men and women from their wartime strength requirement.

Mr. MOLLOHAN. That is the Army Reserve and the National Guard alone?

General GREENLIEF. Army National Guard and Army Reserve. Now the Army Reserve also has the force known as the Individual Ready Reserve. This is the pool of pretrained manpower to flesh out active units, Guard and Reserve units, and provide for combat loss replacement. That force, that organization, is short 500,000.

Mr. MOLLOHAN. In substance that is the Inactive Reserve, is that right?

General GREENLIEF. It is not Inactive, sir. That is a pool of individuals who have been trained. They have a responsibility, a liability under the law to be called to active duty.

Mr. MOLLOHAN. But they do not have a regular or yearly training program?

General GREENLIEF. They do not, sir.

The reason I am being a little careful there; there are some words of art involved. In the sense you are using it, it is inactive in that it does not actively train. It is active in that it is available or vulnerable to call when they need it.

Mr. MOLLOHAN. What is the age group of that 500,000?

General GREENLIEF. Of that group?

Mr. MOLLOHAN. Yes.

General GREENLIEF. Sir, I am not able to give you that information. My impression in the years when I knew something considerable about that organization, my overall impression was that the Army knew very little about the force anyway.

My impression is it is pretty much that way now. I suspect you find, though, since people are in there with a 6-year service obligation if they joined between, say 18 and 24, the people who are in there some place between 24 and 30 now, something on that order.

Mr. MOLLOHAN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Mr. Hopkins.

Mr. HOPKINS. Mr. Chairman, thank you very much.

If I may first of all say that I am honored to be a new member of this committee, and it is truly an honor for me to be a member of this prestigious committee. It is my intention to make whatever

contribution I can for the betterment of the Nation we all love. My intention is to stay as a member of this committee, incidentally, until perhaps, as my predecessor, the people of Kentucky become wise enough to elect me Governor.

If I may, General, let me ask you a question. First of all I want to compliment you. You certainly don't impress me as one who has very much timidity, or you have not indicated any bashfulness here today before this committee. That is kind of my style. I like that.

I remember as a boy when soldiers were somebody. And we had pride, and picked them up as hitchhikers. We don't seem to do that any more in this country.

You spoke of incentives, and you spoke of selling a job. And you even stated that we go to the Army and ask them what their shortages are.

General, could you tell me how much or what the percentage is, perhaps, of the personnel in the armed services today that are on welfare, or perhaps or on food stamps?

General GREENLIEF. Mr. Hopkins, I regret to say that I cannot provide you with those kinds of statistics.

I would believe that when the witness for the Association of the U.S. Army testifies he may well have that data. I do know that of the lower ranks of enlisted personnel of all the services many of them are on welfare stamps or food stamps.

When you talk about the Guard and Reserve, if their only income was what they received from the Guard and Reserve, they would all be in the food stamp program.

Hopefully, our people are making a living on their own. And I just hope that the quality of our people are good enough and I believe the quality of our people are good enough that not too many of them live on food stamps. But in the regular services there is not much choice. Food stamps or moonlight.

Mr. WHITE. Out of our hearings that we held it appeared none of the Active Forces are eligible for welfare; because the pay scale is not that level.

As to food stamps I could not report because we did not get that information at the time. This is a popular conception which is wrong.

Mr. HOPKINS. Did you say they are not on welfare, is that correct?

Mr. WHITE. As we understand the level of eligibility, the pay scale of even the lowest does not qualify them for welfare at the present time.

Mr. HOPKINS. Do you know if any of them are on food stamps in the armed services?

General GREENLIEF. Many of them are on food stamps. There is no question, sir.

Mr. DAN DANIEL. Would the gentleman yield?

Mr. HOPKINS. I would be delighted to yield.

Mr. DAN DANIEL. My recollection is the commissaries took in about $10 million last year in food stamps from service personnel.

Mr. HOPKINS. $10 million?

Mr. DAN DANIEL. Yes, sir. That is my recollection. I will correct it for the record if it is not correct.

Mr. HOPKINS. Thank you very much.

The STRATTON. Mr. Chairman, could I ask another question?

The CHAIRMAN. The Chair recognizes Mr. Montgomery. He may yield to you.

Mr. MONTGOMERY. Mr. Chairman, since I had something to do with setting up these hearings today, I won't ask any questions. I want to thank the chairman for letting us have these hearings and also thank the witnesses for being here today.

I think it is absolutely necessary we get a good overlay on the Reserve Forces. I would be glad to yield to the gentleman from Massachusetts.

Mr. MAVROULES. I came in late, therefore I may be bouncing off the wall on this question.

I agree with you. I find great merit in H.R. 6274, which is something Mr. Montgomery and I have talked at length about and, of course, will be talking about more in the future. But did I hear you correctly in stating we are now short about 160,000 people in relation to wartime limits? Did you make that statement before?

General GREENLIEF. Precisely, sir.

Mr. MAVROULES. Let me ask you this, and I enjoy very much your professionalism and your candor. That is why I am asking this question. Could you honestly feel at this point we should be preparing for that kind of limit on so short a notice—a war design limit?

General GREENLIEF. Mr. Mavroules, the product of the SALT II debate, the Iranian crisis, and the invasion of Afghanistan was to focus the attention of the administration, this Congress, and many of the people in our Nation on our need to have a conventional warfare capability.

When you start talking about that and you recognize the tremendous superiority the Warsaw Pact has over the United States and the NATO allies in that conventional warfare capability it makes it all the more important.

Yes, I believe we should be at that level now. If you read into what it takes to produce the long leadtime items, like forgings and castings to produce aircraft, you know that these procurements must be planned a long time in advance. You can't wait until the war starts up to equip units. Even people, you know the Selective Service, if they could do everything that has been said that they can do, which I don't believe, but if you could, or if they could, they get the first trained manpower in 7 months.

That is what causes or has caused the Department of Defense to say we are going to fight a "come as you are" war. That is because the long leadtime it takes to produce. If we need all the forces that our best national security planners say we need, then those forces better be ready; because "come as you are" means you are going to fight that way. That is the whole thrust of my statement this morning.

We have told the American people that we are going to rely on the Guard and the Reserve. We have told them we are going to fight "come as you are." And I am here to say, we will come, but as we are is not ready. The time to do it is now.

I don't believe it can be done in 1 year, but the typical DOD approach is to do it with a 5-year defense plan. You know the end of that is always 5 years out and you never get there.

I am talking about a kind of a 5-year plan that starts now and gets there at the end of 5 years, and hope we don't fight before that.

Mr. MAVROULES. Thank you.

Thank you for yielding your time.

The CHAIRMAN. Mr. Stratton.

Mr. STRATTON. General, you mentioned the shortage of doctors in the armed services and the veto of the pay bill we had sent in to increase the doctors' bonus in an effort to keep them in. My understanding is a very substantial number of highly qualified doctors are going to quit if that bill is not signed. And essentially, in its basic form, maybe leading up to public health doctors, and possibly the podiatrists and other specialists that are really in short supply. Do you know of any other way that we could get adequate military medical care for our service personnel if we are not going to do it by pay, than by instituting a doctor draft?

General GREENLIEF. Most certainly, Mr. Stratton, if we are not willing to pay doctors enough to serve, just as we are not willing to pay enlisted men enough to serve, then the solution is the draft. I noted that even Secretary of State Vance in a statement before the Chicago Foreign Relations Council just several days ago said it was a mistake to drop the draft, and we should return to it.

I am happy to see at least one leader of the administration has gone on record recognizing what the problem is and what the best solution is.

Mr. STRATTON. Thank you very much.

Mr. DAN DANIEL. Mr. Chairman, may I correct the record now?

The CHAIRMAN. Mr. Daniel.

Mr. DAN DANIEL. I have the figures.

Mr. Hopkins, according to our figures the basic pay for 580,000 service numbers in grade E–1 through E–4 who fall below the Government's minimum wage for civilian employees—100,000 service people qualify for food stamps. Twelve million dollars in food stamps was redeemed in military commissaries last year.

General GREENLIEF. Mr. Chairman, in view of Mr. Daniel's excellent answer may I be excused of the requirement to provide an insert for the record, as he has answered it.

The CHAIRMAN. Certainly.

General, can you remain here during the proceedings?

General GREENLIEF. I plan to, sir.

The CHAIRMAN. I would suggest that the full panel present individually their statements uninterrupted by questions of the committee. After they have all presented their statements we will open the committee for further questioning.

The Chair asks Maj. Gen. J. Milnor Roberts, Reserve Officers Association of the United States, to take the stand.

General GREENLIEF. Thank you very much for the opportunity, Mr. Chairman.

General ROBERTS. Thank you very much, Mr. Chairman.

It is a real pleasure to meet before the full committee, which is an unusual opportunity. I would ask that my complete statement be submitted for the record.

The CHAIRMAN. Without objection, the full statement will be included in the record.

STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS, RETIRED, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

General ROBERTS. I would like to highlight some of the remarks in there. Just the other evening two members of this committee, Mr. Stratton and Mrs. Schroeder, appeared on a television program sponsored by AEI, which also included Congressman McCloskey from California, and former Secretary of Defense, Mr. Laird.

The subject of the evening was our manpower problems within the Armed Forces. During the discussion it became clear that the Reserves, particularly Army Reserves, face great difficulty, and other Reserve Forces are having problems primarily because of equipment.

The question was asked how did we get into this shape? Mr. Mitchell earlier this morning asked the same question. I would like to give a more specific answer.

The problem is, as we see it, a failure of the senior leadership in the Pentagon to pay enough attention to the Reserve Forces chronically and historically. Reserve Forces are treated as second-class citizens, expected to give first-class performance within days or hours when the need arises. And it just isn't working very well.

In the late sixties when the Congress passed what was known as the Reserve Forces bill of rights, this House provided in its legislation an Assistant Secretary of Defense for Reserves. The Senate demurred, and we got what we have now, which is a Deputy Assistant Secretary along with a number of deputy assistant secretaries, and that is not enough.

It doesn't focus the attention that we need. We need to implement the bill which you have introduced, Mr. Chairman, which is similar to the one introduced in the past Congress by Mr. Bennett and others, calling for an Assistant Secretary of Defense for Mobilization and Reserve Readiness. We might get a little more attention, at least that would be only a couple of places away from the Secretary of Defense, not four.

We need the same thing in the services. The secretariats of the services right now are having some problems along that line. We need to give more attention to the Reserve problems. We need to have people in the Pentagon who will see that the budgeters don't hit the weakest spot in the whole program; because there is nobody high enough up to defend them, and that is the Reserve Forces. That is why you have to use this committee for a damage-control party year after year. They come over here with absurd recommendations like the cut the Navy in half 4 years in a row.

It was as plain as the picture on the wall, 10 years ago, that if you are going to end the draft, you are going to have the Individual Ready Reserve of the Army melting away like the snow in the spring.

I personally ran a survey which showed this. We presented this to OSD in 1972. What did they do? Nothing—worse than nothing. They made it more difficult for people to enlist. I won't take the time of the committee to go into right now, but that is what has been happening. And that is why the answer to that question the other night was, we need an Assistant Secretary of Defense for Mobilization and Reserve Readiness.

I won't dwell further on this, as it is familiar to this committee. I was asked that early hearings be scheduled on this proposal. With regard to our personnel problems, I would certainly echo the sentiments of General Greenlief in that we have critical problems in the Army Reserve Forces which need attention, and attention now.

We need to provide incentives for all the people in the Army Reserve components, not just a few elite. We haven't as much of a problem with first term recruiting in the Reserve of the Army as we have in retention. And certainly, certain incentives which should be provided would fix that. And I suggest it is a lot cheaper to keep a trained man or woman than to bring a new one aboard.

I am talking about economy, which is a very popular subject these days. I continue to be amazed at how the Reserve Forces get the crumbs from the table when they are so desperately important in a crisis. The total direct outlay of the Defense Department for Reserve Forces is about 5 percent of the total budget. And this is chiseled away at, time after time.

Right now I would bring your attention to the critical shortage of travel funds affecting all of the Reserve Forces, including the Army, the Navy, and the Air Force in particular. There is a $4.8 million shortage in the Army Reserve of travel funds right now. This is going to have a direct impact on the training of our Selected Reserve people and our Individual Ready Reservists this summer. This is in fiscal year 1980 we are talking about. This has to be fixed. We have a shortage of travel funds in the Naval Reserve approaching $10 million.

We have a shortage of funds in the Air Force Reserve of about $1½ million. How this happens is because they try to paint the Reserve with the Active Forces in many ways when it comes to cutting an appropriation. They don't realize that travel in the Reserve business is a lot different than the travel money for the Active Forces.

If you cut travel money in the Reserves, you can very well be cutting the heart out of the training program. And I would like to submit for the record some detailed recommendations along this line, Mr. Chairman.

The CHAIRMAN. Without objection, they will be accepted.

[The following information was received for the record:]

Congress in fiscal year 1980 with a continuing Resolution (H.J. Res. 412) Section 112 reduced Federal Government 500 million dollars below fiscal year 1980 budget request for travel and transportation.

It is requested that the Reserve Forces be given a relief to the reduction of travel funds for fiscal year 1980.

This reduction in travel funds will seriously affect the readiness of our reserve units by reducing command supervision, training, and training assistance through visitation. The individual reservists are unable to attend upgraded training courses because there are no funds to allow travel to training locations. This will drastically affect the early deployment units.

ARMY RESERVE

The Army Reserve shortage in RPA—$3.3 million dollars.

AIR FORCE RESERVE

The Air Force Reserve in fiscal year 1980 will be short $1.5 million dollars in RPA funds.

NAVAL RESERVE

The Naval Reserve shortage in travel funds is $10.6 million dollars. This shortage will eliminate or reduce "weekend away" drills and will impact on mine sweep units and mine assembly units of which the Naval Reserve constitutes 90 percent and 60 percent of the Total Forces respectively. The shortage will also eliminate OCONUS travel which will impact on the CB Battalions and the ASW Patrol.

General ROBERTS. With regard to equipment I will not dwell on it. It is spelled out in our prepared remarks. It is not of immediate concern to this committee. But we very badly need upgraded equipment in the Air Force Reserve and in the Naval Reserve as well as in the Army, which General Greenlief covered in some detail.

Finally, I would like to mention the full-time manning program of the Army in which we support very heavily. The reason that the Air Force Reserve elements are in very good state of readiness, at least one reason, is because they have somewhere around 18 or 20 percent full-time people. The results are obvious.

The full-time manning of the Army Reserve Forces is far, far less—a fraction of that. And it has been recommended that reservists be ordered to duty for extended periods to fill this need. We support that program, and we believe that the Army should be asked if they have developed a career pattern for such people.

Otherwise, you are not going to get quality people if you bring them aboard 2 or 4 years and then let them go.

On the Air Force side, however, we think they have got a good program. Their technician program is strong. It is running well. We see no reason to change that.

The Navy, fortunately, due to the work of this committee, has retained its program over the last several years. That has been working well. We would like to see it continue in the same pattern.

Mr. Chairman, that concludes my preliminary remarks. I would be happy to answer any questions.

WRITTEN STATEMENT OF MAJ. GEN. J. MILNOR ROBERTS, AUS (RET.)

Mr. Chairman and Members of the Committee:

I am especially pleased to have the opportunity to appear before the full Committee to present the views of the Reserve Officers Association on the requirements of the Reserve Forces of the United States. Recent events have underlined the importance of our Reserve Forces to our National Defense Posture.

No member of your Committee needs to be reminded of the ravages of our present rate of inflation and the intention of the Administration to reduce expenditures whenever possible. We applaud that effort, and we are also pleased that such circumstances tend to emphasize the importance of our Reserve Components. As Senator Russell B. Long says in the current edition of U.S. News and World Report, "I don't think that the Pentagon has ever fully explored the potential of using an adequate Reserve force."

I am sure that you are fully aware that direct expenditures on Reserve Components is limited to about 5% of the Defense budget, yet the Services are relying to a very pronounced degree on those Components upon mobilization. For example, more than 50% of Army combat units and nearly half of the total Army available on M Day would come from Reserves. Comparable statistics for other Services are presented later in this statement.

Given this indication of reliance on Reserves, it is natural to wonder why these Forces have been given second class treatment for many years when they are expected to deliver first class performance within days or weeks in a crisis.

Recently, two members of your Committee, Rep. Sam Stratton and Rep. Patricia Schroeder, along with Rep. Paul McCloskey and former Secretary of Defense Melvin Laird, participated in a panel discussion of Armed Forces personnel problems under the sponsorship of the American Enterprise Institute. In discussing the alarming shortages of the Army's Individual Ready Reserve (IRR) and Selected Reserve, it became apparent that policy making and overall guidance concerning Reserves has not been handled well in the Office of the Secretary of Defense. Mr. Laird voiced the sentiment of all

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panelists when he commented that the present Assistant Secretary position (for Manpower, Reserve Affairs and Logistics) is badly over-loaded with consequent unfortunate results.

Mr. Chairman, in making his assessment of a key reason for Reserve Force problems, Mr. Laird pointed eloquently to the need for enactment of your Bill No. 6076. A leading element of your proposal is the establishment of an Assistant Secretary of Defense for Mobilization and Reserve Readiness with comparable positions in the Secretariat of the Services. Other provisions of the Bill would emulate the success of the Air Force Reserve Components for the other Services and would place more responsibility for Ready Reserves under the direction of experienced and sympathetic Reserve senior leaders than as presently practiced.

I hope that hearings on H.R. 6076 will be scheduled in the very near future. Executive Summaries of the Bill (known as the Total Force Act) are available for all members or staff assistants.

I have now completed my introductory remarks, and I will continue with further comments and recommendations by Service.

ARMY RESERVE

In today's total Army, the Reserves have continued to grow in importance. With modernization and new doctrines being developed to accommodate the Army's new weapon systems we envision the Selected Reserves programmed strength should rise above the present 276,000. An increase of 10 to 20 thousand over the next two or three years in not unrealistic.

With the rapid decline of the IRR we would hope that additional emphasis would be placed on obtaining personnel and equipment for those units in the Selected Reserves, as they will be the essential elements for immediate support to the active forces upon mobilization. In Fiscal Year (FY) 1981 we recommend that the end strength of the USAR should be a minimum of 210,000.

The enlistment and reenlistment bonus program that was tested during the past fiscal year in approximately 50 percent of the USAR units has proven a valuable tool in increasing enlistments

and retention. This bonus for enlistment and reenlistment program should be continued and expanded to include all reserve units.

One of the weaknesses in the FY 1980 budget was the lack of funds to properly support an advertising program essential to the success of USAR recruiting. As an example, Army Reserve advertising did not include national television. It is recommended that the Congress in their wisdom allocate at least six million dollars in the FY 1981 budget to be exclusively used in national television advertising for the Army Reserve. In view of the vital nature of our National Defense, we feel that our priorities should allow for advertising the Army Reserve.

As the pressures multiply on the Selected Reserve units to improve unit readiness we find the citizen soldier's time is becoming so precious and his top priorities so many that it is almost an impossible task to accomplish his Reserve mission as well as the necessary support functions. For this reason full-time military support personnel has the greatest potential for assisting our units in becoming the mobilization assets that the total Army must rely upon in order to accomplish this mission. There is an urgent need to increase the number of full-time military personnel assigned to support USAR units. At the present time there are approximately 4,500 planned for FY 1980. This should be increased to at least 7,500 by end of FY 1982. A formal career management program for USAR full-time support personnel should be developed in order to attract and retain the best qualified personnel into this program.

With the plans to expand prepositioned material overseas we are concerned that the USAR will be confronted in FY 1981 with the necessity of conducting training at reduced equipment levels. At the present time the USAR has approximately 61 percent peacetime dollar value and through equipment sharing has been able to accomplish essential training. We are confident that this Committee will monitor the prepositioning program so that the USAR will not be deprived of the necessary equipment needed for training nor will it be required to train with obsolete equipment.

NAVAL RESERVE

Mr. Chairman, thanks to the wisdom and tenacity of this committee in particular and the entire Congress in general, the Naval Reserve fared well in the FY 1980 budget. Your recognition and support of Navy's Selected Reserve manpower requirements, as well as C-9B aircraft for its Organic Airlift and retention of its Helicopter and Composite squadrons, has not only improved its combat readiness but has enhanced the morale of the Reserve Forces with a resultant personnel increase of nearly 7,000 in the past year. Significant was a 15.1 percent reversal of projected normal losses for the period. Naval Reservists continue to demonstrate eagerness to be a part of a combat organization that enjoys recognition and support from the very top, both civilian and military.

Navy's Selected Reserve currently has on board 87,145 Reservists, moderately exceeding its mandated floor of 87,000. The ROA heartily applauds the stability now achieved within the Selected Reserve by the authorization for the fourth year of a manpower of 87,000, a tribute to the wisdom of the Congress alone. However, the very important Navy Manpower Mobilization (NAMMOS) study which is expected to reveal the most valid and acceptable mobilization requirements for Navy, has now been completed, and it is currently being staffed within the office of the Secretary of Defense. Dependable but unofficial information tells us that the validated requirement will be at least 10,000 over the currently mandated floor, probably around 100,000. In view of the new concern being voiced by both Administration and the Congress over this Nation's minimal Navy/Military resources becuase of current Soviet aggression, ROA firmly believes that Reserve Forces must be bolstered. It is therefore recommended that a FY 1981 Selected Reserve floor of 92,000 be authorized. There is strong assurance that this number can be handily achieved, and it will be a modest interim step toward attainment of the true mobilization requirements soon to be promulgated.

Last year the Naval Reserve achieved a significant personnel milestone; all Selected Reserve enlisted personnel were placed in pay category "A" -- that is, they now receive 48 paid drills. As a result a positive enhancement in readiness, morale and reten-

tion has occurred. It is a goal of Admiral Hayward, Chief of Naval Operations and Rear Admiral Palmer, Chief of Naval Reserve, that all Selected Reserve officers also be placed in Category "A" as a matter of equity and just recompense for professional excellence. ROA strongly supports Navy leadership in recommending funding be authorized for this.

In the area of combat hardware, the Naval Reserve still needs help. Last year the Congress provided major increases to Navy's combat readiness capabilities by restoring four Anti-Submarine Warfare and two Light Attack Helicopter Squadrons, and two Composite squadrons which the Administration's budget had deleted. We note with satisfaction that the FY 1981 budget continues the two Composite squadrons, now the only ones left in the Navy. However, the Anti-Submarine Warfare (ASW) and "gunship" squadrons have once again been eliminated. Mr. Chairman, the Navy needs those squadrons. In order to be fully prepared as "mirror images" of their Fleet counterparts, the two Reserve Air Wings must retain these ASW squadrons. Their versatility provides support not only in the ASW role but in utility, Sea Air Rescue, and other yeoman duty for both Carrier and destroyer operations. Similarly, the two Light Attack (gunship) squadrons, the only ones in the Navy, are prime candidates for a contingency backup role in today's tense security situation, especially in view of current emphasis on Rapid Deployment Forces where the 50,000 Reserve callup authority could be used. ROA recommends retention of these weapons systems and personnel.

Few issues have been the subject of more discussion in the past with this Committee and Congress in general, than Navy's C-9 tactical airlift modernization program. Now it appears that the need to replace the aging C-118s with the C-9B aircraft has become well established, with one C-9B authorized in FY 1979 and two in FY 1980. An orderly program to phase out the C-118s on the basis of five to two ratio has begun with three C-118s scheduled for retirement this year. The goal of 26 C-9Bs is being realized, but too slowly. It is strongly urged that six C-9B aircraft be authorized

for FY 1981 and that the remaining C-118s and C-131 Hs be retained until replacement C-9s become available in accordance with the following schedule.

FISCAL YEAR	81	82	83	84	Total Program
C-9B (Flyaway)	6/$107.7	6/107.7	6/107.7	8/143.6	26/466.7M
Site Support (2 per year)	1.9M	1.9M	1.9M	1.9M	$7.6M
Spares	9.4M	9.4M	9.4M	9.4M	$37.6M

Mr. Chairman, ROA strongly supports the Total Forces, both Active and Reserve; in view of ROA's Congressional Charter, it is important here to present our solid endorsement of two urgent requirements of the Active Naval Forces. Our fleet has shrunk over the past decade from 1,055 ships and over 8,500 aircraft to 529 ships and some 5,600 aircraft. It is no wonder that the Secretary of Defense in his recent report to the Congress stated that he believes our naval forces can, at present, carry out a phased and sequential wartime strategy, but "with less confidence than I would like."

In order to maintain the fleet we have today, it would be necessary to buy 17-18 ships and about 330 aircraft each year, an investment of about $8 billion for shipbuilding and $6 billion for aircraft procurement each year. The Navy has fallen short of that requirement throughout the past decade, averaging 15 ships and 247 aircraft a year (with an average of only 15 ships and 138 aircraft during the most recent three years). ROA strongly urges favorable consideration of Navy's five-year shipbuilding plan calling for 17 ships in FY 1981 and its five-year aircraft procurement plan, calling for 308 new aircraft for FY 1981. It could mean the difference between our remaining the strongest nation in the world or becoming a nation with more of a past than a future.

MARINE CORPS RESERVE

The current and long overdue recognition of the growing threat from Soviet Bloc nations and our Nation's critical need to increase its Armed Forces capabilities has put even greater emphasis on the Marine Corps with its unique role in

Amphibious Warfare. Now it is gaining prominence in the Rapid Deployment Force specialty as well. Thus, an even greater responsibility is placed on the Marine Corps Reserve, which must be prepared to take its place as one of the Corps' four Divisions and Air Wings upon mobilization. General Barrow, Commandant of the Marine Corps, has insisted on highest quality in Marine Corps recruiting, even at the expense of lesser quantity. Still, the Marine Corps Reserve has demonstrated that it can make its numbers. In view of this, with a Mobilization requirement of over 44,000, the Marine Corps Selected Reserve should increase in numbers to a size more nearly approaching its needs.

It is strongly recommended that the Marine Corps Selected Reserve be authorized a floor of 34,700. This number is attainable and will be a positive and logical step toward its full mobilization requirements.

Mr. Chairman, the Congress last year authorized the Marine Corps Reserve funding for the purpose of providing Active Duty for training for 2,000 Marine Corps Reservists in the Individual Ready Reserve. So successful was this program in enhancing the mobilization potential of these Reservists it is again requested that funding be made available for this purpose for FY 1981.

COAST GUARD RESERVE

We are pleased to note that during the past year the Coast Guard Reserve has fully justified the confidence placed in it by the Congress, by the Departments of Transportation and Defense, and by the Commandant of the Coast Guard. The extremely high performance Reserve force has now become established and acknowledged as a vital and necessary partner to the active Coast Guard forces in peacetime as well as in mobilization situations.

The Coast Guard's unique authority to recall Reservists to active duty for peacetime missions has been validated strongly during the past year as Reservists have joined active forces in many life-saving and environment-enhancing

missions. For example, the disastrous Campeche oil spill and results of Hurricane Frederick last fall saw many Reservists volunteering for active duty recall to aid in bringing order out of the chaos in these urgent situations. The highest praise has been heaped upon the Coast Guard Reserve for such operations.

The FY 1981 selected Reserve Manpower request for the Coast Guard Reserve is 11,700. This number has been stabilized for the past several years; although considered a practical compromise in the past, it is now time for a change, in view of increasing Coast Guard requirements. The Coast Guard Reserve has demonstrated its capacity to maintain or exceed authorized strength. Mobilization requirements exist for 22,000 Selected Reserve personnel, and Coast Guard has long depended upon IRR recall to augment the Selected Reserve to meet this figure. However, given the probable yield from such recall and in view of shrinking IRR resources (now about 8,000) there would remain a substantial shortage on mobilization. A stated goal of 15,500 Selected Reservists appears both reasonable and attainable over a period. ROA therefore recommends, as a moderate first step, that the Coast Guard Reserve be authorized a floor of 12,500 for FY 1981

AIR FORCE RESERVE

We are again happy to report to you that the Air Force Reserve exceeded its authorized end strength in both the unit and mobilization augmentee program.

In addition, all of the Air Force Reserve units, with possessed equipment, are combat ready (C-3 and above). These units participated in the largest mobilization test, "Redoubt III," which conclusively demonstrated their ability to mobilize in 24 hours and deploy within 72 hours. In this exercise, personnel were alerted, processed for mobilization, and selected units were deployed to a field training site, where they flew simulated combat missions and lived in field conditions. This test conslusively demonstrated that the

Air Force Reserve has the ability to deliver combat ready units and individuals when and where needed.

This, of course, is not intended to imply that there are no problems. In fact, there are several major problems confronting the Air Force Reserve. These are:

1. The debilitating effect of the expanded test of converting Air Force Reserve technician spaces to military spaces.
2. The need for specialized recruiting incentives.
3. The urgent need to modernize the Air Force Reserve and retire the aging aircraft still assigned.

Air Reserve Technicians

The FY 1979 DoD Appropriations Act directed the Air Force Reserve and other Reserve components to convert a number of technicians to full-time military spaces to evaluate the ability of the Reserve components to "attract and hire" qualified personnel in an active duty status. The test was to include a wide range of skills and to determine if there were any economic benefits to be derived from having active duty Reservists provide the full-time support.

The FY 1979 Appropriations bill only required the Air Force Reserve to convert 68 positions during FY 1979. However, DoD subsequently directed the number of spaces be expanded to convert 161 positions in FY 1980, and the House Appropriations Committee approved funding these 161 additional military positions. The Committee additionally stipulated that the test should terminate on June 30, 1980 and that DoD submit an evaluation of the test program by December 30, 1980.

The USAFR started the FY 1979 test at Homestead AFB, Florida and Grissom AFB, Indiana. It intentionally restricted the test to these two units, as they were converting to new airdraft and had sufficient vacancies in a wide range of skills and grades. The positions identified for conversion represented a cross-section of the entire

USAFR technician force and personnel turbulence among technicians personnel could be controlled. It was also felt that this approach would provide for closer management and be beneficial for planning future USAFR conversions if necessary.

The FY 1979 test experience has not been successful. Fifty of the spaces were still vacant at the end of 1979 and applications had been received for only thirty of the positions. The majority of the positions vacant were in skill areas requiring the most technical expertise and among the most critical to mission accomplishment. Ironically, qualified personnel were on hand who wanted employment as technicians and who could have been hired to fill those vacancies but they would not be in military status. The two test units have been able to maintain their combat readiness despite these vacancies through support from the base and the hard work of the technician personnel already in the unit.

For over 20 years the Air Force technician program has been the principal means by which the Air Force Reserve has been able to maintain the combat readiness of its units. This readiness has been one of the principal reasons that our country has been able to place an increasing share of the missions in the Air Reserve Forces. ROA is especially concerned that the test and the uncertainty it has produced, will cause many of our skilled enlisted technicians to find other stable employment, thus reducing the combat capability of these units.

We recognize that the Army Reserve and Army National Guard have special problems, different from the Air Force Reserve, and we, in no way, want to comment on the solutions to their problems. However, we do not feel that the solutions to their problems should be forced on the Air Force Reserve, which has clearly demonstrated its ability to deliver fully manned combat ready units.

Mr. Chairman, the Reserve Officers Association remains convinced that the present technician program for the Air

Force Reserve is the most effective, efficient and economical method of providing full-time support for Air Force Reserve units and we are opposed to any changes which will jeopardize their future combat capability.

Incentive Programs

The 95th Congress authorized recruiting and retention incentives for the USAFR ($1.7 million for enlistment incentives and $200,000 for reenlistment bonuses). The Department of Defense subsequently reduced the dollar amounts to $300,000 total, $100,000 for enlistment and $200,000 for reenlistment incentives. Reprogramming action was taken by the Air Force which resulted in increasing the money available by only $300,000 -- hardly enough to conduct a meaningful incentive program. At the end of FY 1979, one hundred and eleven (111) individuals had qualified for an enlistment bonus, and six hundred and ninety-five (695) had qualified for reenlistment bonuses. Because DoD restricted the funds, the USAFR was unable to determine the impact of these programs. The Air Force Reserve is seeking an adequately funded program of approximately $2.4 million in FY 1981. This funding would allow the USAFR to operate a meaningful incentive program and would aid their efforts to combat capability. We strongly urge your support for this incentive program.

C-130 H

The Air Reserve Forces (AFR/ANG) furnish over 60 per cent of the USAF tactical airlift force, yet this fleet contains many C-123 and C-7 aircraft, which are still propeller driven and require difficult-to-locate 115/145 aviation gasoline. In addition, these aircraft are burdened with many serious problems which detract from their mission capability and should be replaced as soon as possible. Since there is no modernization program for tactical airlift, it is imperative that AFRES/ANG units be provided equipment which is capable of sustaining high operational readiness and mission reliability. We urge you to support the tactical

airlift modernization program by adding 16 C-130-H aircraft to the FY 1981 Authorization Bill -- eight for the Air Force Reserve and eight for the Air National Guard.

A-10s

We recommend a number of A-10s presently programmed be modified to two place configuration, to provide for more economical training of Air Reserve Forces.

F-16s

We recommend $20-million be authorized in FY 1981 for long lead assets for the F-16 aircraft. This will allow the FY 1982 production rate to be restored to 15 aircraft per month and can provide approximately 60 additional aircraft for the Reserve Forces much sooner than presently programmed

F-15s

We recommend the restoration of 30 F-15 aircraft to the FY 1981 budget and that these aircraft be dedicated to the Air Defense of Alaska and the continental United States.

CONCLUSION

Finally, the Military Health Care program has been given some well deserved attention in both Houses of Congress in the last several years.

An examination of the Health Care program reveals a diversity of problems in a mix of authorization, appropriations. Which elements come first and which offer significant solutions is difficult to determine. The current dilemma in Military Medicine, and its ability to provide adequate health care on mobilization (and also in peacetime) requires more than a casual examination and also requires the unconstrained professional advice of the several Surgeons General of the Armed Services. The problem of Military Health Care is a composite of many areas that overlap and interact with each other, including Active and Reserve Components; Active, Reserve and Retiree medical

care; intern, residency and the graduate training of Health Care Professionals; support personnel; facilities; construction; Hospital accreditations; supplies, CHAMPUS, and possibly cost sharing plans for medical and dental care of dependents of retirees and other elements.

Recent legislation, S. 523 and H.R. 5235, will no doubt contribute favorably to the acquisition and retention of Health Care Professionals; however, it must not be considered a universal fix to the overall Health Care problem. Several subcommittees of HASC have distinct responsibilities for elements of the problems in the Military Health Care system; consequently no single subcommittee can address and solve the Health Care problem independent of inputs from other subcommittees. The subcommittees of HASC involved are: Subcommittee on Military Personnel, Subcommittee on Military Compensation, Subcommittee on Investigations, Subcommittee on Military Installations and Facilities and Subcommittee on Research and Development.

In view of the extent and diversity of the problem, a Task Force composed of members of the several subcommittees may offer an inviting approach toward the definition of the problem and the development of an approach toward its solution. Such a Military Health Care Task Force could provide initiatives for the 1981 authorizations legislation which may form the basis for a coordinated program in follow-on years.

In addition to my opening remarks which were concerned with OSD management of Reserve Forces, I would emphasize ROA's view that the most critical immediate requirement for our Reserves and National Guard is additional personnel. I don't mean to suggest that we can ignore our needs for equipment, of course, but we must stress the training and retention of quality people for our Reserve Forces.

Further, the serious shortages of support personnel within the Active Force, particularly the severe deficiencies

in the health professions, necessitates legislation with the option to draft doctors and dentists into the Armed Forces.

Under the circumstances, we commend the President's wisdom in renewing his authority to register 19 and 20 year old youth. However, we believe that registration alone is not enough. In order to achieve minimum levels of personnel required to man our Ready Reserves, we must have the authority to draft into the Reserves.

Very recently, our Association adopted a resolution addressing this problem, and I hope that Mr. Montgomery's bill will be passed this year and that a broader measure will be adopted early in 1981. I am reminded of Congressional action in the late summer of 1941 when extension of the draft was approved in the House by only 1 vote. The Pearl Harbor attack took place just three months later.

I have been privileged to appear before you today. I will be pleased to answer any questions you may have at this time.

The CHAIRMAN. Thank you, General.

The next witness will be Colonel Stevens, special assistant to the executive vice president, Association of U.S. Army.

STATEMENT OF COL. PHILLIP H. STEVENS, SPECIAL ASSISTANT TO THE EXECUTIVE VICE PRESIDENT, ASSOCIATION OF THE U.S. ARMY

Colonel STEVENS. Thank you, Mr. Chairman.

Let me say at the outset that in full knowledge that General Greenlief and General Roberts would be dealing in great detail with their respective National Guard and Reserve, the Association of the U.S. Army, which represents all three of the components of the Army chose to make a general statement.

The membership of AUSA encompasses every element of the total Army—Active, Reserve and National Guard—so we welcome the opportunity to appear here today and to discuss with you our concerns about the ability of this collective entity to do the job assigned to it. You all remember, I am sure, the reason for the establishment of the total Army concept—to maximize the effectiveness of a force that was shrinking in numbers but saw no corresponding reduction in its responsibilities.

Based on the assumption that the total Army concept would be supported fully by the Commander in Chief and by the Congress the Active Army reorganized to add substantially to its fighting capability. The most notable reflection of that shift was the creation of three new combat divisions with no increase in manpower—in fact, there have been some manpower decreases since the shift to 16 divisions was undertaken. The move to the 16-division

level has placed much greater responsibility on the Reserve components and has involved them more closely with the Active Force than ever before.

National Guard and Reserve battalions and brigades are now integral parts of the Active Army divisions. These roundout units, as they are called, would have to go into combat with the parent active unit or the parent unit would be incomplete. The roundout units spend much of their training time each year with their active sponsors and the relationship between the two elements is both good and close. They see themselves not as Regulars and reservists but as soldiers on the same team.

As the total Army stands today, both the Active and National Guard elements are combat heavy while the great bulk of the needed combat support is in the Army Reserve. All the Army's contingency planning assumes that if the United States should have to commit its Army to combat the total Army will be called upon at mobilization. There are some instances, in fact, when Reserve component units would have to be moved into a combat zone before some Active units—a direct contradiction of the historical precedent in which the Active Army had to fight all alone until the Reserves could be mobilized.

Today the Reserve element of the total Army should be considered mobilizable at all times, awaiting nothing more than a call from the President. Unfortunately, that state of readiness is beyond the capability of many of the most badly needed Reserve units. It is vital that the entire Congress realize this. It would be extremely helpful if the language of the authorization bill reflected this concern.

Let me give a broad overview of where we would stand if we had to go to war tomorrow. The Active Army today stands at about 15,000 below the strength authorized by Congress for the current fiscal year and more than 75,000 below the number of people needed to bring every Active Army unit to full strength.

Here I must depart a little bit by saying the figures I calculate for the shortfall in the National Guard and the Army Reserve are somewhat greater than have been stated before. As I calculate it the Army National Guard is 88,500 below the strength level needed for mobilization and the Army Reserve is 86,000 below the mobilization level. That is somewhat more than 160,000 General Greenlief stated earlier. There are also some serious equipment shortfalls that could not be made up quickly. Because of the low manning level of the Individual Ready Reserve, the Army's only source of trained individual soldiers to be used as combat replacements and unit fillers, there is a very real possibility that some Reserve and Guard units might have to be stripped of personnel to fill early mobilization gaps. This would effectively destroy the Reserve structure.

The manpower problem must take first priority for solution. You are all aware, I am sure, that the Association of the U.S. Army strongly supports efforts to rebuild a mobilization manpower pool by revitalizing the Selective Service System and renewing the registration process. We have recommended further the use of Selective Service to call as many as 200,000 people each year for training and inactive service in the Individual Ready Reserve. We also

stand firmly behind a drastically upgraded program of incentives to encourage enlistment and retention in the Reserve components. Similarly, selected equipment shortages must be addressed promptly because of procurement lead times.

In closing, Mr. Chairman, let me remind the committee that we only have a complete Army when the total Army is healthy. Unless we choose to abandon the total Army concept, a choice that would be foolhardy in the extreme, we must be prepared to support it totally.

Thank you very much. I would be happy to answer any questions you or the members of the committee and staff might have.

[The following was received for the record:]

ASSOCIATION OF THE U.S. ARMY,
Arlington, Va., March 13, 1980.

WRITTEN STATEMENT OF COL. PHILLIP H. STEVENS

Mr. Chairman, I am Colonel Phillip H. Stevens of the Association of the United States Army. The membership of AUSA encompasses every element of the Total Army—Active, Reserve and National Guard—so we welcome the opportunity to appear here today and to discuss with you our concerns about the ability of this collective entity to do the job assigned to it. You all remember, I am sure, the reason for the establishment of the Total Army concept—to maximize the effectiveness of a force that was shrinking in numbers but saw no corresponding reduction in its responsibilities.

Based on the assumption that the Total Army concept would be supported fully by the Commander-in-Chief and by the Congress the Active Army reorganized to add substantially to its fighting capability. The most notable reflection of that shift was the creation of three new combat divisions with no increase in manpower—in fact there have been some manpower decreases since the shift to 16 divisions was undertaken. The move to the 16-division level has placed much greater responsibility on the reserve components and has involved them more closely with the active forces than ever before. National Guard and Reserve battalions and brigades are now integral parts of the Active Army divisions. These "roundout" units, as they are called, would have to go into combat with the parent active unit or the parent unit would be incomplete. The roundout units spend much of their training time each year with their active sponsors and the relationship between the two elements is both good and close. They see themselves not as regulars and reservists but as soldiers on the same team.

As the Total Army stands today, both the Active and National Guard elements are combat heavy while the great bulk of the needed combat support is in the Army Reserve. All the Army's contingency planning assumes that if the United States should have to commit its Army to combat the Total Army will be called upon at mobilization. There are some instances, in fact, when reserve component units would have to be moved into a combat zone before some active units—a direct contradiction of the historical precedent in which the Active Army had to fight all alone until the reserves could be mobilized. Today the reserve element of the Total Army should be considerd mobilizable at all times, awaiting nothing more than a call from the President. Unfortunately, that state of readiness is beyond the capability of many of the most badly needed reserve units. It is vital that the entire Congress realize this.

Let me give a broad overview of where we would stand if we had to go to war tomorrow. The Active Army today stands at about 15,000 below the strength authorized by Congress for the current fiscal year and more than 75,000 below the number of people needed to bring every Active Army unit to full strength. The Army National Guard is 88,500 below the strength level needed for mobilization and the Army Reserve is 86,000 below the mobilization level. There are also some serious equipment shortfalls that could not be made up quickly. Because of the low manning level of the Individual Ready Reserve, the Army's only source of trained individual soldiers to be used as combat replacements and unit fillers, there is a very real possibility that some Reserve and Guard units might have to be stripped of personnel to fill early mobilization gaps. This would effectively destroy the reserve structure.

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rebuild a mobilization manpower pool by revitalizing the Selective Service System and renewing the registration process. We have recommended further the use of Selective Service to call as many as 200,000 people each year for training and inactive service in the Individual Ready Reserve. We also stand firmly behind a drastically upgraded program of incentives to encourage enlistment and retention in the reserve components. Similarly, selected equipment shortages must be addressed promptly because of procurement lead times.

In closing, Mr. Chairman, let me remind the committee that we only have a complete Army when the Total Army is healthy. Unless we choose to abandon the Total Army concept, a choice that would be foolhardy in the extreme, we must be prepared to support it totally.

Thank you very much. I would be happy to answer any questions you or the members of the committee and staff might have.

The CHAIRMAN. Thank you, Colonel. You will remain with the others.

Colonel STEVENS. Sir, I cannot. I have a medical appointment reflecting the "Medical's" medical capacity made 6 months ago, and if I don't go, I will have to wait another 6 months.

The CHAIRMAN. We understand.

Admiral Smith.

STATEMENT OF REAR ADM. PHILIP W. SMITH, U.S. NAVAL RESERVE, PRESIDENT, NAVAL RESERVE ASSOCIATION

Admiral SMITH. Thank you, Mr. Chairman, committee members. We sincerely appreciate your taking the time to hear us today. I will summarize my testimony but request you enter the full statement for the record.

I wish to express our continuing thanks for the committee's efforts on behalf of the Naval Reserve. Had it not been for this committee's concerns, beliefs and actions, over the years, the Naval Reserve would in all likelihood be extinct now.

My testimony focuses on initiatives which, if adopted, would transform the Naval Reserve Force into a true "Force in Being," one of which we all could be proud. Our sincere evaluation at this time is that we have first rate people in a second rate operation.

I do not believe it is too late to commence a modernization and buildup of the Naval Reserve and it certainly isn't too early. We must never forget the basics which are the people, the equipment and the training necessary to do the job in the most cost-effective way possible. We have the chance now to build the Naval Reserve to its potential at considerable savings to the taxpayer.

There is a great deal of discussion about bringing back registration and possibly even the draft to be ready for any contingency. The criteria remains that we need trained qualified personnel immediately available if the balloon goes up. The only logical way to accomplish this without the reinstitution of the draft is to commence to buildup the Guard and Reserve with the intention of using them in an emergency.

As for Naval Reserve strength, we have been "studied to death" over the past 7 years. The Navy manpower mobilization system study (NAMMOS) is the latest and we hope the last of the efforts in this regard. If the system's author, Mary Snavely-Dixon, the Deputy Assistant Secretary of the Navy for Manpower, is correct, once the study has been completed this year, only updating will be required to keep the manpower mobilization requirements current. The OSD reviewers will obviously find some minor fault with a few numbers but we believe that the reported Selected Reserve require-

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ments of approximately 106,000 will stand up under the scrutiny of the exhaustive review by OSD.

Because the NAMMOS study has validated the requirement for over 106,000 naval reservists and because the present authorized strength level is 87,000, almost 20,000 below requirements and because the Chief of Naval Reserve has demonstrated his prowess at recruiting in the current poor recruiting climate by bringing the Naval Reserve Force this last year up to its authorized strength and, because we are in another critical period in our history and the Active Navy is short over 25,000 skilled ratings and middle grade officers, we strongly recommend that the Congress authorize and fund a gradual but steady buildup to Naval Reserve requirements as stated by the NAMMOS study. We recommend that for fiscal year 1981 the Naval Reserve strength floor be established at 89,000 with funding and authorization allowed to go up to 92,000, if that floor can be exceeded by the recruiters.

We further recommend that immediate action be commenced to recommend a supplemental appropriation for RPN for fiscal year 1980 to allow the momentum that has been built up in the Naval Reserve recruiting to continue and to keep from dropping drilling personnel in order to remain within the strength funding limitations in fiscal year 1980. Already, actions are having to be taken to bring the on board count down below the 87,000 floor to keep within the funding limitations for the year.

It would appear to us that having qualified officers and enlisted personnel available for immediate recall to fill vacancies within the active service would be a wise and logical approach to the current Navy-wide skill shortage. The added cost would be approximately $12.1 million for fiscal year 1981 if the strength level of 92,000 is obtained. The cost of a supplemental RPN strength adjustment for fiscal year 1980 would be approximately $2.5 million; that is, to go up to the 89,000.

Drill pay category: Although the Navy had planned and funded all training/pay category A—48 drills—billets for fiscal year 1981, OSD arbitrarily reduced 3,426 officer billets to category B—24 drills—and gathered in $7.0 million from the NR budget. This places 24 drill pay officers in the same unit with 48 drill enlisted, an obviously unsatisfactory situation. We emphasize that the NAMMOS study has validated all 106,000 as category A requirements. We request that the Congress authorize and fund all Category A drillers for fiscal year 1981.

Helicopter Squadrons: once again, the six helicopter squadrons which the Congress restored last year have been left out of the force structure. The four anti-submarine warfare units, HS, and the two light attack units, HAL, are valuable assets in our total force structure. We strongly urge their retention. Our full statement provides rationale and the cost for retaining the six squadrons.

Navy airlift modernization: NRA strongly urges that the Congress pick up the pace of supplying the Navy with a wartime intratheater airlift for its fleet commanders. Failure to do so now will severely handicap the Navy's ability to provide intratheater wartime logistics support to its fleet. The C-118's are on a definite

phase out program now and we cannot in good conscience ask for any more time extensions of these ancient aircraft.

Tactical navigation modernization (TACNAVMOD): NRA is requesting a speed up of this modernization package which is so critical to the capability of the Reserve P-3A/B aircraft. That is the maritime patrol aircraft. The limitations of the aircraft not equipped with this change are such as to severly limit its effectiveness in an open ASW environment. Our full testimony provides the full details.

NRF destroyers: Our full statement reviewed the situation concerning the NRF destroyers. As stated we believe that an authorized voluntary recall of an additional 1,000 naval reservists, a change in the manning mix and operating tempo, an expanded surface TAR program and transfer of operational control of the NRF ships to the Chief of Naval Reserve would help considerably in the problems associated with manning and operating the NRF ships. We have also asked for assignment of one or two FFG-7's to the Naval Reserve Force while the FFX concept is being studied.

Travel funds: the most traumatic situation to occur within the Naval Reserve community in recent times is the cutback in travel funds. This has occurred because of several ongoing circumstances. The Congress, in the fiscal year 1980 appropriations bill, cut back on administrative travel funds of which the Naval Reserve had to take its fair share of the deficit.

Since the budget was first conceived, costs of air transportation have gone up 57 percent and hotel prices by 25 percent. To live within the budget constraints, the naval reservists will be severely restricted from performing necessary travel to obtain or retain their readiness posture. The situation has the potential of finally breaking the morale of the naval reservists, which I think everyone agrees, has been almost unbelievably good in the face of the traumas of the past. The bottomline impact is a degradation of mobilization readiness.

The cost to rectify this untenable situation for the Naval Reserve would be approximately $9.6 million. Most important is that the action needs to be accomplished quickly.

The Naval Reserve has been in constant turmoil for the past 10 years or more, relative to pay and travel expenses for the reservists. Last year there was a large question whether they would be paid for drills at all—toward end of fiscal year. This year the Reserve Force has been funded for 87,000 yet there are insufficient travel funds to get them to their training sites. Two years ago there was also insufficient funds to fund all drilling commitments. When is this turmoil ever going to stop?

Compensation/incentives: we have listed several incentives which would help insure a strong, healthy Naval Reserve, the greatest of which is new, modern combat servicable weapon systems/equipment. The recruiting momentum is there. We need your help in keeping the people faucet running and a stopper in the back door.

Mr. Chairman, that concludes my statement. In summary, I would like to state that although we have made great strides, particularly in the past 4 years, by working with this committee,

we ask your continued indulgence and assistance in building a truly great Naval Reserve Force.

What we have requested for fiscal year 1981 will cost millions of dollars of the taxpayers' money, but we believe that the benefits received from our recommendations would far outweigh the costs over the long haul. OSD has been chopping money out of the Naval Reserve's hide for years now, so we are not reluctant to say that it is high time to take advantage of our capability to supply more return for the dollar than any other Government agency.

Our request is only for the means by which we can accomplish our mission, that of providing the best possible force, for the least amount of money, to fight for our country. To make that possible we must have a first-class operation to match our first-class people. Thank you.

Written Statement of Rear Adm. Philip W. Smith

Mr. Chairman, committee members, we are very appreciative of the opportunity to testify before you today. During any crisis we can rest assured that there is a renewal of interest in our Country as to how ready our Armed Services are to meet any potential enemy. There is also a great deal of interest within the services as to how ready the Guard and Reserves are to augment the active forces in the event the shooting starts. We appreciate the initiative of the Chairman and Mr. Montgomery in taking the time before the full committee to hear out the state of the Reserve and Guard. We particularly like the idea of the Military Associations appearing first in this hearing. We hope this procedure will benefit all Concerned.

Our input today will focus,quite expectedly,on the Naval Reserve. We will speak of good and bad situations which exist in the Naval Reserve Force and we believe that the bad situations are mainly outside the control of the Naval Reservist. Our sincere evaluation is that we have first rate people in a second rate operation. The potential is there to have the finest outfit in the world if only we could all tune in on the same frequency. Let me try to explain what I mean and what the Naval Reserve Association believes will improve the situation significantly.

The Naval Reserve has been in a turmoil since 1973. This has occured for several reasons, none of which are valid to reasonable person. In 1973 the Naval Reserve had been going along from year to year at 129,000 strong when someone got the bright idea that the Navy should trade 10,000 Naval Reserve billets for $10,000,000. worth of hardware,which was to include a couple of extra destroyers from the fleet. This idea was bought by OSD but two very important things happened.

First: No additional hardware was placed in the NR as a result of the "deal".

Second: The manpower analysts declared open season on the NR concluding that if there were 10,000 billets to be given up voluntarily, how many more could be squeezed out by savvy analysts. The long slide had begun!!

Each year after 1973 the budget called for fewer and fewer Naval Reservists with the Congress acting as a buffer, but ever losing ground until the number 87,000 was reached for FY 1979, and has held for two years.

During this period of time there were many studies, all of which concluded that there should be around 100,000 Selected Naval Reservists. It appeared for a while that the only sure Naval Reserve billets were assigned to hardware units with ships and aircraft. This idea was dashed last year when the Navy suddenly decided to drop 20 NRF Destroyers from the force.

We have to remember when reciting past history that, at best, and to parphrase the words of VADM Pierre Charbonnet, the Navy treated the Naval Reserve with benign nelect. We would go a little further and say that it was more like malignant neglect. We believe that the present CNO, ADM Hayward is a ray of sunshine in an otherwise bleak Naval Reserve world. He has a problem though and that is to over come built in generations of neglect and anti-reserve bias. With ADM Hayward's perserverance and a strong show of intent from the Congress, the prospects of the Naval Reserve moving out towards its potential is greatly enhanced. We have some definite ideas on what needs to be done to accomplish that.

ASSUMPTIONS

We first assume that Naval Reservists, using the same basic weapons system, can outfight or outshoot any active force opposite. This really is not an assumption, but a fact based on many head to head encounters. Ever since the beginning of the Naval Reserve there has been an argument used that any new gear or weapon or whatever was too sophisticated for the Naval Reserve Force. Our assumption is that whatever the active force can operate or maintain the Naval Reserve can probably do as well or better.

We assume that we will be able to get the logistics support necessary to maintain the equipment and the training time to remain current on the equipment assigned.

We assume that the Naval Reserve units are not available for long deployments outside of CONUS. However, this can be done and has been done in some instances by using detachments of one or more units and deploying them for two weeks at a time - or by using the same plan with Reserve squadrons relieving on a two week basis. As a general rule however, Reserve units do not deploy outside of CONUS.

We propose to present our discussion and recommendations for improving the Naval Reserve in specific areas ie, Strength,Airlift and VP Modernization, Surface Reserve, Reserve Management actions etc. We look upon our recommendations as part of a total program which will pay great dividends for the money and effort expended.

EQUIPMENT

Probably the most important single incentive for retention and only slightly less for recruiting is current working, serviceable combat equipment. Combine that with a meaningful mission plus hands on training and the highest hurdle to having a successful unit, active or reserve, has been crossed. The Naval Reserve has always had hand me down equipment except for the recent purchase of one, and then two, C-9B aircraft. Pay and benefits are obviouslyimportant but financial

benefits alone do not provide good morale. Consequently, we believe the first and most important step towards improving our Naval Reserve Force is to procure and provide it with new equipment. We have several requests contained in the testimony which qualify as equipment incentives.

Naturally we are elated that the Navy, at the direction of Admiral Hayward, is looking at a ship concept program with an FFX nomenclature, however, realization of such a program is a least five years away. We understand this committee has proposed the addition of two FFG-7 ships for FY 1981. Just about the greatest boost that you could give the Naval Reserve Force now would be to assign the two Frigates for Naval Reserve manning, all Reserve manning. There is plenty of time between now and when the ships are launched to work out the details. The implementing actions necessary to augment such a plan are within the present authority of the Navy leadership. I guarantee that the Naval Reserve can man and operate those ships.

INCENTIVES/COMPENSATION

The history of the United States graphically shows that the most effective way to meet a national emergency is to call upon the Reserves for the primary augmentation of the actives when supplemental support is needed. We broke with history during the Vietnamese conflict when the political decision was made to use draftees instead of the Reserve and Guard to fight the war. This placed inductees with a minimum of training on the firing line. These were mostly individuals who were not able to swing some kind of a deferment. One of the draft havens was the Reserve or Guard enlistment. The end result of course was a growing demand that our Armed Forces be made an All Volunteer Force quickly followed by political action which did just that. Now we have Armed Services to a significant extent made up of the same people who couldn't get out of the draft before - the minorities, the disadvantaged, the low mental groups. It means that if we go off to war now, the casualty lists are going to cause the same hue and cry that drove us into the All Volunteer Force in the first place.

What we propose today is based upon the assumption that the Reserve and Guard will be used as the primary augmentation for the active forces and the possibility that a fair and equitable draft or National Service Program will be forthcoming. Registration is only a political step with very limited value. To be effective a Standby Draft is necessary with classification and medical examination. Congress can still control the actual call-up of the draftees. To do less than is to invite disaster. Its high time we started thinking about what we can do for our country not what our country can do for us, to paraphrase President Kennedy.

The Naval Reserve has maintained its authorized strength in spite of the turmoil of the past seven years. This past year an all out retention effort brought the number from a low of about 80,000 back up to over 87,000. Since the requirement for the Selected Naval Reserve numbers about 106,000, there should be a gradual but steady increase up to that number. We have asked for authorization to go up to 89,000 in this fiscal year and to 92,000 in FY 81. Without the draft or a sudden resurgence of nationalism,the effort to recruit and retain personel in the Naval Reserve could likely need some additional compensation or incentive. Hence we request that standby authority be given the Navy to use the necessary incentives approved for some or all the other components, as authorized by Congress.

The Naval Reserve Association favors the retention of the Enlistment/ Reenlistment bonus for the Reserve Components. We believe educational incentives for Reserve and Guard service are very attractive and have worked well in many State programs. It would be a Reserve G.I. Bill.

We strongly favor Portal to Portal protection of Reservists proposed by HR 1428. This would cure an inequity of long standing which goes back to the days of Reservists being considered second class citizens.

We support HR 2404 which provides for Selected Service Registration, Classification and Draft into the IRR as a stop gap but much needed method to provide the Army Guard and Reserve with the backup needed to go to war. Should the full draft be reinstated the IRR draft would not be needed.

Probably one of the most effective incentives to provide the Naval Reserve with highly skilled personnel, which is what the organization should specialize in, is to provide a tax break. Many Reservists and potential reservists are in a tax higher tax bracket and Reserve affiliation would actually provide him/her with little or no gain. We are attempting to document this idea and note that Senator Cochran Has introduced a Bill , S-842, which would exempt the first $5,000 of National Guard or Reserve Pay from taxation. Enactment of such legislation could prove to be the best incentive possible. We will continue to work on this idea.

We are very concerned about the continued parade of OSD witnesses who appear on Capitol Hill advocating the abolishment of one benefit after another for Guardsmen and Reservists. They have no problem eliminating benefits, but when it comes to incentives they can study them for years without arriving at any conclusion. Even when the Congress supplies the guidance and the money, the Pentagon stalls the implementation action as long as possible.

The obvious glitches in the OSD organization are many, but two of the most obvious ones come to mind immediately. First, the top ranking Reserve advocate in the Pentagon is only a Deputy Assistant Secretary who may see the SecDef on business once a year. He has no clout in the organization. Second, the billets which control military manpower, including Reservists, have been filled with analysts rather than managers. These analysts are basically statisticians with little consideration for individuals. This is no doubt why they keep calling the all Volunteer Force a success in the face of overwhelming problems which prove otherwise. They, the the manpower analysts, do not understand that when it comes to recruiting in the Guard and Reserve, that the faucet cannot be turned on and off with every whim, because it takes a lot of priming to start the line flowing again. The Naval Reserve Association hopes that the Congress will start hearings soon on the Total Forces Act proposed by the Reserve Officers Association and sponsored by Chairman Price as HR 6076. We would like very much to testify on this proposal.

Another move, which we recommend, would he to approve drill pay and active duty for training pay in addition to retired pay of Fleet Reservists for billet openings which are not filled in the Naval Reserve. Fleet Reservists who are on retired retainer pay remain in that status until they have fullfilled a 30 year obligation. These individuals are fully trained and highly skilled when they leave active duty. Although they can drill now, they must forfeit their retirement pay for that period of time. This becomes very complicated in an administrative sense and a disincentive for the Fleet Reservist to join a drilling outfit. Although he can be called in an emergency situation, he obviously loses his Navy skills after he is off active duty any length of time. The proposal would insure that the Navy skills of the individual would be retained by regular hands on training. Such skills are particularily important to retain in the present Navy skill shortage situation. NRA strongly recommends that the Congress direct DOD to review the proposal on an expedited basis to determine its feasibility and possible cost.

Strength

For the first time since Fiscal Year 1974, the budget does not include a cut in the Naval Reserve. The term "studied to death" almost applied literally to the Naval Reserve. No less than five different groups within the Department of Defense have studied Naval Reserve Requirements since 1973, the latest being the Navy Manpower

Mobilization System Study (NAMMOS) by Mary Snavely Dixon, the Deputy Assistant Secretary of the Navy(Manpower).

From what we can determine, the NAMMOS study is undergoing an exhaustive review within OSD. Even though the same OSD reviewers of past studies still cannot understand the Navy organization, we believe the NAMMOS group has put together a package which will withstand any challenges to the methodology used or the data resulting from the study. The study is actually a system which looks at all theNavy's Mobilization Requirements and then places the most economical type individual in each billet, varying from a civilian off the street to a full time active duty person. The minimum number of Selected Reservists determined by the study is said to be around 106,000, or almost 20,000 over the number at which the Naval Reserve has been stabilized. The 87,000 figure, incidentally, was a compromise figure, arrived at during a House/Senate Conference on the Fiscal Year 1978 Defense Authorization Bill.

The Naval Reserve Association believes that in view of the critical personnel shortages in the active Navy today, the fact that NAMMOS has verified a considerably larger Navy Selected Reserve requirement than 87,000, and that in spite of all the turmoil of the past six years the Naval Reserve strength has maintained authorized levels, we should start the climb back up to legitimate requirement levels. NRA suggests that as a first step, the Congress should authorize a minimum Fiscal Year 1981 average strength for the Selected Naval Reserve of 89,000 with funding provided to go to 92,000. This would allow a gradual climb to 92,000. The funding difference between 89K and 92K could be fenced for the strength increase only. A structure based upon 92,000 should not be too difficult to establish within the NAMMOS parameters since it was one of the levels established during the declining strength days. The Chief of Naval Reserve has demonstrated his prowess at recruiting by building the Naval Reserve back up to strength during the past year in a very poor recruiting climate. Concurrently, the Congress should provide a supplemental appropriation for FY 1980 for RPN funding to retain the additional number of personnel now in a drilling status. Already actions are having to be taken to bring the on-board numbers of Naval Reserve drillers down below the 87,000 authorized number. This is being done just to keep within funding limitations for the year. The cost of the supplemental would be about $2-2½ Million.

It would appear to us that having qualified officers and enlisted personnel available for immediate recall to fill the vacancies with the active service would be a wise and logical approach to the current Navy-wide skill shortage. The added cost would be approximately $12.1 Million for FY 1981 if the strength level of 92,000 is obtained. (See the strength fact sheet,appendix A .)

Drill Pay Category

Included in the NAMMOS study is the provision that all of the approximately 106,000 Selected Reserve Billets be in Training/Pay Category A(48 drills). Consequently, the Navy funded all of its billets in Category A. The OSD analysts, however, arbitrarily dropped 3426 officer personnel into Category B(24 drills). This places officers and men, drilling in the same unit, in different categories. How a 24 drill officer can supervise 48 drill enlisted without spending an additional 24 drills at the drill site without pay is a pertinent question which OSD fails to answer.

We have requested that the Congress provide that all Naval Reserve drillers be placed in a Training/Pay Category A (48 drills)status. Cost for such an increase would be approximately $6.5 Million.

Helicopter Squadrons

One of the cuts made in the budget last year and restored by the Congress is back with us this year. Six highly qualified Helicopter units are not funded for FY 1981. Four of the squadrons are Anti-Submarine Warfare units (HS) and two are Light Attack (HAL).

HS

The four Anti-Submarine Squadrons form Alameda, CA., Lakehurst, N.J.,San Diego,CA and South Weymouth, MA provide the ASW protection for the two Reserve Air Wings (CVWR 20 and CVWR 30) and provide for the active HS squadrons to expand from six to eight aircraft called for in the war plans. The squadrons are ideally suited for testing the Reserve Merchant Ship Defense Force concept called ARAPAHO. The units are particularly capable in an Inshore Underwater Warfare role. They are highly qualified multifaceted units of considerable value of any wartime scenario.

HAL

These two units are unique in the Navy. Their mission is to provide close air support for Special Warfare groups, conventional air strikes, defensive suppression, demolition attacks, clandestine insertions/extractions of personnel behind enemy lines, overland combat rescue, intelligence gathering or other normal helicopter tasks. To eliminate these squadrons would be to lose the only dedicated Riverine Warfare helicopter support in existence. Each squadron operates seven HH-1K gunships. Each aircraft has a MK-21 weapons subsystem consisting of two Gatling-type mini-guns and two rocket launchers along with two mounted M-60 machine guns. Retaining these highly trained units in the Naval Reserve makes good sense from the best cost standpoint, a wartime capability filled by the most economical means possible.

The costs of retaining the six Helicopter units would be approximately as follows:

4 HS Squadrons

RPN-None, personnel included in overall strength	
MPN-20 officers and 288 enlisted	$4.082 Million
O & MNR-Aircraft Rework	1.212 Million
Flight Hours	3.380 Million
	$8.674 Million

2 HAL Squadrons

RPN-None,included in overall strength	
MPN-8 officers, 74 enlisted	$1.130 Million
O & MNR-Aircraft Rework	.658 Million
Flight Hours	.716 Million
	$2.504 Million

We request that the Congress restore the six Helicopter Squadrons (4 HS) (2 HAL) to the Naval Reserve Force for FY 1981. (See the HS and HAL fact sheets, Appendix A.)

NAVY AIRLIFT MODERNIZATION

The Navy has attempted to modernize its airlift capability since the late 1960's with the support of the Congress. OSD, however, has used very effective delaying tactics in its complete opposition to the Navy plan. The purpose of the airlift is to provide wartime intra-theater logistics airlift to the fleet commanders. For the first time in four years, OSD has not recommended decommissioning the Naval Reserve C-118 Squadrons but instead has approved a phase-out plan over the next five years. We applaud this decision, one which we have recommended for the past two years.

There is no OSD approved plan to replace the C-118's, however, or to otherwise fill the Navy's wartime requirements for airlift support of the fleet commanders.

Addressing the subject of support for fleet commanders, we come to the heart of the projection of United States Navy power ashore. Current events in the Persian Gulf area speak more eloquently than can I of the need to project power ashore from Naval vessels. For carrier aviation, air logistics may well be the achilles heel.

Without responsive airlift re-supply, our carrier Battle Groups cannot continue to operate effectively. DON airlift brings cargo and personnel to the closest land point to deployed forces. NRA most strongly supports the accelerated continuation

of a small organic Navy airlift modernization program. Only through the efforts of Congress have the Navy and Marine Corps retained their modest airlift capability. Time is running out for the antique C-118s. To further delay their replacement and failure to provide the necessary fleet support is to clearly invite a degraded mission capability.

The CONUS Navy airlift capability is entirely in the hands of the Naval Reserve. The squadrons are composed of a mixture of a few TARS (Training and Administration of Reserves) who are active duty personnel and SARS (Selected Air Reservists) who form the large percentage of each unit. Enough additional Reservists are in each squadron to run a full peacetime schedule in a moonlighting capacity, (paid only for the flights they make), and to provide a surge capability to go to full scheduling capacity of the aircraft in an emergency situation (from 120 hrs./month to 350 hours/month). It is impossible for us to dream up a more efficient, cost effective and responsive operation than the Navy airlift operation operated by the Naval Reservists. It is obvious to us that OSD made a faulty analysis and decision in 1974 on the airlift consolidation and has compounded the situation each year since then by more faulty analyses and bad decisions. Since the Navy is beholden to the Administration we, outside of Defense, have been forced to carry the ball in this case trusting that the Congress is more perceptive than OSD in sorting out the facts.

Another ongoing study initiated by OSD to study Base and Command Support Aircraft has tentatively concluded that all such aircraft in each service should be centrally controlled by an Executive Agent in that service as is done by the Navy. It just happens that the Executive Agent and central controller in the Navy is the Chief of Naval Reserve who also controls all CONUS Navy airlift. It follows that this should provide for maximum efficiency of the entire operation. NRA therefore advocates the procurement of at least 6 C-9B aircraft and site support for two locations in FY 1981 at the cost of $119.0 million. A valid case can be made for procurement of even a greater number of C-9Bs then the NRA minimum recommended program. The Airlift Modernization fact sheet provides the background rationale, the recommended minimum procurement profile, and the overall shortfalls. (See Appendix A)

P-3A/B TACTICAL NAVIGATION MODERNIZATION (TACNAVMOD)

Over the years the Navy has received long and productive service out of its land-based Maritime Patrol Aircraft (MPA). The P-2 Neptune, for instance, was introduced into service back in 1945 and only recently was it phased out

of the Naval Reserve. Its successor, the P-3A went into service in 1962 and later models of that aircraft will last into the mid 1990s.

This remarkable record has occured because Navy has continually added new equipment to maintain pace with the advancing technology. The technology changes have taken place in both the US and the Soviet Navies.

Since the Naval Reserve represents 35% of Navy's MPA assets, it is very important that the Reserve aircraft are kept current in state of the art improvements.

In 1977, a program was initiated to improve the overall capability of the P-3A/B aircraft. The program added a tactical navigation computer, tactical displays, Omega navigation and the vernier AQA-7. The modification program provides the P-3A/B with a baseline P-3C capability. The localization performance and the ability of the modified aircraft to meet attack criteria and effectively deliver weapons are significantly improved.

A major consideration for expediting the installation of the modification was the shut down of all the Loran Alpha stations last year. The aircraft without the equipment included in the modernization package lost their capability to operate in an open ocean ASW environment. The aircraft affected are all Reserve planes. It is therefore extremely important to get the modernization package installed in the applicable aircraft as soon as possible.

The original program planned for the Reserve P-3A/Bs to receive the change is as follows:

	1980	1981	1982	1983
P-3A/B for induction	18	24	31	20
Cost in Million of $	30.8	33	38.8	29.9

Due to funding problems last year, the program did not get started. The new schedule is as follows with NRA's proposal following that of the Navy plan:

	1981	1982	1983
P-3A/B for induction	22	28	21
Cost in Millions of $	30.5	39.2	32.1

The total Navy program is now for a lesser number of modifications due to the proposed provision of already modified fleet P-3B aircraft commencing in 1986. NRA believes, however, that the resulting gap is too long.

NRA PROPOSED PLAN

	1981	1982	1983
P-3A/B for induction	30	41	22
Cost in Millions of $	47.5	54.3	30.5

The NRA proposed plan will ensure that we have the most capable ASW aircraft available to us in the most expeditious manner. It will transform aircraft of limited ASW capability into a baseline P-3C capability to better meet a very real threat from the Soviet underseas fleet should hostilities occur. We believe the gamble of not expediting this change is not worth the possible consequences. See Appendix A for TACNAVMOD fact sheet.

The Naval Reserve Association took issue with the Navy last year over the retention of 20 NRF Destroyers which the Navy suddenly proposed dropping from the force structure. The final decision was to retain 12 of the Destroyers and to hold up the decommissioning of any more NRF Destroyers until a careful review of the feasibility of the program was made. NRA is awaiting, along with many others, the results of the review. In the meantime, based upon a Congressional Budget Office (CBO) study, it appears that Navy is short anywhere from 59 to 273 escort vessels for the Atlantic alone depending upon which scenario is used. It is difficult to find any ships available to reduce that shortage until around 1986 unless we count the NRF Destroyers. Therefore, we are at a loss to understand why the Navy has again proposed to eliminate 14 more NRF destroyers in FY 1981 without replacements, including two destroyers which will have completed recent overhaul and are scheduled for sale to a NATO Ally. If they are considered good enough to sell to an important Ally and be included among NATO Naval assets, why not keep them until such time that we can begin phasing new destroyer type ships into the Naval Reserve.

If the manning of the NRF Destroyers is the problem, and it seems more and more like that is the case, then we should look at other manning alternatives rather than to decommissioning. We offered suggestions last year on operating tempos, operational control and different manning mixes, including a revival of the surface TAR enlisted program. Included in the FY 1980 Defense Authorization Bill, was the authority to recall up to 500 Reservists on a voluntary basis which were to to used for manning the ships or other high priority projects. We recommend that the Navy use the authority to recall the Reservists on a voluntary basis to help alleviate the manning problems associated with the NRF Destroyers and that they consider changing the mix of active and Selected Reserve personnel in the crews. We further recommend that the Congress authorize the recall of an additional 1000 volunteer Reservists to help alleviate the Navy's skill shortage. Further, NRA urges the reinstitution of the surface TAR enlisted program and an expanded surface TAR officer program to help man the NRF ships, whatever form that force structure finally takes. Finally we recommend the NRF ships be placed under the operational control of the Chief of Naval Reserve.

The controversy is beginning to mount as to just what ships are best for the Naval Reserve to operate. The Navy is presently conducting a study in this regard. Long lead items have been placed in the FY 1981 budget to provide for a buy of an FFX type in the out years for the Naval Reserve. There is much talk of this being an off the shelf type ship such as the Coast Guard's Hamilton Class Cutter, Italian Lupo Class of 2500 tons and a New Zealand Frigate, to name a few possible candidates for the program.

In a recent Congressional hearing a Navy witness was asked whether if two additional FFG-7's were procured, should one or both be assigned to the Naval Reserve. The witness answered that he did not believe so because the Naval Reserve could not man the ship or ships and they could not be trained in the Naval Reserve to handle the new and sophisticated equipment of the subject ships. We take direct issue with those answers and believe that if such fuzzy thinking and misleading statements prevail in the ongoing study, the Naval Reserve will never man whatever, if anything, the FFX turns out to be. We believe the President of NERA, HTCM Ray Vaughn's reply during his testimony, as a result of a similar question,"the Naval Reservists would be standing in line waiting to get aboard one of those ships". The FFG-7, the Spruance class Destroyer or any of the other currently operating ships all have trained personnel aboard who, when they leave the Navy, migrate to the Naval Reserve. Throughout the years we have heard the argument about the equipment being too sophisticated for the Naval Reserve. That argument has been disproved so often as to make it feeble and wanting. We say, "try it, you'll like it".

We believe there is a case for a mixture of surface forces in the Hi-Lo scheme and that an FFX type ship probably can be fit into the mix as long as there is an understanding that other type ships must be present, in most circumatances, for mutual support. However, it also makes good sense to take a ship off the shelf now,such as the FFG-7 with its proven capabilities and known price tag, and have it operating before the FFX can be identified as to capability or cost. Our critical ship shortage is now, and the faster we correct that situation, the less the danger that the balance of Naval Forces will continue to shift against us. As the Chief of Naval Operations said in testimony this year"...Though I am personally disappointed with the procurement funding of the FY 1981 budget...the net improvement...(over last year's plan) is so substantial, I can support this submission...I have no illusions about the risks entailed in relying on outyear projections. The historical track record is not good in that regard...if the projections are not realized, we will be in very serious trouble...for the past has not been kind to the Navy when it comes to realizing the abundant numbers of new ships and aircraft which always seem to be on the budget horizon..."

NRA certainly agrees with the CNO that the out year projection of the budget represents a dream sheet, particularly for the Naval Reserve. Consequently, as stated earlier, the Naval Reserve is ready to man and operate one or more of the FFG-7s.

DOPMA

The NRA has previously voiced it's support for enactment of the Defense Officer Personnel Management Act (DOPMA) bills passed by the House during the 94th and 95th sessions of Congress. It was not until the first session of the Congress that the views of the Senate were known. We are very concerned about some of the key features of Senate bill (S.1918) pertaining to the Naval Reserve in particular and the Reserve Forces in general, which differ considerably from the two bills passed by the House. One of our primary concerns is the Senate's proposal to include reserve officers (on active duty during a mobilization situation) in the active duty promotion system. The Senate's proposal is no different than existing law which requires mobilized Naval Reserve officers to be placed on the lineal list during recall conditions. This practice has historically produced a bias against reserve officers when they are forced to compete for promotion against their regular counterparts in grades O4 and above. Comparison of records for promotion purposes heavily favors the continuous active duty of the regular officer over the broken service of the reserve officer, resulting in a much higher number of reserve officers being failed of selection than would occur under the bills passed by the House. We strongly support the previous House proposals regarding the treatment of mobilized Reserve Officers.

Another concern relates to the drastic reduction in the active duty grade tables for grades O4 and above. The Navy and Marine Corps are unique in this respect because a direct linkage between regular and reserve promotion systems exists via the "running-mate" provisions that govern reserve officer promotion eligibility, promotion opportunity and time in grade. Any change in the active duty promotion system that occurs will be mirrored in the reserve promotion system without regard to the needs of the Naval Reserve. Including mobilized reserves in the active duty grade tables, as proposed by the Senate, would further aggravate the problem for those reserve officers not mobilized.

Still another NRA concern is the role of the reserve officer who volunteers for short periods of active duty or for extended periods of active duty to train and administer reserve programs. Here again we agree with the House proposals which provide for a separate category of officers that are on active duty but remain under the reserve officer management provisions of law for promotion and retirement purposes.

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We do not feel the Senate bill adequately provides for reserve officer management of the Reserve Components.

We are in agreement with the previously passed House bills and urge early enactment of DOPMA legislation so that action can be taken on needed legislation to modernize the Reserve Officer Personnel Management Act(ROPMA)

Travel Funds

The decision by the Congress to cut Administrative Travel Pay in the FY 1980 Defense Appropriations Bill has had a dramatic effect on the Navy and Naval Reserve. The cut has seriously affected the ability of the Navy to conduct its mission. Although the term Administrative Travel would normally not be applied to Reserve Travel, in this case the cut was so deep that it was decided that the Naval Reserve should take its "fair share" of the cut. The shortfall in the Naval Reserve is $9.6 Million.

The immediate impact on the Naval Reserve Community has been a disbelief that, in these critical times, this country cannot afford to provide them with the training they need to obtain and retain currency in their qualification. The loss of the travel funds will be absorbed within the Naval Reserve by the following means:

a. Category D personnel will not be paid any travel funds for their two weeks training duty.

b. Reserve participation in fleet exercises or outside Continental U.S. activities will be severely curtailed.

c. Weekend away training will be severely limited.

It is obvious that the above actions will seriously affect the readiness of the Naval Reserve Force. There was no play in the budgeted request since no allowance for inflation was allowed in the FY 80 submission. It is expected that by the end of 1980, Hotel rates will be up 25% and airline tariffs up 55% over the existing rates when the budget estimate was first conceived.

Some of the communities depend upon Reservists to help with the workload during the two week active duty periods. A salient example is the Intelligence Command which will be seriously affected if the Reservists cannot perform at Fleet Intelligence Centers. Another Type Commander was very frank when he stated that he understood the Reservists were for mobilization but that he couldn't operate without them in peacetime!!

NRA strongly urges the Congress to take immediate action to ameliorate the critical travel funding shortage for FY 1980.

Summary

Although we have made great strides particularly in the past four years by working with the Congress, we need continued assistance in building a truly great Naval

Reserve Force. What we have requested for Fiscal Year 1981 will cost millions of dollars of the taxpayers' money, but NRA believes that the benefits received from our recommendations would far outweigh the costs over the long haul. OSD has been chopping money out of the Navy and the Naval Reserve's hide for years now, so we are not reluctant to say that it is high time to take advantage of the Naval Reserve capability to supply more return for the dollar than any other government agency. We cannot, however, do it for nothing, despite some analysts' notions to the contrary. NRA's request is only for the means by which the Naval Reserve can accomplish its mission and a chance to prove the validity of our statements.

We do not envy the Congress the position of having to engage in "catch up ball" with regard to our national defense posture after years of listening to the hordes of Pentagon witnesses mouthing the reassuring words of the administration that everything was great in Defense. We are thankful that the Congress held the line where it did or the critical situation in which we find ourselves today might well have proven to be irreversible. We probably should be thankful that the present international situations have awakened us to the realities that dictate a reappraisal of our defense capabilities. What we do not need more of are promises, promises, promises, promises.

APPENDIX A

FACTS: NAVAL RESERVE STRENGTH

1. For the first time since FY 1974, budget has not planned to lower Naval Reserve drilling strength.
2. OSD finally heard congressional message not to cut Naval Reserve.
3. NAVAL SELECTED RESERVE AVERAGE STRENGTH.

FY	Submission to OSD	President's Budget	Congressional Authorized	Congressional Funding
73	129,000	129,000	129,000	129,000
74	129,000	116,981	119,231	116,857
75	112,819	107,526	117,000	108,485
76	95,142	93,982	106,000	99,000
TQ	92,000	92,999	106,000	101,400
77	92,762	52,000	96,500	96,500
78	96,500	52,000	87,000	87,000
79	87,000	51,400	87,000	87,00
80	87,000	48,700	87,000	87,000
81	87,000	87,000		

4. Naval Reserve is the only source of trained manpower immediately available to augment the active Navy in the event of war, national emergency or other contingencies such as the 50,000 call-up authority of the President.
5. Every study in the last seven years has validated a Naval Reserve drilling requirement of approximately 100,000 as follows:

Study	Date	conducted by	Selected Reserve Strength Recommended
Total Force	1973-74	OSD	92,000
OP 605	1974-75	NAVY	102,000
Navy Mission Study	1976-77	OSD	95,900
Guard and Reserve (ROGAR 11)	1977-78	OSD	110,000*
Navy Manpower Mobilization Study	1978-80	NAVY/OSD	106,000**

*Recommended 10% additional manning to ensure full wartime availability.

**Study still under review by OSD.

6. Navy is in critical need of the skills available in the Naval Reserve to man the fleet ships.

7. Even if compensation packages are forthcoming and they solve the critical personnel shortage, trained personnel would not fill the void for at least a couple of years.

8. Naval Reserve Recruiting has been excellent in spite of turmoil of past years. Actions must be taken to cut back on strength to meet budget limitations for FY 1980 unless relief is forthcoming. (Supplemental Appropriations)

9. Naval Reserve Recruiting has demonstrated probable ability to recruit to greater strength.

10. Exhaustive review of NAMMOS study by OSD unlikely to seriously challenge the study findings.

11. NAMMOS provides the most economical means possible to fill mobilization assignment from the most costly full-time active duty individual to untrained civilian off the street. Category assignment depends upon pre-training requirement.

12. NAMMOS recomments all 106,000 billets be Training/Pay Category Alpha (48 drills).

13. OSD arbitrarily placed 3426 officer billets in Category B (24 drills) for FY 1981.

14. Recommendations: NRA strongly recommends the Congress provide:

    A. A supplemental FY 1980 appropriation to enable the Naval Reserve to keep the present strength and enable a build-up to approximately 89,000-cost, approximately $2-3 Million.

    B. Authorize a floor of 89,000 selected Naval Reservists for FY 1981 with funding to 92,000 if attainable. Strength increase cost-approximately $12.1 million for 92K.

FACTS: RESERVE ASW HELICOPTER SQUADRONS

1. OSD action eliminates the Naval Reserve Helicopter ASW mission for the third year. Congress restored the squadrons for FY 1979 and FY 1980.

2. Four combat capable squadrons, one each from Alameda, CA; Lakehurst, NJ; San Diego, CA; and South Weymouth, MA would be eliminated from the force.
3. The Reserve Tactical Carrier Wings (CVWR-20 and CVWR-30) would lose their ASW protection as would the Carriers upon which they were embarked.
4. The four Helo ASW squadrons represent 100% of the Reserve CV close-in ASW capability.
5. Loss of Reserve Helo assets would preclude active HS ASW squadrons from expanding to the eight helos per Carrier deck planned in the mobilization scenario.
6. Reserve ASW Helo squadrons are ideally suited for the Helo role in the Reserve Merchant Ship Defense Force concept (ARAPAHO). The Reserve units have the only aircraft available at this time or in the near future to provide the necessary resources.
7. If the active duty mission is viable, then the more cost effective Reserve squadrons flying the same aircraft are more so.
8. The squadrons also have a capability for in-shore, underwater warfare support (UDT, etc.). This flexibility of utilization of the squadrons would be lost to the Navy planners.
9. The in-depth testing of the capability of the SH-3 against submarines in a wartime enviroment by the Navy has clearly shown that the SH-3 is a highly capable and effective ASW weapons system platform.
10. The study of the Review the Guard and Reserve (ROGAR II) ordered by President Carter and Secretary Brown recommended retention of the squadrons.
11. The squadrons provide a considerable amount of support necessary to the active force throughout the year at a price that cannot be matched by anyone else.
12. Total Force Management by OSD would dictate retention of the four Naval Reserve Helo squadrons.
13. RECOMMENDATION: That Congress restore the four ASW Helo squadrons to the Naval Reserve Force in the FY 1981 Defense budget.

FACTS <u>LIGHT ATTACK HELICOPTERS (HAL)</u>

1. Mission - To provide close air support for Special Warfare groups, conventional air strikes, defensive suppression, demolition attacks, clandestine insertions/extractions of personnel behind enemy lines, overland combat rescue, intelligence gathering, etc.
2. HAL-4 at Norfolk, VA and HAL-5 at Point Mugu, CA comprise the only capability

of this type in the Navy. If these squadrons are disestablished the Riverine forces will have no dedicated Helicopter support.

3. HAL squadrons have a wartime mission which is most economically met by the Reserve.

4. Each squadron operates 7 HH-1K gunships. Each has the M-21 weapons subsystem consisting of two Gatling-type mini-guns and two rocket launchers. Additionally, there are two door mounted M-60 machine guns in each bird.

5. The two Reserve squadrons are better equipped, better trained and more ready than any of their counterparts in any service.

6. The cost would only be in operating support funds since the Reserves are already in the strength figures.

7. The squadrons were restored by the Congress for FY 1980.

8. RECOMMENDATION: That the Congress restore the HAL squadrons to the Naval Reserve Force and fund them for FY 1981.

FACTS: P-3 TAC/NAV MODERNIZATION

1. Tactical Navigation Modernization for P-3A/B Aircraft provides those aircraft with baseline P-3C capability.

2. Provides major improvements in critical areas of Tactics, Geographic Navigation, Tactical Displays, Data Management, Reliability Maintenance, Crew Workload and System Integrity.

3. Funding for program commenced FY 1970.

4. All programs called for upgrading of 159 aircraft.

5. All USN Active Aircraft have been completed or funded.

6. Reserve Aircraft were to commence modernization with FY 1980 funds of $30.8 Million for 18 aircraft, but plan fell out of budget.

7. Failure to provide modernization would constitute planned obsolencence. Because of shutdown of Loran Alpha, unmodified aircraft not deployable in open ocean ASW role.

8. With Soviet Sub constituting greatest threat to U.S. Warfighting capability, extremely important that we possess most capable deterrent possible.

9. Reserve P-3 Squadrons most likely to be recalled early in heightened world tension situation to be deployed around the world.

10. Navy proposes following plan (constant $)

	FY 1981	FY 1982	FY 1983
P-3A/B TAC/NAVMOD	22	28	21
COST IN MILLIONS OF $	30.5	39.2	32.1

11. NRA proposes the following plan (constant $)

	FY 1981	FY1982	FY 1983
P-3A/B TAC/NAVMOD	30	41	22
COST IN MILLIONS OF $	47.5	54.3	30.5

12. Navy proposal assumes migration of modified aircraft from USN to USNR in FY 1986. NRA considers capability gap to be unacceptable in light of the Soviet underseas threat.

13. Recommendation: The Naval Reserve Association strongly urges the Congress to fund the NRA Plan for the TAC/NAVMOD, item #11 of the fact sheet.

FACTS: NAVY AIRLIFT MODERNIZATION

1. Consolidation of all DOD airlift under the Military Command (MAC) has been rejected for the last five years by the Congress.
2. Title 10 USC 5012(b) directs Navy organic airlift capability.
3. Immediate responsive wartime airlift to fleet commanders around the world is imperative. Full utilization of requested organic airlift in peacetime can be effectively scheduled.
4. Lowest cost option for wartime scenario or peacetime operation is organic Navy airlift aircraft operated by U. S. Naval Reserve. (All Navy Tactical Airlift Squadrons are now Reserve units.)
5. Hearings by HASC in 1975 and 1977 concluded that consolidation was not feasible since:
   - Air Force did not have sufficient assets to support Navy in peacetime or in wartime.
   - No substantiating cost analyses could justify consolidation.
   - Navy peacetime and wartime requirements are unique.
   - Navy airlift modernization should commence with procurement of 23 C-9Bs.
   - Navy mission requirements not in conflict with those of MAC.
6. Defense Authorization Bill for Fiscal Year 1979 directed procurement of one C-9B "...for the modernization of the Naval Reserve airlift fleet..." The FY 79 Defense Appropriations Bill also provided for airlift modernization. The Congress continued its support of Navy airlift modernization by approving two additional C-9Bs. for Fiscal Year 1980.

7. The USAFE Intra-theater Airlift Movement analysis (September 1978), the DOD Resources Management Study (February 1979) and the worldwide mobilization exercise NIFTY NUGGET all revealed serious shortages in tactical airlift. General Moore, CINC MAC, stated that even with present plans for upgrading the wartime airlift shortage would be reduced only from 35% to 15-20% (March 79). These DOD findings provide increasing evidence of the need for Intra-Theater and Inter-Theater Airlift.

8. MAC test to provide weekend airlift for the Naval Reserve in July-August 1977 was a resounding failure. Service was poor and cost was twice that of better service with C-9Bs.

9. C-9B has best dispatch reliability rate (99.5% in CONUS) of any operational aircraft in the military inventory.

10. Due to consolidation of air activities at USN locations and the need to provide hands-on training to surface reservists, the readiness and stability of the Naval Reserve program is closely related to a responsive and economical peacetime airlift.

11. Defense Tactical Airlift Modernization Program (DODTAM) Study by OSD (January-July 1978):

    a. Resulted in decision not to procure additional aircraft for Navy Tactical Airlift Modernization;

    b. Costing adjustments by OSD analysts provided erroneous comparative costs to decision makers;

    c. Legitimate costing favors procurement of C-9B aircraft for Navy Organic Airlift.

12. Navy plan utilizes MAC for 90% of wartime airlift needs, only 10% with organic aircraft.

13. The overall C-9B requirements for the Fleet, Marines and Naval Reserves are:

	FY	'79	'80	'81	'82	'83	'84	'85
Fleet Requirements								
Total Operational	LANT	6	6	6	7	8	9	9
	MED	0	0	0	3	3	3	3
	PAC	6	6	6	6	7	8	9
	USMC	2	2	2	2	3	3	4
	Total	14	14	14	18	21	23	25
Total Additional C-9Bs Required	LANT	3	3	3	2	1	0	0
	MED	2	3	1	0	0	0	0
	PAC	3	3	3	3	2	1	0
	USMC	0	2	2	2	1	1	0
	Total	8	11	9	7	4	2	0
Naval Reserve Needs to Match C-118 Phase Out								
Operational C-118s		30	27	24	18	12	6	0
C-9Bs required (1 C-9B for 2 C-118s)			1½	3	6	9	12	15
Total Operational				2	4	7	11	15
Total Additional needs			1½	1	2	2	1	0
Total Fleet & Reserve Shortage								
Fleet & USMC		8	11	9	9	9	9	9
Reserve		0	1½	3	6	9	12	15
Total		8	12½	12	15	18	21	24
Then FY		8	12½	12	9	6	3	0
Congressional Program								
Year Approved		1	2					
For Delivery In			1*	2				
Minimum NRA Recommended		-	-	6	6	6	8**	
For Delivery in					6	6	6	8
Required Additional Approval to Eliminate Shortage				15	4***	4***	3	

1 Based on Approval by Congress of minimum NRA recommended program.
2 Shortest possible delivery - actual may add 1 year
* This is a pipeline A/C and will not relieve total shortage
** Two of these A/C are for pipeline
***Includes one pipeline A/C (pipeline requirement is for 6.1% of total A/C)

14. Purchase of required C-9Bs over a four year period FY 81-84) would be the least cost option and;

a. Satisfy the requirements of the sea services (Navy, Marine Corps, Coast Guard) in critical geographical regions.

b. Acknowledges airlift consolidation - MAC 100% of Inter-Theater and 90% of Intra-Theater-Navy 10% of Intra-Theater

c. Utilizes CRAF Planning.

d. Meets Navy special needs (modern quick response wartime airlift to deployed fleets)

e. Provides critical peacetime support for Navy Reserve training.

f. Is cost effective, cost competitive and affordable.

15. RECOMMENDATION:

a. Fund the continuing procurement of an additional 24 operational C-9B aircraft (and 2 pipeline) based on the following schedule: (Constant 1981 Dollars)

FISCAL YEAR	81	82	83	84	80-84
C-9B (Flyaway)	6/$107.7	6/107.7	6/107.7	8/143.6	26/466.7M
Site Support (2 per year)	1.9M	1.9M	1.9M	1.9M	$7.6M
Spares	9.4M	9.4M	9.4M	9.4M	$37.6M

The CHAIRMAN. Thank you very much, Admiral.

You will be available this afternoon for this afternoon's session?

Admiral SMITH. Yes, sir, Mr. Chairman, I will.

The CHAIRMAN. The next witness will be C. A. "Mack" McKinney, U.S. Marine Corps, retired.

STATEMENT OF C. A. "MACK" McKINNEY, VICE PRESIDENT OF GOVERNMENT AFFAIRS, NONCOMMISSIONED OFFICERS ASSOCIATION OF THE UNITED STATES OF AMERICA

Mr. McKINNEY. Thank you, Mr. Chairman.

There used to be a play, "No Time for Sergeants." I am certainly pleased that this distinguished committee does have time to listen.

The CHAIRMAN. I am glad to have one of my former colleagues before us.

Mr. McKINNEY. Thank you, sir.

I ask my written statement be placed into the record, Mr. Chairman, and I have a few remarks to make concerning it.

Recently, before this distinguished committee the Air Force Chief of Staff, Gen. Lew Allen, Jr., said, "Our manpower situation has never been more critical than it is today."

Although he was speaking for the Air Force only, his comment is most appropriate to all the armed services, both Regular and Reserve components. And the situation is so critial that it needs to be corrected, and corrected soon.

At present the Army Reserve and Army National Guard are 166,000 members short. The Individual Ready Reserves is somewhere near 500,000. Where do we get the manpower to fill these huge vacancies?

Evidently, we can't do it with the minimal incentives that we offer today. And we can't do it with the available manpower pool

that is in the civilian sector because most of them are not willing to listen to the recruiters' pitch.

The NCAO statement, which I have provided for the record, leaves no doubt as to what needs to be done to turn around the existing climate, one which finds not enough of our young men wishing to join the Reserve Forces.

The United States, we believe, must turn to the Selective Service System to induct sufficient numbers of eligible Americans to fill the vacant billets in Reserve and Guard units.

Frankly, NCOA believes there is no other way available to rebuild the huge lost numbers necessary to fill their ranks. Further, NCOA believes Government cannot afford to entice sufficient doctors, pilots, and the necessary technicians into the Reserves with monetary benefits. Only a draft will do the job.

NCOA wishes it could be here today with another solution. Regrettably, we don't believe there is another solution for the recruitment of our citizen soldiers.

The Regular Forces themselves are so desperate for manpower, some 200,000 short, that we must concentrate on providing many more incentives to bring those people into our Regular Forces. Unfortunately, the association cannot suggest greater monetary awards for we must, we believe, address those to the Regular Forces.

What remains to be discussed is "too little too late." The United States does not have the time to wait. The world is not standing by while we debate the pros and cons of the Reserve Forces. Once this Nation was a great power, and no country dared challenge us. Now we have allowed ourselves to become a crippled giant.

Russia ignores us. Iran holds our people—yes, even the United States hostage. Even a small Central American country thumbs its nose at us from a very few short miles across the sea.

The Reserve issue, Mr. Chairman, has been studied and restudied. I dare say we would probably find a study underway to study the studies that have been made earlier. Please, let's not have any more studies. It is time to act.

It is time to authorize the revitalization of the draft to fill the vacancies in our Reserve Forces.

Thank you, Mr. Chairman. I will be available to entertain any questions.

Written Statement of C. A. "Mack" McKinney

MR. CHAIRMAN: I am C.A. (Mack) McKinney, a retired Sergeant Major, United States Marine Corps, and currently Vice President for Government Affairs, Non Commissioned Officers Association of the USA (NCOA).

The officers and directors have asked that I extend their grateful appreciation to the committee and its staff for the opportunity to express today the views of the Association concerning the reserve forces.

The status of reserve and national guard units are of vital interest to NCOA. Some of the Association's Chapters are composed entirely of members of these units. The Chapters are in contact quite frequently with the Association's Headquarters to express the desires of their membership.

Often it is difficult to mold the varies suggestions received into one cohesive recommendation. What might be good for one unit's area is not necessarily advantageous to another. One group has indicated that it wants more frequent use of commissary facilities while a second group has intimated it would prefer earlier receipt of retired pay. Others have implied they wish to have bigger bonuses, expanded education benefits, and more pay.

Each of the suggestions has merit. The more incentives one has to offer, the more people it will induce to join its ranks. However, we must be careful that the reserves do not, someday, provide a more attractive package than the regular forces.

For example, the active armed services offer less incentives than they did in 1973. Active pay is no longer attractive because of soaring inflation. Enlisted reenlistment travel payments are gone as are most specialty and proficiency pays, regular reenlistment bonuses, 60 days unused leave accruals for each enlistment, and the old GI education bill. Under threat of loss, change, or reduced services at higher prices are, to name a few, the commissaries, clubs, recreational facilities and military retirment system.

With limited incentives and the shortfall in active military manpower levels; i.e. - the U.S. Army is 72,000 members short of its required strength; Congress needs to address the compensation needs of the regular forces before it looks at those of the reserve units. Nevertheless, each is important enough for Congress to act swiftly and expediently.

The reserve forces also are in a crucial fight for more manpower. In FY 1979 the Selected Reserve was short 153,000 of its wartime structural strength.

The Individual Ready Reserve (IRR) is in such a serious condition that it is anyone's guess as to the shortage of total requirements for mobilization.

Recently the Reserve Forces Policy Board (RFPB) released its "1979 Report on Reserve Manpower For the All-Volunteer Force and For Mobilization." The NCOA agrees with most of its observations on the Selected Reserve and the IRR. The report read as follows:

(Selected Reserve.)

"With respect to its Selected Reserve, the AVF faces considerable catch up ... primarily in the Army's Reserve Components and the 200,000 plus annual accessions needed to offset losses at present attrition rates.

"We have witnessed a steady decline in Selected Reserve authorized and actual strength throughout the AVF years. To the Reserve community this decline, in the absence of obligatory universal military training and service, was entirely predictable.

"The recently established incentive program has only arrested this trend in a very limited way during FY 79. The net increase of 19,000 over FY 78 brings the Selected Reserve total to 807,000 or almost back up to FY 77 levels. This attainment, although a first positive sign, still leaves the Selected Reserve 112,000 under pre-AVF actual strength ... .

"Although the RFPB recognized on-going and planned efforts to improve Guard and Reserve mobilization readiness, skepticism remains particularly with the approaching decline in youth population over the next decade. Estimates indicate that we are presently required to enlist one out of every three young men qualified for military service and will have to attract up to 40% or 50% of this group to meet continuing needs.

"At present, there is little evidence to support an affirmative response to the question posed above. The RFPB will continue to support all initiatives to provide incentives and management improvements that seek to attain the required level of readiness in the Selected Reserve. The Board's study of this question is also continuous and its views and recommendations will be offered whenever they are considered helpful to an orderly resolution of the strength problem."

(Individual Ready Reserve.)

"The Board notes that the Army has taken management actions which have resulted in increasing its enlisted IRR strength by about 50,000 annually over the 1977 low of just under 100,000. These measures which involve stopping premature transfer to the Standby Reserve after five years' service (which

will amount to only a one-time increase due to attrition) and screening Active and Reserve losses for possible assignment to the IRR should provide relatively small increases over the next several years.

"An area of particular concern that, in the Board's view, must receive attention by manpower planners is the attritive losses of the Armed Forces ... . During the AVF years of FY 74-79, the Active Components lost 2.6 million and the Selected Reserve 1.4 million. Although it is recognized that some Active losses were gained to the Reserve and vice versa, there remains a vast number of individuals who failed to complete six years of obligated service for various reasons that are a neglected source of accessions for the IRR. It is the Board's view that individuals separated from Active Components and the Selected Reserve who have not completed a six-year military service obligation (MSO) should be evaluated for assignment to the IRR in terms of their potential for useful service by standards which would apply in time of war.

"Attention that has been drawn to the critical status of the IRR is considered an important first step; however, the RFPB sees no firm plan at this time which is designed to bring the IRR to a specified level by a specified date. It is evident from information available to this Board that vast imporvements in strength, organizational design and management are needed to enable the Army and Navy elements of the IRR to fulfill mobilization requirements.

"Current funding levels do not provide for such improvements and permit only a token amount of mobilization specialty training of the relatively small numbers presently available for such training. Obviously, efforts to increase the size of the IRR must be matched by strong initiatives to improve its management and budget. In any event, the Board believes that without an involuntary service requirement, the IRR mobilization responsiveness will remain inadequate over the next four to five years."

In its statement before the committee's Subcommittee on Military Personnel, February 13 last, NCOA recommended that Congress authorize the induction of young men into the selected reserve. The Association believes there is no other monetary or beneficial method available, except perhaps one, that will cause the youth of the nation to join the reserve forces. That one might be the current economical dilemma and soaring inflation.

A more constructive solution might be the careful attention to more positive leadership and constructive training. Both lead to good morale among reservists and guardsmen and, almost universally, community acceptance of the unit and its

personnel. Young men and women having pride in their organization almost invariably urge their friends to join them. Recruiters have always recognized their most valuable incentive as that young military member who can and does influence his or her friends to enlist. But it might be too late for this suggestion.

Also the reserves can not do away with those incentives that attract others to its ranks. As noted in the RFPB report, mentioned earlier in this statement, recently established incentive programs appear to have assisted in recruiting efforts during FY 79.

The program should remain intact in any event to attract volunteers; however, it needs to be expanded to the other services as well as to more units in the U.S. Army.

The draft then would be used only to fill shortages of volunteers.

As for the IRR, again NCOA suggests the use of the draft to build its numbers to acceptable mobilization requirements. For those eligible young men unable, for whatever reason, to satisfactorly serve in the Selected Reserve, the reserve forces should place them in the IRR and train them during the summer months as probable combatants. They would remain in the IRR for a designated period in excess of that required of either a member released from active duty or one transferred from the Selected Reserve.

In respect to the periods of service in the IRR, Congress should increase the maximum time to at least 8 years.

For retention purposes, reserve forces must provide adequate compensation and benefits for its noncommissioned and petty officers. NCOA recommends the passage of certain proposals that it believes will assist in the retention of those mid-level reserves and guardsmen having specialties needed by the services.

The proposals include:

1. Authority to credit reserve time when computing retired pay for completing 20 years or more active service.

2. Authority for the Army and Air Force to authorize retired pay for reservists completing at least 20 years of active service.

3. Expansion of bonuses and education benefits for 2nd and 3rd term reenlistees.

4. Earlier receipt of reduced retired pay at age 55.

5. Extension of the March 31 deadline for reserves to participate in the Reserve Survivors Benefit Plan.

The CHAIRMAN. Thank you very much, Sergeant.

The committee will recess now until 2 o'clock, and we will resume where we left off.

[Whereupon, the committee was recessed at 11:59 a.m. to reconvene at 2 p.m.]

AFTERNOON SESSION

The CHAIRMAN. The committee will be in order.

When the committee recessed before noon the Chair was about to call Donald L. Harlow, deputy executive director of government relations, Air Force Sergeant's Association.

Mr. Harlow, we are glad to have you here.

STATEMENT OF DONALD L. HARLOW, DEPUTY EXECUTIVE DIRECTOR OF GOVERNMENT RELATIONS, THE AIR FORCE SERGEANT'S ASSOCIATION

Mr. HARLOW. Thank you, Mr. Chairman. It is a pleasure to be here. I would like to preface my statement by first saying that I share with the distinguished members of this committee in welcoming Mr. Hopkins, the new member, but I would also like to point out we are going to be sad with the loss of the Honorable Bob Wilson, who is going to be departing at the end of this Congress. He has been a great friend of the association and a great champion along with many of you.

I would ask that my statement be read into the record.

The CHAIRMAN. Without objection, the full statement will be included in the record.

You may proceed in any manner you desire.

Mr. HARLOW. Thank you. I would just brief some of the highlights of my statement—specifically what has contributed to the loss of many of our highly qualified technicians within the enlisted corps.

Specifically, pay caps, the cutoff of the GI education bill, the lack of adequate health care for our people, pushing them out only the costly CHAMPUS program, the restrictions on the number of dependents overseas, and other attacks upon needed benefits for our service people and their dependents, have caused an ever increasing "loss of faith" in both the administration and the Congress.

There was a significant upsurge in morale within the Air Force enlisted corps when Senators Armstrong and Matsunaga proposed an additional 3.4 percent pay raise for the Active Duty people. Since the loss of that proposal twice in the Senate, there is now considerable doubt in the minds of our people as to the final approval by the Congress and the administration of the Senators Warner/Nunn alternative compensation incentive pay proposal. In the meantime, the loss of our enlisted midlevel managers and highly technical specialists of continues.

The Air National Guard and Air Force Reserve recruiters have maintained an enviable record in recruiting when the acquisition of enlisted men and women for the Active Duty Forces was falling short of requirements. However, there are still some shortages of midlevel managers and technical specialists within the Enlisted Reserves. While such shortages do not presently impact seriously upon the overall readiness of the Guard and Reserve units, further loss of the highly trained and qualified people from the Reserves

could jeopardize the capabilities and readiness of the individual units.

Now that we have identified, to some extent, the cause for the dilemma confronting our armed services, the administration and the Congress are looking to at least the registration of the youth of America to bolster our total forces in the event of an emergency.

The bill, H.R. 6274, introduced by a distinguished member of this committee, Representative G. V. "Sonny" Montgomery, provides for the registration, classification, and an annual induction of not more than 200,000 individuals each year for training and service in the Individual Ready Reserve of the Army Reserve.

Attached for your information is the proposal approved by the delegates in attendance at our international convention, held last August in Las Vegas, Nev. You will note our position on the reestablishment of the Selective Service System, registration, a callup for national service or military training, a specified number of such trained youths be assigned to the Reserves, and the remainder be returned to their place of residence and assigned to the Individual Ready Reserve.

As you know, the Air Force has never had to resort to the draft in meeting its manpower requirements, while the Army, and to some extent, the Navy have utilized that resource. If Representative Montgomery's bill should be approved, and that is questionable during this election year, the Air Force would benefit by an influx of volunteers who do not find service in the Army or Navy all that appealing.

What is not understood is the depressing of pay and other benefits for the thousands of highly trained, qualified and dedicated people in our armed services today, all in the interest of fighting inflation. Yet, the administration and the Congress are looking toward the expenditure of millions of dollars to reestablish the Selective Service System, many more millions to register the youth of America, and still more millions of taxpayers dollars to classify, induct, and train new people to bolster our armed services. In the meantime, we are losing those career enlisted people we need so desperately to man our current forces, and to train those who may eventually be brought on board under the Selective Service System.

To resolve the immediate problem of our Armed Forces—that is to retain as many of our good people we now have on board as possible, a substantial across-the-board, cost-of-living pay raise is essential at the beginning of the fiscal year 1981. This will at least signify to the men and women in our military services that the Congress and the administration are concerned with their welfare and understand their needs.

Other points for consideration pertaining to the call by the President to register the youth of America must also be addressed. The growing opposition, even to registration, is predicated upon the lack of trust by the youth of America in our Government. Once registration has been implemented, the draft is soon to follow.

We do not oppose such induction into our armed services if there is a need to bolster the shortfall in both the U.S. Army and Army Reserve. However, what additional problems are going to be encountered in view of the amnesty granted by the President for

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those who skipped the country and refused to serve during the Vietnam conflict?

The concern of the Congress just a few short years ago, as to the types of discharges being given to those enlisted personnel being released from the armed services, caused an immediate readjustment of the personnel management policies within the military services. To preclude the release of an individual with less than an honorable discharge, some 400,000 enlisted men and women failed to complete their initial enlistment between 1974 and 1977, yet all were eligible for VA benefits and unemployment compensation as the result of their possessing an honorable discharge.

We have a serious drug problem within our military services and we carefully screen our new recruits to insure we do not bring habitual drug addicts on board. Those we identify as using drugs during military service are released as appropriate. Will the utilization of drugs be another excuse by the youth of America to avoid military service?

I noted with interest an article in the Baltimore Sun where this distinguished committee has urged the House Budget Committee to increase the President's defense budget ceiling by $13.5 billion, to offset inflation and buy more warships, planes, tanks, and other weapons.

We certainly support this request. And we would compliment this committee because you people have done a tremendous job in supporting all of the requirements you could possibly do within the constraints imposed upon you.

However, we would also request that some of the money budgeted for defense in 1981 be allocated to many people programs that are needed.

Mr. Chairman and members of the committee, our association is concerned with the people currently serving in our total Armed Forces, maintaining an effective and adequate defense posture for America, and supporting whatever action is necessary to insure that this Nation is prepared to meet any emergency that could threaten our freedom.

On behalf of the membership of the association, I express my sincere thanks and gratitude for the many pieces of legislation this committee has passed support of our men and women in the armed services.

And, I have no reason to believe that, taking all things into consideration, the decisions you render on this authorization bill and other legislative measures will not be as fair and as impartial.

Thanks again for this opportunity to tell it like it is, and I stand ready to respond to any questions you may wish to pose.

WRITTEN STATEMENT OF DONALD L. HARLOW

Chairman Price, distinguished members of the committee:

I am Donald L. Harlow, Deputy Executive Director of the Air Force Sergeants Association for Government Relations, having served in this capacity since October, 1971. It is significant to point out that in just eight short years, the membership of AFSA has increased from approximately 8,500 to over 148,000 today. This certainly is indicative of the concern of the enlisted men and women of the United States Air Force as to the actions being taken by the Administration and the Congress affecting their service and career opportunities.

I thank you for the opportunity to appear before you today to discuss the FY 81 Authorization Bill and related matters. While our association acknowledges and supports the modernization of our Air Force Strategic Nuclear Forces and an expanded airlift capability, my statement will be confined to "people," especially "enlisted people," as that is what the Air Force Sergeants Association is all about.

It is obvious to anyone who desires to look at the facts that our Armed Services are losing more and more of their highly trained, experienced, and dedicated enlisted men and women, and the ability to keep the very capable young men and women beyond their first enlistment is also declining. So, we must first look at the reasons contributing to such a turn of events.

Specifically, pay caps, the cut-off of the G.I. Education Bill, the lack of adequate health care for our people, pushing them out onto the costly CHAMPUS program, the restrictions on the number of dependents overseas, and other attacks upon needed benefits for our service people and their dependents, have caused an ever increasing "loss of faith" in both the the Administration and the Congress.

There was a significant upsurge in morale within the Air Force Enlisted Corps when Senators Armstrong and Matsunaga proposed an additional 3.4 percent pay raise for the active duty people. Since the loss of that proposal twice in the Senate, there is now considerable doubt in the minds of our people as to the final approval by the Congress and the Administration of the Senators Warner/Nunn alternative compensation incentive pay proposal. In the meantime, the loss of our enlisted

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the Administration and the Congress are looking toward the expenditure of millions of dollars to reestablish the Selective Service System, many more millions to register the youth of America, and still more millions of taxpayers dollars to classify, induct, and train new people to bolster our Armed Services. In the meantime, we are losing those career enlisted people we need so desperately to man our current forces, and to train those who may eventually be brought on board under the Selective Service System.

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drug addicts on board. Those we identify as using drugs during military service are released as appropriate. Will the utilization of drugs be another excuse by the youth of America to avoid military service?

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Mr. Chairman and members of the committee....our association is concerned with the people currently serving in our Total Armed Forces, maintaining an effective and adequate defense posture for America, and supporting whatever action is necessary to insure that this nation is prepared to meet any emergency that could threaten our freedom.

On behalf of the membership of the association, I express my sincere thanks and gratitude for the many pieces of legislation this committee has passed in support of our men and women in the Armed Services. And, I have no reason to believe that, taking all things into consideration, the decisions you render on this authorization bill and other legislative measures will not be as fair and as impartial.

Thanks again for this opportunity to "tell it like it is" and I stand ready to respond to any questions you may wish to pose.

END

Attachment: AFSA Position Statement

ATTACHMENT 1

AFSA PROPOSAL NR. 3 AUGUST 1979

IMPLEMENTATION OF THE SELECTIVE SERVICE SYSTEM:

Much has been written and said concerning a return to the draft. It is obvious that the debate in the Congress will continue for a long time, despite the fact the House and Senate Armed Service Committees have already reported out a bill calling for the registration of youths age 18 to 26, beginning on January 1, 1981. It is apparent, from a political standpoint, that the administration will oppose any implementation of the Selective Service System during the 1980 elcetion year.

ACTION TAKEN BY GOVERNMENT RELATIONS: To date, no position has been taken or published relative to a return of the Selective Service System. We have reported in the magazine and Lobby Ledgers the various positions members of the Congress have taken on the issue. While some members of Congress clamor for immediate action to bolster the reserves, others strongly oppose any form of "call-up" of the youth of America, calling such action, "involuntary servitude".

COMMITTEE DISCUSSION: Due to the magnitude of the issue, after considerable discussion, the committee recommended the association establish the following as a position statement:

1. Request funds be appropriated for the re-establishment of the Selective Service System throughout the nation.

2. All youths 18 years of age register with the Selective Service Board at the time such registration becomes effective.

3. While the debate continues pertaining to the utilization of women in combat, the term "all youths" appearing above, includes the registration of women, age 18, and those who subsequently reach that age.

4. To determine the total resource for eventual call-up for National Service or Military training, the administering of physicals and classification are essential as soon as possible after registration.

5. A specified number of youths be called into the respective military services for a six months period of training and assignment to those reserve forces experiencing a shortfall in authorizations.

6. Those youths having received the six months training and who are not assigned to specific reserve units, be returned to their place of residence and assigned to the Individual Ready Reserve (IRR).

RECOMMENDATION: The delegates approve each of the above as the position of the association.

The CHAIRMAN. Thank you.

Since this is in Mr. Montgomery's field, I will recognize him first.

Before, we agreed on a policy we would go through the witnesses first and then we will go to the questions. So the next witness will be Mr. Joe Wasson, director of the Reserve Enlisted Association.

Mr. Wasson.

STATEMENT OF JOE WASSON, DIRECTOR OF THE RESERVE ENLISTED ASSOCIATION

Mr. WASSON. Mr. Chairman, members of the committee, I am chief of the Reserve Enlisted Association. With me is Sgt. Maj. Halsey Smith. He is younger than I am but I am not old enough to draw retired pay yet.

We appreciate very much the invitation to appear before you on this occasion. We hope we can make some positive contributions to your deliberation. I would ask that the statement we have submitted be read into the record.

I would like to take advantage of this opportunity to reiterate a philosophical viewpoint of Benjamin Franklin, as paraphrased by the Honorable John Slaisak, chairman of the Reserve Forces Policy Board for some 20 years. It is that to guarantee lasting American freedom you will always need a participating citizenry.

One of the purposes of the Reserve Enlisted Association is to inform its members of the efforts by the Congress, both collectively and individually, on their behalf. By doing so, we try to generate the report for legislation in the interest of national defense and that which would be beneficial to enlisted people of all National Guard and Reserve components; and we hope to generate opposition to proposals and programs deemed not to be in the national interest or in theirs.

Conversely, we solicit the views of our members, employing resolutions which will reflect not just the opinion at the Washington level but grassroots contentions. Some of that consensus on a variety of subjects is contained in the statement we have submitted for these deliberations.

To mention a few of those subjects: We believe Congressman Montgomery's proposal to select 200,000 young men each year for service in the Reserve components in an idea whose time is overdue.

Enlistment and reenlistment incentives, especially those of an educational nature, are considered to be the best of all answers to manpower shortages. And survivor benefits for dependents of Reserve component members, as provided for by S. 91 and H.R. 3314.

These are some of the specific items with which we are concerned. Others more general in nature include:

The uniform and consistent application of rules for members of the separate services and between officers and enlisted people; the oversupply of senior noncommissioned and petty officers in drill pay status with over 30 years' service; the need for an enlisted talent identification program to identify and locate civilian skills of enlisted reservists available to the Active Force; and consideration of an incremental Active Duty for training program for utilization of enlisted skills in addition to or in lieu of annual 2-week Active Duty for training periods.

We have noted with interest the summary of readiness on page 4 of the annual report of Reserve Forces Policy Board—report for 1979, a copy of which has been provided to the chairman.

On this one page there are very succinct descriptions of each Reserve component strength, training, readiness problems, and their responsibility for providing significant shares of our Nation's total combat capability. This summarizes our statement for this occasion.

We will try to answer whatever questions you may have.

Thank you, Mr. Chairman.

STATEMENT OF THE RESERVE ENLISTED ASSOCIATION

The Reserve Enlisted Association is an organization of enlisted men and women drawn from all branches of the service who have united because of similar interests and to achieve common goals. Our primary concern are the enlisted members of the Reserve and National Guard. Our secondary mission is to support a U.S. military policy that will provide adequate national security through a strong Reserve. An important part of this mission is to concern ourselves with the rights and benefits of the enlisted Reservist and to inform members of collective as well as individual efforts of Congress on their behalf.

REA is directly concerned with legislation regarding recruiting, retention, retirement, incentive, training, equipment and facilities.

As "civilian soldiers," we have a vested interest in these areas both as Reservists and as taxpayers.

The National Defense will rely on increased Reserve and National Guard participation.

Of major concern in the Reserve and National Guard Program is the importance of having an adequate number of qualified Reservists to respond to any national emergency that may arise.

To ensure this manpower, we need to review those incentives that will enhance the Reserve Program to attain the necessary numbers and quality of manpower so badly needed.

The REA recognizes the need for continued review of the entire Reserve and National Guard Program to eliminate those inconsistencies with the various Reserve and National Guard Services (i.e., retirement, promotions, bonuses, etc.). We recognize the need for continued review of training facilities to allow for up-to-date training in one's MOS. The relationship of the Reserve and National Guard to its regular service is of utmost importance, especially at the enlisted ranks where there may be some lack of understanding as to where the Reserve and National Guard fit into the overall total force concept.

Disparity benefits between Reserve Officers and enlisted members can no longer be justified, especially as it relates to benefits, promotions, and retirement as this reflects adversely on the morale of the troops.

The Reserve and National Guard Program must continue to identify those members who are not mobilization potential and to eliminate them from the rolls whether it be due to age, civilian job, physical condition, or other reasons. Fairness and equity is of prime importance. This awareness of mobilization potential should be made known to all members of the Reserve and National Guard on an annual basis.

The following resolutions have been adopted by the REA at its annual meeting in November of 1979 and are items we feel tend to improve the overall Reserve National Guard Program.

While some are money items that have to be considered in the overall context of available funds, some are items that have little or no monetary return but are recommended for fairness and consistency among all the Reserve and National Guard members. What is fair and proper for one should be fair and proper for all.

While many employers throughout the country have supported the Reserve Program, many continue to create problems for those who are members of the Reserve and National Guard. We feel additional legislation should be considered such as tax incentives or other means to encourage Reserve participation.

Resolutions

Relating to the inclusion of National Guardsmen within the Federal Tort Claims Act, Drivers Act, and other applicable acts.

Relating to recruiting and retention incentives.

There is an immediate need for a complete incentives package of educational assistance and enlistment/re-enlistment bonus to provide a positive aid to Guard/Reserve recruiting and retention programs and ensure that all units are capable of fulfilling their responsibilities in their training and readiness mission.

Relating to support of legislation to lower the eligibility age for non-regular Reserve component retirement pay.

Legislation has been introduced calling for an amendment to lower the eligibility age for non-regular (Reserve component) retirement pay from age 60 to 55 with full annuities and to age 50 for reduced annuities (reduced by ⅙th of 1 percent for each full month under age 55).

Relating to crediting Title 32 U.S.C. full-time duty as active duty for training for purpose of Title 10 U.S.C. benefits.

Entitle members on full-time duty under provisions of Title 32 United States Code National Guardsmen, their dependents and beneficiaries, to all of the benefits they would be entitled if they were on active duty for training in their Army National Guard of the United States or Air National Guard of the United States under Title 10.

Relating to survivor benefits for dependents of Reserve component members who die before age 60 and prior to enactment of Public Law 95–397.

All Reserve component members and former members now eligible for retired pay under Chapter 67 Title 10 U.S. Code who have not yet attained age 60 are now eligible for coverage under the new SBP pursuant to Public Law 95–397. There still exists, however, an inequity with respect to survivors of members of the Reserve components who are eligible for retired pay except for age and who die before full eligibility at age 60 and prior to the effective date of Public Law 95–397.

Relating to an amendment of the Survivor Benefit Plan to provide coverage automatically and concurrently with the date of eligibility.

We support an amendment in the present law to provide survivor benefit plan coverage automatically and concurrent with the date of eligibility at the maximum level if the qualified member dies before the end of the election period without having made such an election.

Relating to increase of SGLI insurance to a $50,000 maximum.

Relating to the eligibility of enlisted guardsmen and reservists for retirement upon completion of an aggregate of 20 years active duty and active duty for training.

Relating to support of legislation to improve medical, dental and death benefits.

We urge that Congress support legislation which would provide for improved medical, dental and death benefits and military hospitalization for injuries sustained while performing inactive duty training and annual training of Reservists to include a portal-to-portal coverage of Guardsmen and Reservists.

Relating to authorization of post exchange and commissary privileges upon completion of 20 years of qualifying service for retirement.

Relating to Reservist travel and use of privately-owned vehicles.

The current rate of reimbursement is inadequate for travel expense and an increased mileage rate would be more realistic in keeping with today's costs.

Relating to lifting of the sixty point ceiling.

Relating to participation in the Department of the Army and Air Force suggestions and inventions program by members of the Army National Guard and Air National Guard.

Relating to support of H.R. 2404 pertaining to reestablishment of the Selective Service System registration, examination, classification of draft-age males and draft into the Individual Ready Reserve.

Relating to the integration of Social Security benefits with proceeds paid under Reservists' Survivors Benefit Program.

The CHAIRMAN. Master Chief Petty Officer George Lange.

STATEMENT OF GEORGE LANGE, MASTER CHIEF, HULL MAINTENANCE, USNR, EXECUTIVE ASSISTANT TO THE NATIONAL PRESIDENT, NAVAL ENLISTED RESERVE ASSOCIATION

Master Chief Petty Officer LANGE. Thank you, Mr. Chairman. I would like to submit our prepared statement for the record. I have just two little items to bring up.

One has been mainly covered by everybody else, but again, it must be reiterated—the lack of travel funds for Reserve training.

The Naval Reserve, as I understand it, the middle of May is going to run out of money for Naval Reserves training travel pay. This needs to be really looked at and action taken to provide the proper training. We are not in a position of not even being able to send our weekend-away training units to their platforms where they can become more familiar with the units they are assigned to.

One other item that has not been addressed is the problem that Mr. Montgomery and Mrs. Holt have brought up of portal-to-portal coverage for reservists on a drill weekend, where they leave their home and until they arrive at a drill site they have no medical coverage whatsoever, whether they are using Government transportation, or public transportation of some kind.

This needs to be looked at. There is a bill, H.R. 1428, that needs to be looked at and have hearings and we will be very happy to appear before the subcommittee and testify as to this.

Again, like the rest of them, I stand prepared to answer any questions.

WRITTEN STATEMENT OF GEORGE LANGE

Mr. Chairman, members of the committee: I am Master Chief, Maintenance Technician George Lange, USNR, Executive Assistant to the President of the Naval Enlisted Reserve Association.

I preface my formal statement with sincere appreciation on behalf of the Naval Enlisted Reserve Association, and myself for the privilege afforded us today to speak before the committee.

Our purpose in appearing before this committee is to discuss the proposed fiscal year 1981 budget.

NAVAL RESERVE STRENGTH

In prior years' testimony, NERA has sought an interim stabilized Selected Naval Reserve strength of 87,000. This figure of 87,000 has been authorized by Congress for fiscal years 1978, 1979 and 1980.

The President's budget for fiscal year 1981 proposed a Selected Naval Reserve strength of 87,000, a proposal which we applaud. There are, however, several related personnel issues which must be addressed and provided for before final action is taken on this budget.

Of central importance is the current mid-East crisis. National newspaper articles and major TV news broadcasts are making the public more aware of Navy's first-reaction role in our Nation's foreign policy and in defense of our intersts around the world. While we are seeing the importance of the Active Forces emphasized, we must not lose sight of the fact that their back-up must be an adequately manned, highly trained, properly equipped Naval Reserve ready to respond in an emergency.

The first question which must be answered is the proper sizing of the Selected Naval Reserve to meet the contingency plans of the Navy.

Numerous studies have been conducted in recent years to establish the Selected Naval Reserve strength needed for mobilization. Currently under Review in draft form is the Navy Manpower Mobilization System (NAMOS). All previous studies and the preliminary finding of the NAMOS study indicate a requirement of something over 100,000 Selected Naval Reservists to meet the Navy's contingency needs.

Mr. Chairman—recognizing the requirement for the Naval Reserve to increase from its present 87,000 level to a strength approximating 100,000, the Naval Enlisted Reserve Association proposes that the Congress make provisions for a realistic rate of growth. It is suggested that two strength figures be legislatively established

in the fiscal year 1981 Defense bill—a force level floor of 89,000 and a ceiling of 92,000. The proposed legislation would further stipulate that the RPN (Reserve personnel, Navy) fund provided (for drills and two-week active duty for training) for the 3,000 man-year-average differential could not be spent for any other purpose. This would give the Naval Reserve an assured and stable base and, at the same time, provide the opportunity to achieve a modest rate of growth toward its required strength.

Under the leadership of Rear Admiral Palmer, Chief of Naval Reserve, recruiting has exceeded its fiscal year 1979 recruiting goal and fiscal year 1979 losses were 34 percent fewer than those of fiscal year 1978.

In order to effectively utilize the recruiting momentum that the Naval Reserve has built up over the past year, it is further recommended that the fiscal year 1980 strength legislation be amended as soon as possible to permit an increase in strength from the presently authorized 87,000 to 89,000 during the current fiscal year. This will, again, being a modest rate of growth and provide the Naval Reserve the time to make orderly adjustments in its force and support structure.

Closely related to the foregoing is the number of full-time active duty members for the Naval Reserve. The Senate Committee on Armed Services last year recommended an increase of 1,500 additional full-time enlisted active duty members for the Naval Reserve. This figure was reduced to 500 additional full-time enlisted active duty members by the Joint Conference. It is recommended that the 1,000 additional full-time enlisted active duty members be authorized in the budget for the Naval Reserve under a two-year recall program for the purpose of manning Naval Reserve Force ships and to provide administration, instruction, and training of the Naval Reserve Force. It is anticipated that these 1,000 additional billets will relieve the active duty Navy members who are now assigned these duties. It is the Naval Enlisted Reserve Association's opinion that the additional reservists voluntarily serving on full-time active duty will contribute to the total force readiness posture of the Navy.

COMPENSATION

There have been many actions initiated involving compensation of one form or another for Reserve and Guard personnel, very few of which have progressed beyond the initial stages towards fruition. One of the most important bills introduced concerning compensation was H.R. 1428 (medical coverage for Reserves and Guard) by Congressman Montgomery and Congresswoman Holt on January 20, 1979. Many Naval Reservists are required to use any mode of Transportation provided by any agency of the U.S. Government to reach drill sites, and are required to use the aforementioned transportation while under TAD no-cost orders to attend drills. Reservists in transit as passengers are not considered to be drilling while travelling, therefore are not entitled to the benefits provided in title 10, U.S. Code. H.R. 1428 would alleviate this situation.

In view of the foregoing, NERA strongly recommends passage of H.R. 1428 or that hearings be held by the subcommittee for compensation so that our association may provide more detailed information in support of H.R. 1428.

NAVAL AIRLIFT MODERNIZATION

The organic airlift capability of the Naval Reserve consists primarily of an aging fleet of C–118 reciprocating-engine aircraft. Congress has extended the operating life cycle of these veteran aircraft for the past four years; however, the life and safe operational limits of these aircraft are now nearing an end. The Naval Reserve provides the Navy's total organic transport airlift capability; this includes transport service for active Navy logistics requirements, Naval Reserve logistic flights and passenger transport to take reservists to weekend-away training sites, and, of course, the valuable hands-on training for Naval Reserve flight crews.

Employing Naval Reservist crews for these logistic flights produces two benefits:

(1) Reserve crews are paid only for the assigned mission, thus cutting the overhead cost of active duty personnel.

(2) The additional reserve pilots who fly the scheduled flights provide the Navy's single source of trained crewmen that would be necessary for wartime mobilization.

In addition, the Air Force has testified that the Military Airlift Command does not have sufficient assets to support the Navy in peace-time and, therefore, the Navy must have the ability to own and operate its own organic airlift resources—in short, the needs of the Navy would be better served if it maintains its own organic airlift.

In view of the foregoing facts and considerations, the Naval Enlisted Reserve Association strongly supports and recommends that funding be provided for the

procurement of 6 C–9B aircraft for fiscal year 1981 and the approval of two support sites.

NAVAL RESERVE FORCE DESTROYERS

In testimony last year before congressional committees, the Naval Enlisted Reserve Association opposed the decommissioning of twenty destroyers. Subsequently, the Congress approved the retention of twelve of the destroyers pending a review of the situation. While the Naval Enlisted Reserve Association stands firm on our stated position, we will support the findings of the current congressional study.

Another very important issue is the approximately $10.6 million or 20 percent decrease in RPN travel funds for fiscal year 1980. Since November 1, 1978, airline tariffs have increased approximately 57 percent, hotel rates will experience a 26 percent increase, and the nonavailability or inadequacy of Government quarters has driven per diem costs up, and yet inflation allowances were not authorized in the fiscal year 1980 budget submissions. The overall impact is that 48 to 56 percent of transportation for active duty for training/special active duty for training/weekend-away training presently planned cannot be funded.

In response to the above, stiff fiscal constraints have been imposed by the Chief of Naval Reserve. All category "D" active duty for training will be on a permissive travel basis, i.e. reservist would receive pay and allowances but must absorb the cost of travel. The additional or involuntary active duty for training program has been cancelled for the remainder of fiscal year 1980. Active duty for training outside the continental United States is prohibited unless Government messing and berthing are available and Navy organic airlift is utilized. A maximum of one set of paid annual active duty for training orders will be issued to any one reservist during fiscal year 1980 for which travel is furnished or the reservist reimbursed for travel. As of February 1, 1980, all weekend-away training which required RPN travel funds was cancelled unless it could be accomplished utilizing Navy organic transportation and Government messing or berthing.

As stated previously in this testimony, the Naval Reserve must be an adequately manned, highly trained, properly equipped back-up force, ready to respond in an emergency. It is the Naval Enlisted Reserve Association's opinion that these fiscal constraints will cause training and readiness for mobilization to deteriorate at a rapid rate. It is essential that the Congress institute a supplemental appropriation to restore RPN travel funds to the previously requested amount with a present-day inflation factor added.

Mr. Chairman, this completes our statement. Again, we thank you for the opportunity to appear before your committee. We shall be happy to address any questions you may have or to provide any additional information you desire.

The CHAIRMAN. Does any member of the committee have questions to ask?

Mr. Montgomery.

Mr. MONTGOMERY. Thank you.

I wonder if we could have our witnesses come to the table, and I have just a few questions. Maybe some other members would have a few questions, and it wouldn't take 15 minutes.

The CHAIRMAN. Would the witnesses come to the main table?

Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

I wasn't planning on asking any questions, but I will ask several questions pertaining to maybe just the discussion going further.

General Roberts, you mentioned and recommended that we have an Assistant Secretary of Defense for Reserve for Mobilization and Readiness, and that bill has been introduced. Do you care to elaborate more why you think that is one of the important pieces of legislation that should be considered?

General ROBERTS. Yes, sir, Mr. Montgomery. I appreciate your bringing up the subject.

It was discussed recently by Mr. Laird, Mr. Stratton, Mrs. Schroeder, and others that the present arrangement overloads one Assistant Secretary of Defense; the individual in that job happens to be here today, Mr. Pirie. I am not certain he would say he is

overloaded, but I think some of us feel that office is tasked a little too heavily. We felt this House was correct in the late 1960's when it recommended an Assistant Secretary for Reserves.

Since then, with Nifty Nugget, and with other evidence, it would indicate that the job needs to be filled now perhaps more than it was before. We believe the title should be Reserve Readiness and Mobilization; because Nifty Nugget showed many deficiencies not the least of which was coordination on the personnel side, with Reserve Forces and otherwise.

We believe the same structure should be contained in the services. So we have an Assistant Secretary who is dedicated to this problem. After all, if we have roughly half of our Army Forces in the Reserve components, we better pay more attention to them and give them more prominence; and we have significant evidence in the Air Force, Navy, and Marines.

We also in this proposal would emulate the success of the Air Force Reserve. And it has been very successful where the Chief of Air Force Reserve is not only the principal staff adviser, Chief of the Staff of the Air Force on Reserve Matters, he also commands the Air Force Reserves.

And upon mobilization, all units in the Air Force Reserve following a gaining command concept would immediately be transferred to an appropriate portion of the Air Force. We propose that same system for the other services.

Mr. MONTGOMERY. Thank you, sir.

Mr. McKinney, as a representative of the Noncommissioned Officers Association, what could this committee do or what needs to be done to improve the noncommissioned officers in the Reserve, in the National Guard?

Mr. MCKINNEY. We made a few recommendations in our statement, Mr. Montgomery, in relationship to what we consider the noncommissioned officer or petty officer in the Reserve Forces—his role.

One significant point has been brought up to me time and time again—to permit those in the Army and Air Force in particular to retire at 20 years if they have 20 years of Active Duty.

This seems to be an inequitable law that pertains only to the Navy and Marine Corps, where the Reserves can serve 20 years of Active Duty, and then at the end of that period can retire with retired pay.

The Army and Air Force are not permitted to do so under law.

Another significant point is the fact that we allow certain commissioned officers to credit Reserve time when computing retired pay; but we do not permit our enlisted people to do that. We have talked to the Department of Defense any number of times about this. They say, well, there is no justification to give it to enlisted people. And we asked them what is their justification for giving it to the officers. And they say there is none. But they don't want to change the law.

Mr. MONTGOMERY. Didn't we pass this legislation in the House?

Mr. MCKINNEY. The House has; yes.

Mr. MONTGOMERY. It was not enacted? We took the attitude we will have to wait on the Senate. But this committee did pass that legislation?

Mr. McKinney. It certainly did.

Mr. Harlow. That was passed three times, Mr. Montgomery. It is here and under consideration now with the OGLA.

The Chairman. Mr. Whitehurst.

Mr. Whitehurst. No questions, Mr. Chairman.

The Chairman. Mr. Dan Daniel.

Mr. Dan Daniel. Mr. Chairman, I appreciate the appearance of all of these gentlemen, and at an appropriate time I will yield any time to Mr. Montgomery.

The Chairman. Mr. Beard.

Mr. Beard. No questions.

The Chairman. Mr. Hillis.

Mr. Hillis. No questions.

The Chairman. Mr. Leach.

Mr. McDonald.

Mr. McDonald. Thank you, Mr. Chairman.

General Roberts and Admiral Smith and the other gentlemen there, I want to thank you for coming and bringing your testimony on these very important matters of personnel and where we are going to be able to get our Reserve for the future.

Let me say that the gentlemen on this committee, I think, have done such a magnificent job over the years. My colleague from Mississippi, Congressman Montgomery, I think he has carried the load on sometimes an issue that has not been in the forefront of many people's thinking, but he has done a tremendous job.

I appreciate your testimony today, gentlemen, and I appreciate your emphasis on the need to return to some system. One of you testified saying the only system available seems to be—of the various options, and the options are rather limited—to some form of a draft. I think there is a lot of discussion, as you know politically, on that point of whether to reinstate the draft. A matter of even the registration for the draft has created some controversy. And, of course, the issue of women being registered.

I would be curious. Do any of you feel there is any military indication for the registration of women for the draft?

General Roberts. Mr. McDonald, speaking for ROA at our recent mid-winter conference, we adopted a resolution which endorsed the President's request; but went further and asked that Mr. Montgomery's bill be supported, which would provide for the draft of up to 200,000 males for the Individual Ready Reserve. I don't believe anyone in our association there that is a need—a military need—to draft women short of a crisis of World War II type or more serious.

Mr. McDonald. Of course, in World War II the Congress had the authority if it wished to exercise it for the draft for women. I think it was considered at one time in around 1944, the possibility of drafting nurses, rather selective implementation; but then was rejected and the war was over before it ever came to final fruition.

It seems like we would certainly have to have a massive all-mobilization effort before it seems like that would be justified, in my opinion. I wondered whether any of you gentlemen with your experience had a feeling in regard to a military necessity for such at this time?

General Roberts. I wouldn't see it right now.

Mr. McKinney. I agree with General Roberts on that, Mr. McDonald. I think our critical question is how many men can we provide to replace our troops if and when that balloon goes up. We are talking about combats, and not support people.

We need both of them. The primary purpose is going to be the combat replacement.

Mr. McDonald. I pass on my own experience to you gentlemen. In talking to various high schools I must admit there is mixed feelings about the draft. The inequity of it, the Vietnam experience, and so forth.

The feeling is this fair, and so forth. But, when some of the students have asked for my personal opinion of what do I favor, I have always favored as the most equitable means and the best means, frankly, more in the area of universal military service or training very similar to what Switzerland has.

I have been astounded that the high school students break out in an applause when that is explained. Whereas you have a hard time selling the inequities of a draft when you start pointing out the system that the Swiss have of military service as part of your citizenship, no questions asked.

I come from the Southeast and it may be a little different from other parts of the country. But I have been surprised that the high schools had a very warm response. I know that some of you in your testimony sort of went on into philosophical areas. I think as a member of this committee, I am very much impressed over the budget problems that we are having. And I think we are going to continue to have tremendous problems in meeting adequate defense needs until we get the Government emphasizing the need to protect life and property in a way from its current fascination with providing all the creature comforts for all citizens, seemingly citizens of the world. Because that is about now 60 percent of our budget.

I would hope that your members and those who are concerned about a strong national defense will get that message across to hopefully bring some pressure to make some changes here in the Congress.

Mr. Chairman, that is all I have. My time is out except I did want to compliment the gentleman from Mississippi for his fine work in this whole area.

The Chairman. Mr. Nichols.

Mr. Nichols. Thank you, Mr. Chairman.

Mr. Montgomery is looked at as "Mr. Reserve Forces" of this committee. I want to add my endorsement to what my colleague, Mr. McDonald, has said. We have tremendous appreciation for the interest that he always has shown in the Reserve Forces of this country.

Mr. Chairman, I don't have any questions. I feel like several issues have been brought up. I would just like to comment on them.

I spoke before the Reserve Forces Policy Board this week, who met here in Washington, and I found that probably the No. 1 issue that concerned them was travel restrictions. They convinced me it is felt all the way down within the ranks of the troops. We are talking about PCS movements; we are talking about household goods and we are talking about summer camp.

If I recall the history of this, last year the Senate deleted about $750 million, I believe, and in conference that figure was reduced to $500 million.

I would hope that Mr. Montgomery—maybe this committee whose jurisdiction this is really not in—could send some sign to the Appropriations Committee to hopefully put that money back in.

Second, I am terribly disappointed that the President saw fit to veto the medical pay bill. It affects the Active Forces. It affects Reserves.

I understand his interest in fiscal restraints, and certainly I want to help him on it; but we were talking about $10 million in the 1980 year, and $52 million in the 1981 year; 90 percent of this money would have gone to military physicians.

As I say, I feel like he got some very bad advice on it from OMB. To my knowledge, the Department of Defense went all out to support this bill. I have no information to the contrary. I discussed it with Chairman Price and we are going back to the drawing board. I hope you might be able to get this out to the people in the field.

I am in the process of trying to determine what the President will accept. We hope to come back with another bill just as soon as we possibly can.

I would like to make one other comment on what was said by one of the witnesses, Sergeant Holloway. I believe he made mention of the Senator Nunn proposal. That proposal is over on our side of the Congress. If we accept that bill in its present form the cost on it would be somewhere around $500 million, if we go back to January 1. But if we go to the time of enactment, we are talking about probably $300 million for 1980. It is not a cheap bill, by today's standards, I suppose.

The 1981 projected cost would be somewhere around $750 million or $800 million. The $300 million is not available in our present budget allocation. I am endeavoring to meet with Mr. Giaimo and work those matters out.

It would be my intention to recommend to the conferees, and recommend to the full committee, Mr. Chairman, that generally we support virtually all of the provisions of the Nunn-Warner amendment. It is not a godsend. It is not what we need. It may be trying to put patches on a broken arm. But it is all we have to work with now.

I wanted to assure you gentlemen here at the table and those in the room that we are going to endeavor to pass it.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Leach.

Mr. LEACH. Mr. Chairman, this is directed to Mr. Ford.

Do we have any indication we may have any supplements regarding this travel for the Reserves?

Mr. FORD. We have not had any indication there will be a supplemental for that purpose, no, sir.

Mr. LEACH. I would hope this committee would in a future session, very soon, seriously consider using one of these so-called signals, and let them know what we think about this severe reduction in this travel. This has been mentioned by each witness here today. And I think the very pertinent point is that with all the

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restraints on training, and their degree of readiness being imperiled by this restriction on travel, I hope this committee will see fit to send some signal back across to the Pentagon.

Mr. FORD. The Assistant Secretary of Defense for Manpower is going to testify shortly. You can tell him.

Mr. LEACH. I will do that if I am in the room. If not, I hope the committee, as a whole will consider this in some future session.

The CHAIRMAN. Mr. Hopkins.

Mr. HOPKINS. Thank you, Mr. Chairman.

Mr. Harlow, on page 4 of your statement, you state that "we have a serious drug problem within our military services." How serious is that?

Mr. HARLOW. Well, it is serious concerning our people, especially those who will be working on sophisticated equipment of aircraft. We have had a recent release of some 52 security police from our Air Force because of their drug problem. I don't know the full extent of the problem; but I know that it is serious enough so that we are paying a great deal of attention to that problem. And our commanders are asking our senior NCO's to be extremely active in this program to preclude any problems for our people who might possibly get mixed up with the drugs.

Mr. HOPKINS. Your statement goes on to say you carefully screen new recruits to insure that we do not bring habitual drug addicts on board. The only experience that I have had with that occurred last summer when I visited Fort Knox, Ky. I spent the entire day down there. Most of the day I spent with the general. And I asked the general if he would mind if I talked to some of the privates and the enlisted men, and so forth. And I asked him if he would excuse himself if I felt perhaps his presence might intimidate those kids in answering the questions I might ask them. They might not shoot as straight with me as I wanted them to.

One of the things I asked about was the volunteer services. I asked what is the No. 1 problem in the services today, this is about 30 minutes so they can break down the fact I was not a big deal Congressman from Washington. I was simply trying to get some straight answers.

They told me the No. 1 problem in the services today is discipline. Each one of them agreed with that. I said, "is the volunteer service working?" Without exception, each one said, "no, it is not." What they are getting is streetwise kids who know how to sell drugs, and, in fact, they were doing it in Fort Knox, Ky., right then. This is a little bit alarming. Particularly in view that you state you carefully screen your new recruits to insure that we do not bring habitual drug addicts on board.

It doesn't seem to be consistent with the testimony I received from Fort Knox.

Mr. HARLOW. I am speaking for the Air Force, Mr. Hopkins. As you know, I am with the Air Force Association. I am talking about the enlisted primarily of the Air Force. However, our concern is for the total force, because as you say, it is a problem.

Mr. HOPKINS. What do you do, Mr. Harlow, about some kid that gets in a little trouble out here and the judge says, "either you are going to go in the service or we are going to put you away for a few days."

Mr. HARLOW. I haven't run into that recently, Mr. Hopkins. I know it used to be a very prevalent activity in our courts. But to my knowledge today, I don't know of anybody that is doing that.

Mr. HOPKINS. That is all I have, Mr. Chairman.

Thank you very much.

Mr. HARLOW. Thank you, Mr. Hopkins.

The CHAIRMAN. Mr. Montgomery.

Mr. MONTGOMERY. Mr. Chairman, I know we have other witnesses from the Defense Department, so I will be very brief. It has been mentioned about the bill that some of us have introduced pertaining to the limited draft, of calling up 200,000 young men, which we need. There is no question about it.

I appreciate the support we are receiving here. Quite frankly, gentlemen, we need your help to get the funding for the peacetime registration. We have a problem with that at this time. Any support your associations can give to get the funding out of the full Appropriations Committee to implement the peacetime registration will help.

Mr. White, Chairman of the Subcommittee on Personnel, has told me that sometime this year we would consider the bill we have introduced on limited draft. We must be realistic. If we can get registration, then we can take a look at whether we can get them into the draft. But we can't seem to even get registration going.

We need your help. If we get your help, we can get something done about it.

General Greenlief, or anyone else can answer this for the benefit of the committee, what is the cost of personnel to have an Air Guard squadron versus a Regular Air Force squadron, the same type of equipment, and even an infantry battalion, National Guard, versus a Reserve battalion versus a Regular? Is it a saving to the taxpayers to have these units in the Guard and Reserve?

General GREENLIEF. Mr. Montgomery, I can't give you a precise costing on that. As a matter of fact, the costing varies in the Air National Guard with the weapons systems involved. My memory of this is the last study was done by the Rand Corp., and the cost of an Air Guard squadron was roughly 60 percent of the cost of operation of a Regular Air Force squadron.

In a comparison of National Guard Army combat battalions as compared to Regular Army combat battalions the percentage would be much, much lower. The reason is the activity rates in the Army Guard training effort is much lower than that of the Regular Force. But it goes without question that there is a tremendous cost saving.

After all, that is why the total force concept was created. The reason given for the Nation's ability to afford the elimination of Regular Army division and Regular Air Force wings was that the Nation would rely increasingly on the Guard and the Reserve, and thus save significant dollars.

I cannot give you precise costings. It is commonly said on the Army side that the cost of the National Guard and Reserve unit operation is something like one-sixth that of the Regulars. But I am not in a position to verify that. But the savings are significant. That is what caused the total force policy to be developed. And it is also the reason that I say we can and must fully support the Guard

and Reserve units; because even in so doing the cost savings will be substantial.

Mr. MONTGOMERY. How much of the total budget is earmarked for Reserve and Guard, the total Defense budget for the last couple of years and for fiscal year 1981?

General GREENLIEF. Mr. Montgomery, I can't give you that overall figure. I can give you a demonstrative number. The Army National Guard represents 7.1 percent of the total Army budget. And for that, we produce 63 percent of all the infantry battalions, 42 percent of all of the field artillery battalions, 41 percent of all of the mechanized infantry battalions and 40 plus some percentage of all the tank battalions. It is a tremendous buy for the Nation. But only if those forces are ready to fight.

The thrust of my testimony this morning was they are not ready to fight because they have not been supported with resources.

Mr. MONTGOMERY. We had the marking up in the Personnel Subcommittee yesterday. We were marking up title IV of the bill, military training student loads. And I notice that the Army Reserve on student training loads did get an increase of plus 4,000. I notice the Naval Reserve only got plus 47. The Marine Corps Reserve got minus 12, of what they had last year. And the Air National Guard got minus 28. And the Air Force Reserve got minus 137.

We couldn't find anything in testimony where any associations had shown that much concern about the cutback in some of these training student loads over the year before. Do you think you can survive what we recommended—what the Defense Department asked us to recommend?

General GREENLIEF. Mr. Montgomery, the reduction of student loads is a significant problem. It does impact on readiness. It particularly is important because the standard Department of the Defense statement is, we can improve the procurement and the retention of personnel if we improve training. And yet when it comes to something like student load, we find reduction. The shortage of travel money that has been addressed here impacts on the ability to send people to the training.

This is also authorized in the bill. I can't answer for the other associations. I can say for my own part if we haven't emphasized that problem, it is because there are so many problems that you simply can't cover them all in about a 10-minute summary or even a longer written statement.

General ROBERTS. I would like to add to that, the fact that the shortage of individual training money was so a cut in the Army Reserve this past summer, that they had to actually cancel orders for officers already given orders and some of them had already left for their duty.

This was due to a combination of circumstances. But part of it is due to cuts by the Appropriations Committee over here. I think that is the principal reason there has been an add-on for this budget because it got so bad last year. But the Navy has chronically been short on individual training money. And again, it should be increased.

As General Greenlief says, there are so many problems that confront the Reserve Forces in a limited time we can't address

them all. But that is certainly a major problem and anything we can do to shore up individual training we need to do.

The CHAIRMAN. Thank you very much, Gentlemen.

Mr. MONTGOMERY. Sergeant McKinney had a statement.

Sergeant MCKINNEY. Yes, Mr. Chairman, please.

I want to briefly say I am sorry I did not address that when I appeared before the Military Personnel Subcommittee. But I have addressed it over on the Appropriations' Defense Subcommittee. I find that sometimes although this fine committee does a great job of looking at the defense posture of our Nation in a microscopic way; we go to the Defense subcommittees where they appropriate the money and we don't get what this committee has asked for.

We did address that over there last year, and we addressed it the year before. What brought our attention to it was they were trying to cut down basic training.

You cannot cut basic training. We have already just read about the lower mentalities that we are getting in the services today, and you certainly cannot shorten the training time to train people who do not have the same comprehensive ability as those who came before them.

Mr. MONTGOMERY. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Beard.

Mr. BEARD. Just real quickly and I will not be long. In the next statement that will be presented to us by Mr. Pirie, he will state that the Air National Guard and the Air Force Reserve are up to strength and ready. The Marine Corps Reserve is up to strength and ready. The Naval Reserve is up to strength and ready. That encourages me a great deal.

Is that an accurate statement as to your involvements and observations? Do you feel that is an accurate statement?

General GREENLIEF. Mr. Beard, the Air National Guard is up to strength. However, within that total strength there is a critical shortage of 46 specific Air Force specialty skill codes. It is a very significant problem. We do need incentives for those special skills.

General ROBERTS. Mr. Beard, as far as the Air Force Reserve is concerned, the strength is there in total numbers. But there are also critical shortages in certain specialties. The major problem of the Air Force Reserve today is deficient equipment, especially with C–130A models, and older aircraft that have to be replaced. They are not even suitable for employment in the NATO configuration.

You also have equipment problems in the Naval Reserve, particularly their P–3 aircraft, their transport aircraft.

And they have the numbers of people but their problem is antiquated or missing equipment. Of course, the Army is a whole separate problem. I must say the 4th Marine Division ground elements are in very fine shape. The air elements have some equipment problems.

The Coast Guard is in good shape too, by the way from the point of view of the personnel fill and their training.

The CHAIRMAN. Does the staff have any questions to ask at this time?

Mr. FORD. Thank you, Mr. Chairman.

I have one. I wonder if the Navy Reserve Association wanted to reply to Mr. Beard's question?

Sergeant Major SMITH. Yes, we are up to strength. As a matter of fact, that is due to the recruiting efforts and the retention efforts. I guess it surprises a lot of people we came up to above 87,000. We do have the total numbers.

As the gentleman mentioned, we also have hardware deficiencies and they have been mentioned to this committee this morning. He mentioned the P-3's and the transports. We certainly need better ship platforms and better hardware throughout. We have total numbers and we have a pretty good mix of qualifications for the requirements we have within the 87,000. So we are in pretty good shape as far as the personnel is concerned.

We do have serious deficiencies in hardware as all the Reserve components do. It is antiquated. It is hand me down. And we have to make do, and being hardware intensive, our ships—those that we have are on the coast—and our people are throughout the heartland, so we do have a problem there.

I would like to address the prior statement about the training that Congressman Montgomery mentioned. Our problem with training is primarily getting the travel funds to get the people to the training sites, and having enough Reserve pay Navy to pay them while they are in adequate numbers, and so forth.

It is not necessarily the school quotas or the training you were addressing in that thing. But we do have some shortages in Reserve pay Navy, and particularly critical shortages in travel pay at the present time.

Mr. FORD. Mr. Chairman, I wanted to ask General Greenlief a question concerning the procurement of the A-7 which, I believe, the Guard Association recommended. The committee is considering add ons to bring the procurement of missiles and needed equipment up to the level of last year, which accounts very rapidly for billions of dollars worth of add ons when the President is trying to cut the budget substantially. It is going to be very difficult to get all the money to pay for those things that are needed. So there has got to be a lot of prioritization.

I wondered about the proposal that we understand is going to be offered to add A-7's as trainers since it is said the Guard is transitioning to the A-10. The A-7 is being phased out of the Active Force.

You say the Guard, the Air Guard is going to perform one-third of the tactical missions with the Regular Air Force. It would seem to me that you would want to phase that aircraft out as soon as possible and get them the same airplane the Regulars are using since the A-7 is 20-year-old technology, rather than have two logistic trains for the tactical units you send overseas.

Would you say, or did you really need the A-7 and where would you say it is in your list of priorities?

General GREENLIEF. Mr. Ford, No. 1, the A-7K is not a trainer aircraft. The A-7K is a combat aircraft. It carries all of the weapon stores of the A-7D. In terms of combat capability the only thing that the A-7K is somewhat short of the A-7D is on the range. And that is because some of the space for the pilot has been developed

by eliminating some of the fuel tank size. That is a combat aircraft, with a training capability.

Now, in terms of the assertion that is commonly made that it is not very modern, there is still one full wing of the Air Force flying the A-7D. We in the Air National Guard consider the A-7K one of our most modern fighters. Yes, we are transitioning to the A-10. And we are delighted with that. And as you know we are supporting a two-place configuration for the A-7 or A-10. But there is no conflict between adding A-7K's as we have proposed with our program of equipping to the A-10.

We have 13 squadrons, tactical fighter combat squadrons, with A-7K, or A-7 aircraft—that is A-7D plus the A-7K's. In 1978, the House Appropriations Committee noted that the unit equipment of our A-7 squadrons was 18 aircraft as compared to the 24 in the Air Force, found that the combat capability of those squadrons could be increased by 25 percent at an increased cost of only 10 percent by adding 6 aircraft per squadron to the UE.

Mr. George Mahon was then Chairman of the Appropriations Committee and in furtherance of that idea, first of all they wrote language mandating the increase from the UE from 18 to 24. He wrote to the then Secretary of Defense saying he would support an increased procurement of A-7 to achieve that.

That action generated a requirement for 42 additional A-7's—2 in each of our tactical figher squadrons plus the combat crew training squadrons. Congress has recognized that need by authorizing and funding 12 A-7K's in each of the past 2 years. That leaves 18 to be bought.

The reason that we so strongly recommend the procurement of the A-7K as opposed to just buying more A-7D's is that we get all of the combat capability plus a tremendous improvement in the training capability. The improvement occurs because we can achieve a 30-percent-cost savings in transitioning pilots from other aircraft into the A-7; because we do not need chase aircraft.

Our training is more effective because we can provide over the shoulder IP, real-time instruction to that new pilot. And we are doing this with an aircraft that has all of the combat capability of the A-7. It is a tremendous saving. As a matter of fact, the cost savings that can be achieved in the training will amortize the cost of the additional aircraft.

We urge again the buy of 18 A-7K's for the purpose of filling our existing squadrons to the same UE level as are the Regular Air Force. And there is no competition at all with the A-10; because the A-10's currently are scheduled for procurement, which are to equip other squadrons.

We need both, the A-7K to flesh out our A-7D squadrons and the A-10.

[The following information was received for the record:]

FISCAL YEAR 1981 A-7K DELIVERY SCHEDULE

Concern has been expressed about the ability to deliver A-7K's on schedule because of increasing lead time requirements and lack of advance procurement. The situation is as follows:

The Vought Corporation, using its own resources, has protected the delivery schedule for 18 fiscal year 1981 A-7K's by placing those long-lead items under contract. This then protects the airframe schedule as well as the avionic gear identified as contractor furnished equipment (CFE). Vought is also working with the

U.S. Air Force to determine how the Government furnished equipment (GFE) will meet the schedule and at the present time there does not appear to be a problem. The TF-41 engine is the most critical and it appears as though the Oklahoma City Air Logistics Center will have spare engines which can be made available to the program in such a manner as to allow smooth deliveries as planned. The spare zero-time engines which would be provided by Oklahoma City Air Logistics Center would subsequently be replaced with new engines resulting from fiscal year 1981 contract to the Detroit Diesel Division of General Motors. The Government's normal practice is to supply GFE as ready for installation (RFI) as opposed to new from the factory. FRI components are considered the same as new.

Vought has protected delivery schedules on the fiscal year 1979 A-7K's and fiscal year 1980 A-7K's by using corporate funds. Detroit Diesel also protected engine delivery for fiscal year 1980 by using corporate funds. Given that there are some 500 A-7's in use by the U.S. Air Force-Air National Guard and contractor willingness to protect schedules with corporate funds, disruption of delivery schedule for lack of parts is not seen as a likely probability.

The CHAIRMAN. Thank you very much, gentlemen.

I think we better proceed to the remaining part of the afternoon session; otherwise we will not finish it.

We appreciate your cooperation.

General GREENLIEF. Thank you very much, Mr. Chairman.

The CHAIRMAN. The next witness is Hon. Robert B. Pirie, Assistant Secretary for Manpower Reserve Affairs and Logistics of the Department of Defense.

Mr. Secretary.

STATEMENT OF HON. ROBERT B. PIRIE, ASSISTANT SECRETARY FOR MANPOWER RESERVE AFFAIRS AND LOGISTICS, DEPARTMENT OF DEFENSE

Mr. PIRIE. Thank you, Mr. Chairman.

Sir, it is a pleasure for me to address this committee on the subject of the Ready Reserve. The role of the Ready Reserve is to augment the Active Forces rapidly and effectively in time of need. The Ready Reserve is much better today than most people believe, but it is not yet good enough. The Air National Guard and Air Force Reserve are up to strength and ready. The Marine Corps Reserve is up to strength and ready. The Naval Reserve is up to strength and ready.

However, there are serious problems in the Army National Guard and Army Reserve. While many Army Guard and Reserve units are ready to perform well, other units are not. Moreover, there is a serious strength problem. Army Guard and Reserve units are about 120,000 people short of their peacetime objectives, and the Army is short about 250,000 pretrained personnel needed to support a full mobilization. As a result of the strength shortfalls, the training and readiness of the Army Guard and Reserve are not up to the standards we would like.

We have been engaged for the past 2 years in a major effort to increase Army Selected Reserve strength and to assure that the Army—and the other services as well—have an adequate supply of pretrained individual manpower to support a full mobilization. I am going to summarize our program and then make three suggestions on how the Congress can assist us in this effort.

There are two basic aspects to increasing Selected Reserve strength: recruiting and retention. We have been working on both, but our major emphasis during fiscal year 1978 and 1979 has been on recruiting. During that period we have placed into effect several

major programs designed to make it easier and more attractive for young men and women to join the Guard and Reserve.

Many of these programs were started with the encouragement and at the insistence of the Congress. We have established full-time professional recruiting forces. We have improved recruiting advertising for the Guard and Reserve. We have offered initial training options designed to make it more convenient for new volunteers to accomplish their initial Active Duty training. We have lowered the initial term of enlistment from 6 to 3 years for the Army Guard and Reserve and 4 years for the other services.

We have a program of enlistment incentives, including a bonus and educational assistance. These programs have paid off. During fiscal year 1979 the Selected Reserve increased in strength by almost 20,000, and each of the 6 DOD Reserve components increased in strength during that fiscal year. This is the first increase overall since 1972.

We believe that our major recruiting programs already are in place, and our effort henceforth will be to fine tune these recruiting programs and make them both more efficient and more effective.

During fiscal years 1980 and 1981 our main emphasis will be on retention. We are losing too many of our young reservists before they complete their initial term of service. We need to encourage more new members to complete their initial term of service. Then we want to reenlist the best of these people for continued development into leadership positions.

We know from our research that the three major factors which affect retention are the employer, the family, and training. The typical guardsman or reservist has a full-time civilian job and trains on a part-time basis with his Reserve unit. The reservist is training at times when most Americans are relaxing away from their full-time jobs.

The ability and willingness of the reservist to remain in the Reserve depends to a great extent on the attitude of his full-time employer. If the employer has a negative attitude toward the Guard and Reserve and refuses to hire or promote employees who are reservists, there is strong motivation for the employee to quit the Reserves.

We are working with employers, particularly first line supervisors, to create a supportive environment for employees who chose to serve their Nation as reservists. We have created a grassroots organization of State committees to create a climate of cooperation among employers, Reserve units, and reservists.

We need also to create a supportive attitude in the families of these reservists. The spouses and children of reservists sacrifice the companionship of the reservists on training weekends and during summer camp. We are working to find ways to make the families feel part of the Reserve community.

Finally, we are making a major effort to improve Reserve training. We realize that it is difficult to present 16 hours of outstanding training one weekend every month, and we are seeking to establish policies and programs to make it easier for the small unit commander to accomplish this demanding task.

One thing we are doing to improve training is to increase the number of full-time personnel who work in the units on a daily basis to assist in preparation of training and in the conduct of routine administration. More full-time people will enable the unit commanders to concentrate on delivering effective and attractive training. The resulting improved training will help to retain more members in the Guard and Reserve. Our goal is to get the Army Guard and Reserve from its present strength of about 540,000 to our peacetime objective strength of about 660,000 as soon as we can do it.

Our program to assure that the Army has an adequate supply of pretrained personnel to meet the demands of full mobilization involves increasing both the size and availability of the Individual Ready Reserve. Our efforts to increase the IRR have been successful. Army IRR strength went up 33,000 during fiscal year 1979 and another 8,000 during the first quarter of fiscal year 1980.

However, strength alone is not enough. We have to improve the management of the IRR so that a high proportion of these people will report to the right place at the right time with the right skills upon mobilization. We have instituted programs to improve identification of these people, to provide positive career management, and to provide increased training. We believe that people who are involved actively in the Reserve program are more likely to report upon mobilization than those who are not.

We cannot do the job alone. Many of our current programs for the Guard and Reserve were initiated by the Congress, and we need your continued support to assure the success of the program. Specifically we need your help in obtaining passage of some legislation, in establishing policies designed for a volunteer Ready Reserve, and in encouraging community support throughout the Nation.

We need to have our top 20 legislative proposals enacted into law. Many of these proposals correct inequities in current law among the various kinds of reservists and between reservists and Active Duty personnel. Some are necessary to support our efforts to mobilize more rapidly than ever before. Others are designed to help us recruit and retain people in the Ready Reserve.

Mr. Chase, the Deputy Assistant Secretary of Defense for Reserve Affairs, testified on the top 20 legislative proposals before the Manpower Subcommittee on February 26. You can help us, by passing legislation that the administration requests.

We need the support of Congress in establishing programs to attract volunteers and keep them in. We need to revise outmoded personnel laws and policies that were put into effect in the draft era, which for us was an era of relative manpower abundance. These laws and policies were designed to make it hard to get in and easy to get out.

We are suffering today from continued enforcement of these outmoded laws and policies. We are seeking to establish new laws and policies consistent with relative manpower scarcity and designed to make it easy to get in and hard to get out. We want to work with the Congress to establish laws and policies suited to current conditions.

Finally, we need the assistance of the Congress in building community support for the Guard and Reserve. The Congress is a representative body; in fact, it is the most representative body in the United States. We need the help of all Members of Congress in their districts and in their States to build community support. Support for the Guard and Reserve is—or ought to be—broadly based and nonpartisan.

The Guard and Reserve deserve support from all political parties, all ideological persuasions, and indeed the entire citizenry. On this basis, we solicit the support of the entire Congress for our urgent effort to increase the strength of the Army Guard and Reserve to our peacetime objectives as soon as possible.

Mr. Chairman, that completes my statement.

I will be followed by the representatives of the three military departments.

The CHAIRMAN. I think we will do this this way.

We will take all four statements, and then we will direct questions to all of you afterward.

Mr. Clark will be next.

Mr. CLARK. Mr. Chairman and members of the committee:

I join Mr. Pirie in expressing my privilege to appear before you today for discussions on the vitally important Reserve components. Over the past few years the dependence the Army must place on the Reserve components, the National Guard and Army Reserve, has grown appreciably along with our increasing appreciation of that fact.

We have reached the point where Reserves must have the same level of emphasis and consideration as the Active because under most scenarios an increasing proportion of the Reserves will mobilize, deploy and employ along with, not following, the Active Army.

The Reserve components (RC) provide 34 percent of division forces, 72 percent of separate brigades and regiment forces, and 65 percent of logistical support forces. Clearly, the majority of our total force lies in the Reserve structure. With this preponderance, falls the mission of rapid reinforcement of Europe, both in combat and logistical support forces; supporting deployment of the total force, sustaining the force, expansion of the CONUS base and providing the capability to expand beyond the 24 divisions, should that be necessary.

Structure, roles, and mission of the RC are determined by total Army analysis, which plans the structure needed to meet the visualized threat to the United States. This incorporates force packaging methodology which determines prioritization within the force. RC units are selected for those requirements which cannot be met by the active structure or are in excess of peacetime-active needs. The Guard and Reserve place resources against those requirements which have been determined by the Army as a whole. This process is repeated each year to stay current with the threat as changed by intelligence estimates, host nations' support agreements and other factors.

Reserve units no longer needed in the present structure are converted to those types of units currently identified as being required. The turbulence created by this process is held to a low level of around 2 percent of the force.

As an example, last year, fiscal year 1979, we activated 27 units/inactivated 47 others in order to aline the force structure more closely with requirements. In addition to the units in the structure which are manned, we have other units identified as being required, but unmanned. That is, we don't have the resources to support all units during peacetime that we would desire in a European war.

Resources are applied generally in priority sequence with early needed forces in higher priority than late needed forces. Those designated to stay in CONUS as support forces are included in the sequencing.

Exact levels of resourcing depends on the importance the Army places on each unit and its assigned mission. Capabilities of units are considered in the process of unit selection during force packaging. It should be noted that all units in the structure have assigned mobilization missions or they are scheduled for change.

Clearly, we are moving in the right direction of improving the capability of the Reserve Force, particularly the early deploying/employing units. Positive steps taken are:

Full-time manning—started in 1979 with 313—USAR's AFTTRM of 167 and ARGN's ORS of 146—fiscal year 1980, 3,238; fiscal year 1981, 5,036—includes fiscal year 1980.

Incentives—bonus for early deploying. Expand to more units for critical skills. Programed for IRR reenlistment in 1981. Need IRR enlistment.

Equipment distribution is improving for early deploying. More modern equipment received, but still at about 75 percent of authorized.

Affiliation—will expand to a total of about 300 units by fiscal year 1981.

CAPSTONE—FORSCOM initiative for a structured association between the Active Army and the Army's Reserve components. It describes a specific mission and wartime organization for every unit in the total peacetime force and is based on requirements of a mature European theater and expanded CONUS base.

Recruiting partnership with USAREC has improved USAR recruiting success.

Travel target now imposed is causing a serious problem.

Our efforts to improve the force through more intensive managment is showing success.

The fiscal year 1981 budget focuses on:

Increasing the strength of RC units and IRR.

Providing initial training, travel and other logistical support for new accessions.

Supporting improved training and readiness of units and the IRR.

Assisting in bringing on line some of the ADP systems we so desperately need to improve RC management.

We need your help in getting this budget approved as requested.

Mr. Chairman, this completes my prepared statement.

The CHAIRMAN. Thank you very much, Mr. Clark.

Mr. Connor.

STATEMENT OF ROBERT T. CONNOR, DEPUTY ASSISTANT SECRETARY OF THE NAVY—RESERVE AFFAIRS

Mr. CONNOR. Mr. Chairman, members of the committee, I am Robert Connor, Deputy Assistant Secretary of the Navy for Reserve Affairs. The opportunity to appear before the House Armed Services Committee today is sincerely appreciated.

My statement addresses the mission, the role, and the capabilities of the Naval Reserve and the Marine Corps Reserve.

The mission of the Naval and Marine Corps Reserve as stated in title 10 U.S.C. 262 is to provide trained units and qualified persons available for Active Duty, in the Armed Forces, in times of war or national emergency and at such other times as the national security requires.

The role of the Naval Reserve is to provide trained, experienced and skilled personnel in structured units promptly when directed to augment ships, stations, squadrons, and staffs. The Naval Reserve also provides manned Naval Reserve Force ships ready for assignment. There is within the Naval Reserve a capability to furnish specialized mobile naval construction battalions as directed. Further, the Naval Reserve has a capability to supply for fleet assignments naval air forces for carrier deployment, anti-submarine warfare, airlift, and varied helicopter missions.

The Marine Corps Reserve role is to provide a Marine air ground task force of up to a division wing team in size which is essentially the nucleus of 4th Marine Division and Wing. The Marine Corps Reserve also augments and reinforces existing Marine ground and air units as required.

I am pleased to report that the Naval and Marine Corps Reserve organizations are quantitatively and qualitatively in good condition.

Navy Selected Reserve manpower is well and strong. Our manpower total is as close to our authorized strength of 87,000 as our management capability permits. This is an impressive increase in 1 year from a low of 81,683.

I am confident that these numbers can be maintained and exceeded if authorized. A high training level is maintained and morale is high. This is a tribute to the leadership and support vigorously provided by the Chief of Naval Operations, whose one Navy concept has become a reality, and the astute and competent direction of the Chief of Naval Reserve.

The capability of the Naval Reserve will be significantly updated with the modernization of the P–3 ASW aircraft. An acceleration of the modernization of the Navy's tactical airlift program with C–9B aircraft is highly desirable. Most importantly, we recognize that there is an urgent requirement to upgrade our surface ships and, I would invite your attention to the study of a new Corvette-type ship being developed for the Naval Reserve.

The Marine Corps Reserve has also reached 98 percent of its authorized strength of 33,600, while at the same time adhering to the Commandant's insistence on the highest quality in recruiting. As a method of testing readiness, the Marine Corps has developed a program of minimobilization exercises which test the ability of Reserve units from various geographical areas, without prior notice, to mobilize and deploy. The exercises, known as MORDTS

by the Marines, and MOREVALS by the Navy, are a realistic, advanced and practical method of measuring a unit's readiness.

The Naval and Marine Corps Reserve Forces have, in fact, progressed from a force in being to a force in readiness. Both organizations have developed a sense of professionalism that bodes well for the future.

I am confident that personnel strength can and will be maintained. Given adequate funding for training, airlift, facilities, equipment, and modernization, the Naval and Marine Corps Reserve will continue to develop and maintain their position as an essential, integral, and combat-ready part of the Nation's defense force.

The CHAIRMAN. Thank you, Mr. Secretary.

Mr. Zengerle.

Mr. ZENGERLE. Mr. Chairman, I have already submitted a written statement, which I would appreciate being inserted in the record.

I have a brief oral statement I would like to make at this time.

The CHAIRMAN. Go ahead.

STATEMENT OF HON. JOSEPH C. ZENGERLE, ASSISTANT SECRETARY OF THE AIR FORCE—MANPOWER, RESERVE AFFAIRS AND INSTALLATIONS

Mr. ZENGERLE. Mr. Chairman and members of the committee, I appreciate the opportunity to appear before you to discuss the roles, missions, capabilities, and some concerns of the Air Reserve Forces.

The written statement which I have submitted addresses several key points about the Air Reserve Forces. As stated therein, virtually all Air Reserve Force units are specifically tasked under one or more war plans, and approximately 90 percent of the units are considered ready to perform their wartime tasking, thus indicating that the total force policy in the Air Force is a success.

The best example I could give to persuade the members of this committee that the Air Reserve Forces are in the highest state of readiness in the history of the Air Force is the full integration of Guard and Reserve flying units in the Rapid Deployment Force.

However, the present high state of readiness does not tell the whole story. There are some problem areas. Shortage of personnel in certain critical skills; shortages of equipment, war readiness spare kits and war readiness materiel; aging of weapon systems; and the serious impact of budget constraints and inflation on travel, all serve to make the future state of readiness in the Air Reserve Forces look a little less bright than it does today. Continuous attention will be necessary to find a solution for each problem as it arises.

The examples set forth in my written statement, which I just briefly mentioned, identify various concerns of the Air Reserve Forces, but are not intended to be specific requests for aid.

Each problem area is being addressed through the normal budget process to insure that relief is not at the expense of more important Air Reserve Force or Active Force programs.

In summary, I am pleased with the current state of readiness in the Air Reserve Forces, while at the same time actively involved in

the need to pursue solutions for the shortfalls. Your favorable consideration of requests for relief as they come to you through the normal budget process will go far in the continued enhancement of readiness in the Air Reserve Forces.

I am accompanied today by Lt. Gen. Charles Gabriel, Deputy Chief of Staff for Operations, Plans, and Readiness; Maj. Gen. John Guice, Director of the Air National Guard; Maj. Gen. Richard Bodycombe, Chief of Air Force Reserve. I thank you for your attention and am prepared to answer your questions.

WRITTEN STATEMENT OF HON. JOSEPH C. ZENGERLE

INTRODUCTION

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to appear before you to discuss the Air Reserve Forces (ARF), a subject about which I have become extremely interested since assuming the responsibility as Assistant Secretary of the Air Force last month.

I will address the roles and missions of the ARF first, to be followed by a discussion of ARF capabilities with a particular focus on areas of concern to the Air Force.

ROLES AND MISSIONS

The Total Force concept established in 1970 by Secretary of Defense Melvin Laird stated: "Guard and Reserve units and individuals of the Selected Reserves will be prepared to be the initial and primary source of augmentation of the Active Forces."

For the Air Force, the Air National Guard (ANG) and Air Force Reserve -- together, the Air Reserve Forces (ARF) -- will serve this augmentation role. The mission of the ARF is to provide combat units, combat support units, and qualified personnel for active duty in the Air Force in the event augmentation is required, and to perform such peacetime missions as are compatible with ARF readiness. To accomplish this mission, the ARF must be manned, trained, and equipped with adequate resources to deploy with the Active Force.

Under the Total Force policy, all elements of our armed forces, both active and reserve components, are treated as part of a single United States military resource. In determining the most advantageous mix of these forces to assure our national security, all such components are considered together in terms of their respective contributions to national security and the cost to equip and maintain them.

The structure of units of the ARF is as similar as possible to comparable Active Force units. Training and evaluation of ARF units is conducted under the same standards as Active Force

units insofar as possible. Equipping, supporting, and exercising reserve and active forces is therefore accomplished from a Total Force point of view.

The Total Force policy, highlighting the reliance placed on the ARF in an emergency, emphasizes the importance of having a combat-ready ARF prepared to assume assigned missions when needed. In this connection, virtually all ARF units are specifically tasked under one or more war plans. ARF readiness to meet this tasking is measured and quantified under the Joint Chiefs of Staff UNITREP measurement system in which units are classified according to their level of readiness in the familiar categories C-1 through C-5.

CAPABILITIES

The ARF are presently in an extremely high state of readiness. Approximately 90% of the units are ready to perform the wartime mission for which they are organized and tasked, i.e., are rated C-1, C-2 or C-3. The balance of the units are in a state of conversion to newer weapon systems.

As a crosscheck on the UNITREP measurement system, ARF units are not only evaluated internally but also are inspected regularly by the Active Force and are measured against criteria established by the Active Force. A review of these regular inspections, called Operational Readiness Inspections, of ARF units over the last three years indicates ratings of satisfactory or better in 98% of the cases.

One of the most important features of readiness training is ARF involvement in active duty exercises. The involvement of the ARF in all types of Active Force command and joint activities has increased more than threefold since 1975. The ARF has been involved in 31 deployments overseas from 1976 through 1979. The majority were in support of collocated operating base exercises conducted by U.S. Air Forces in Europe (USAFE), and many of these were combined with NATO joint operations. Such peacetime exercises and deployments provide realistic training opportunities for the ARF in areas where they are committed to deploy under various contingencies of war. They provide valuable experience, a sense

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of accomplishment, and a boost in morale to the individual reservists.

Additionally, there is a considerable number of things that the ARF are doing in direct and indirect support of Active Force missions. For example, two of the major ARF undertakings in this respect are the continuous rotational support to Panama under VOLANT OAK and CORONET COVE operational plans, which respectively provide six C-130's for airlift and four A7-D fighters in support of SOUTHCOM operations. A third undertaking is the year-round provision, under operational plan BUSINESS AGENCY, wherein a tanker task force rotates KC-135 aircraft to Mildenhall, England in support of USAFE operations.

AREAS OF CONCERN

In spite of the foregoing demonstrated capabilities, however, there are presently both personnel shortages in some critical skill areas, and several equipment shortfalls, which adversely affect our capability to fully support these and other mission taskings.

In the following areas we foresee the need for attention if we are to maintain or improve the ARF's current high state of readiness. We will continue to pursue relief for these problems through the normal budget process to insure that manning and equippage of the ARF is not at the expense of more important ARF or Active Force programs. We solicit your support of these programs as they appear in the normal request process.

Specific Weapon Systems

A. C-7 and C-123 Transports. The ARF are doing an excellent job with the airlift mission associated with the C-7 and C-123 aircraft. However, these aircraft have been around a long time. Furthermore, C-7 and C-123 aircraft are affected by aviation gasoline shortages, are also becoming logistically unsupportable for lack of spare parts, and, therefore, are questionable as a quick-reaction resource.

B. RF-4C Reconnaissance Aircraft. Today, the ANG RF-4C fleet is being modified by replacing obsolete Infrared (IR)

equipment. In the place of each old item, a new state-of-the-art IR Sensor is being installed. However, the new sensor is not being purchased in numbers sufficient to enable all units to maintain a night capability. By 1981, approximately 30% of the ANG RF-4C fleet will have a day-only capability due to lack of an IR Sensor. With 80% of wartime missions expected to be flown at night, we view this loss of capability as critical.

War Readiness Material - War Readiness Spares Kits (WRM-WRSK).

Air Force-wide shortages in these areas have been stated in previous budget reviews. The ARF is expected to go to the same war and stay just as long as the Active Force. Without ample munitions and spare parts our sustained capability to fight will be curtailed.

Personnel Incentives

ARF manning has shown an increase in the past year. However, there is a need to focus more attention on issues such as recruiting, retention, job satisfaction and career progression. The ARF still have certain critical skills that are manned below an acceptable level. The ARF are experiencing difficulty in recruiting nonprior and prior service personnel in such fields as aircraft maintenance, munitions, armament and security police. The ARF are placing increased emphasis on retention and recruiting in these critical skills. The incentives program provided by the Congress has helped the ARF attain an improved readiness posture and there is a need to continue this program. The ARF has requested an increased incentive program in FY 1981 and this increase will enable the ARF to maintain its strength goals while improving the manning in critical skills.

Travel/Per Diem Funding

While demands on the ARF for support of Active Force missions and participation in more realistic training in the form of exercises and deployments have grown, Congressional reductions in related travel funding have been made. When coupled with the increased cost of travel, the impact in FY 1980 of these reductions has been to limit training activities to the point that joint exercises and overseas deployments have been cancelled or reduced

in scope and other mission training has been limited. In addition, formal school training has been restricted and many school quotas will remain unfilled during the balance of the year. This adverse effect is compounded by the restriction on the transportation of people and things that is a part of the FY 1980 Continuing Resolution Authority. Travel requirements for reserve component training must be fully funded or mission capability will be degraded.

Inflation

Another area of serious concern is the continuing impact of inflation, especially in such areas as fuel price increases. If funding is not provided to offset these increases, there will be a drastic impact on training in the form of a significant reduction in the flying hour program.

Technician Militarization Test

The Air Force believes very strongly that one of the major reasons for the successes we have had in attaining the high state of combat capability in the ARF is the full-time civilian employee, the Air Technician.

In 1978, as part of the appropriation process, a test was directed to be conducted to determine whether personnel could be hired in a military status in lieu of the full-time civilian. The Air Force readily accepted this mandate and proceeded with the test, which will be completed in June 1980 and evaluated by December 1980. This test cannot be measured in terms of success merely by the numbers of military personnel prescribed by Congress to fill vacancies. An accurate assessment cannot be made until the test is evaluated, which evaluation must consider the quality and tenure of the military hiree, the comparative success of hiring military into different career fields, and the impact of militarization on overall mission capability. We think the test will serve a useful purpose for it may very well show, in the evaluation, that due to the vast differences between the Services in mission and technological requirements, what may produce the highest combat readiness in one Service may not accomplish the same result in another. Until the test and evaluation is completed

in December of this year, therefore, the Air Force also believes strongly that no judgments can be made as to its success or failure.

CONCLUSION

In sum, this statement has sought to assure the Committee of the capacity of the ARF to perform its assigned missions, but has taken advantage of the opportunity to identify for the members some of the more important factors which could effect this capability and thus should be recognized when considering the status of the Air Reserve Forces. I appreciate this opportunity and am prepared to answer any questions you may have.

The CHAIRMAN. Does Mr. Dan Daniel have any questions?

Mr. DAN DANIEL. Yes, Mr. Chairman. Thank you.

After listening to the witnesses I don't know if I have any questions. I thought we had problems but apparently we don't. There was a statement made this morning that 160,000 spaces are short. I don't get that impression from the gentlemen who have just testified.

Mr. Chairman, I want to talk about something else with the Secretary, if I may. This morning there was an article in the news media having to do with the last two defendants sentenced in the bribery and corruption scandal in the *Jones* v. *Administration.* We have some of those problems in our own service as all of you know. You read the article a few days ago about what happened out in San Diego. But each day, or just about each day, something comes across my desk. This morning, for example, I received a note that had two indictments in San Antonio concerning a Mr. Walter Sheppard, Deputy Chief of the Alamo Exchange Region, who was indicted by U.S. district court for accepting kickbacks in the amount of $15,000 from James May, a manufacturer's representative selling to AFUS.

And then, also, another one, a Mr. Gary Solomon, a representative of Donald Bruce sales representatives doing business with AFUS. Then also I have a letter here that I requested from the Army having to do with a Mr. John Russell, who is the manager, director, of the Teflon training center at Fort Sam Houston.

It seems during the latter part of 1977, Mr. Russell purchased five horses previously U.S. Government property from the university after they had been donated to the same university on approval of the commander at Fort Sam Houston. He paid $400 each for each horse and used U.S. Army tractor-trailer to transport them to his horse business farm in San Antonio. He subsequently sold four of the horses to acquaintances for a total of $6,900, an apparent profit of $4,900 to his private corporation.

Because of my evidence here, the assistant U.S. district attorney for the western district of Texas declined to prosecute this case. We find Mr. John Russell is still on the payroll.

I think the fact, Mr. Secretary, that the prosecutor declined to prosecute does not necessarily suggest that this man is suitable for

employment in the Government. And especially since this outfit that he is running is getting $75,400 of nonappropriated funds this year. Do you know anything about this?

Mr. PIRIE. I am not familiar with that case, Mr Daniel.

Mr. DAN DANIEL. Either one of the others?

Mr. CLARK. No, sir, I am not.

Mr. DAN DANIEL. This is almost a daily occurrence?

Mr. CLARK. Mr. Daniel, I have heard about the case. I know none of the particulars. We would be happy to look into it.

Mr. DAN DANIEL. Well, I think the point I wanted to make, Mr. Clark, is that it just seems to me that there are enough good people, honest people, to employ in our business, and at the same time to do business with; instead of this attitude of when they do this type of thing tapping them on the wrist and then they come right back into the same position again.

The employees can't accept bribes unless somebody offers bribes to them. It seems to me we need to look at both—the employees and the people we are doing business with. Because in the final analysis, the serviceman is the victim. I just don't think it is right for us to let this go. It has been going on for some time now, since I have been in this job. And it particularly bothers me when it is dealing in the area of nonappropriated funds. We have enough problems in that area now without having to put up with this type of thing.

I wonder what the attitude of DOD is? Is it the same as the courts—we slap them on the wrist and they are to do better tomorrow? Is that the attitude of DOD?

Mr. PIRIE. My attitude, Mr. Daniel, is when we detect activity of that kind we should take action to the full extent that is available to us to impose sanctions on these people.

Mr. DAN DANIEL. That is mine too. I hope you will follow up on these and let us know what happens?

Mr. PIRIE. Yes, sir.

Mr. DAN DANIEL. These are just examples, I might say.

The CHAIRMAN. Mr. Beard.

Mr. BEARD. Thank you, Mr. Chairman.

Mr. Secretary, would you say that the quality of the reservists, the Army Reserves, can be compared or can be rated as the best quality we have had in the Reserves in quite a long time? Would you say the quality is excellent or good?

Mr. PIRIE. We inspect the things we measure, for example, the high school graduates. With respect to the things we measure, percentage of high school graduates, success on the AFQT scores, things of that kind, that we have access to, measures that we have access to, the statistics that are available indicate by and large the Army Reserve is not inferior in quality—if that is the measure of quality—to periods of the past.

Having said that, let me say first, and I think most importantly, is that we have recent evidence that the tests that we are using to score results, potential recruits, are biased and score too high at the low end.

So that in periods since 1976 a great many of the people that we took in when we thought—or who scored then in the category 3—

which is the average category—should, in fact, have been scored in category 4.

Mr. BEARD. Is it not true in many cases, I think your own figures show the majority, for example, of your 3's were in the 3-B or you had the 3-B mental categories right on that fine line of dropping into the category 4?

Mr. PIRIE. Yes, sir, that is right, particularly in the Army the distribution toward 3-B was very heavy.

As a matter of fact, it is of great concern; because now it may well be a large number of those 3-B's are actually 4. We are doing three things about that: One is we have gone back to renorm the tests that we have now; that is fix it back to the historical track that we had up until 1972 so we can look back and get a consistent historical picture of the quality over time.

And we have hired an outside organization, the Educational Testing Service of Princeton to do that for us.

Second, we are engaging with the Department of Labor now in a major effort in their youth longitudinal tracking study—a major effort to try to find out how our tests—excuse me, how the youth population of the United States, are distributed with respect to these test scores.

You see, the test we give now are not norms to the youth populations of the United States. They are norms to the population under arms in World War II. We have never, in fact, known what distribution of the different mental categories was in the population at large. We are undertaking that effort. That will not be completed in my view for about 9 months to 1 year.

Finally, we are undertaking an effort to give us some sense of what these test scores really tell us with respect to the performance of people once they get into the military.

In general, the scores, skill ratings in particular in these tests, give us a pretty good indication of whether an individual is going to be trainable and going to be successful in training.

Mr. BEARD. Is this followed up by the scale qualification test?

Mr. PIRIE. Yes, sir. That is part of the test battery.

Mr. BEARD. All right.

Mr. PIRIE. Those individuals, however, who are in the lower mental category who get in and succeed in their training, apparently do as well on the average as people in higher categories once they are through that training screen.

Mr. BEARD. I was a little concerned. Of course, as you are well aware, I have had some confrontations with the Secretary of the Army, Mr. Alexander, inasmuch as he continues to come before the committee and say, "The All-Volunteer Army is working and working well. It is the best qualified Army we have had. You have got the best people."

And he was quoted in the Washington Star just the other day saying, "Those armchair critics"—I would like to ask unanimous consent for 2 additional minutes after my question if I may—"those armchair critics, if they would get off their 'asses' and go out in the field, they would find we have well trained combat-ready troops."

I have gotten off mine, and I have been out there. And you know I am trying to maintain some emotional stability which is very difficult; because having fought this battle for 5 years of having

seen something is wrong out there and having been told the same thing—it is working and working well—it is almost enough to drive you half crazy. Maybe that is part of the plan, or whatever.

But the fact is, to say we should get off our rearends and go out in the field and find combat ready troops, I think this country would be shocked. I think this Congress is going to be shocked when they see the skill qualification test results that I have in my possession of showing the percentage that failed the basic skill qualification test.

If it is this bad on Active Duty, it terrifies me to think what it would be in the Reserves. I would ask—and I would desperately ask the chairman sometime we conduct a full hearing before the full committee, not just the Personnel Subcommittee, on this issue of the skill qualification test that deals strictly with the basic qualification tests.

On the Hercules missiles, 79 and 55 percent failed their skill qualification test.

In the Hawk missiles, 87, 73, and 72 percent failed their basic qualifications.

We go on down to cannon crew. Cannon crew looked good. The cannon crew, only 56 percent failed and 26 percent failed. But then the next section, the cannon fire directors, the ones who tell them to turn a click here or click there. Of that 90 and 82 percent failed their basic skill qualification.

Halt-fire control crews 51 percent failed basic. It gets worse in so many of the specific areas. This is devastating. It doesn't include armor and some of the others.

I would like to hear your reaction to this, since we are placing some credibility on statistics. Also, I would like to know, do we give skill qualification tests to reservists?

I will say this, you made mention about the Individual Ready Reserve and the people were starting to get bodies in—we are gaining. If I am not mistaken those bodies in some cases are coming from those people who were removed from the military before their tour of duty that were given an early discharge because they could not adapt to a military way of life. And now they are being put into the Individual Ready Reserve. Am I mistaken about that?

Mr. PIRIE. No, you are right about that.

Mr. CLARK. Some of those; those who the commander determines do have the capability to serve.

Mr. BEARD. What in the world is he doing to help kick them out, putting them in Individual Ready Reserves?

Mr. CLARK. There may be many reasons. He is subject to the expeditious discharge program beyond the capability to perform his military duty.

Mr. BEARD. I don't want to get hung up on that. I would like to hear some responses to the skill tests.

Mr. PIRIE. I would like Mr. Clark to respond to those.

Mr. CLARK. Let me make a comment. I am not directly familiar with the details which you are discussing, but I think in all fairness it has to be brought out that there are three potential answers to the problem, each one of which has to be carefully looked at.

The first one is the suggestion you are making that the people are unable to learn the skills that indeed are required.

The second one must be that we must examine and examine carefully whether we have effectively identified exactly what the critical elements of that job are.

And the third element is whether that test, then, properly and adequately examines the man against that.

Now, I know in certain of these tests, we have discovered that there was much, much too much, emphasis on the academic side of the questions and not enough on the hands-on portion of the examination.

It seems fair to say that it is proper to judge a person on his actual ability to perform the job. There are three elements:

Mr. BEARD. For example, your tank gunners in NATO; 25 percent of them don't know how to line the battle sights. Is that academic or is that hands on?

Mr. CLARK. I personally can't give you an answer on that. That would sound hands on, but I don't know the specifics about it.

Mr. BEARD. All right. What are we going to do now? Since the scores are so horrendous we are going to go back and study the tests; because they must be faulty tests. Is that how we are going to correct the situation?

Mr. CLARK. That is not what I said. That is not the impression I intend to give.

Mr. BEARD. The impression you better start giving is the fact there are people out there that can't operate and function. Nobody is giving that. I am hearing it from the commanders every day. I am hearing it from the company commanders every day. And yet you come up and talk about we need to evaluate the test as one of the things.

Mr. CLARK. One of the things, that is correct.

Mr. BEARD. The fact of the matter is—and one of these days you are going to have to acknowledge it—we are not getting the kids who can read and write in the military because the kids that can are going elsewhere. And that is a sad thing to have to say, and it is a tragedy. We are getting a lot of good kids in the military, without any question. And I support them. But I talked to the commanders and the gunnery sergeants.

I look at your own tests—test after test; your training report; and training report Nifty Nuggett. General Rogers saying the forgetting curve is getting higher and higher. Time after time this remark is made. This is devastating.

And yet there is no emotion. You are letting Congress get away with it all. You are letting the politicians get away with it. The monkey belongs on our back. Yet you are not making us feel like there is a monkey at all.

Mr. PIRIE. I think, Mr. Beard, I would disagree the situation is as bleak as you think. However, I would be the last person to sit here and tell you there are no problems; there are problems.

The statements I made before the committee have spoken of the problems. You are talking about high quality kids—good kids—high school graduates, and so forth. High school graduates are our toughest recruiting market. We are having a very, very difficult time attracting those kids. There is no question about it. But we

are not sitting on our hands. We are working on it. And we are trying as hard as we can to improve the quality of our offering to those kids in order to attract them, in order to make a military career something they want to get involved in.

I would like General Otis to talk about the general question of whether the SQT's—and I don't know about the statistics that you quoted—are telling us that the situation is a bleak as you seem to feel.

General Otis.

General OTIS. Mr. Beard, I will base my remarks on the last 2 years in Europe in command of a division, that ended in August and not the data.

We put our troopers through some of the early skill qualification tests. The results that we got were much poorer than we had anticipated getting. And that is across the board, in almost all of the skills.

One of the early skills was mortarmen, 11 Charlies, XT. They did very poorly. We had an opportunity to analyze those results, and I don't intend to present a picture of the copout and say the test was wrong. Because I don't think the test was wrong at all. But the test and the percentage scores that we demanded the trooper to achieve on it was incredible at that time; because those same mortarmen that couldn't pass the test took to the field and we had them do live fire. They brought fire on the target in good time and in record time. They could do their job.

The clear conclusion had to be that our tests were not measuring the kinds of performance that we had hoped they would. Now we have had 2 years' worth of data to look at. We have also narrowed some of those skill qualification tests. And we are finding that in performance the troopers do well.

Now you have also mentioned, sir, and rightly so, you have talked to commanders that said skill is down and quality is down. I talked to some of the same commanders. And usually those same commanders have been in the Army for 3 or 4 years. They have a small data base upon which to measure that.

Mr. BEARD. I know. I am sorry to have interrupted you but I want to say that I have talked to colonels, I have talked to generals, I have talked to many people behind closed doors and in personal situations and "to the man" they tell me—as a matter of fact, I never found one dissenting person.

General OTIS. The example I was using, Mr. Congressman, was the younger commanders say that. I don't question that you have talked to several others as well.

Nevertheless, my own perception is that the quality of the soldier—and I put quotes around the word "quality"—the quality of the soldier today is good. He is trained and can be trained. The performance that those soldiers are doing, whether it be in shooting artillery, shooting their M-16 rifle or in tank gunnery is every bit as good today as it was 10 years ago, and 10 years before that.

I might end this short résumé, sir, by saying as a trooper myself in the draft era of 1946, the soldiers around me that had enlisted in those days, and those that were drafted, were no better or any worse off than the average soldiers I observe in the field today.

Whether we are measuring the skills properly and whether the educational level is different, I leave to the statistics.

But the performance capability of those soldiers in my perception is as I have indicated.

Mr. BEARD. I will just say one quick thing. Your real problem—I see 100 percent of your trombone players failed their skill qualification test too. You might want to check that out.

The CHAIRMAN. Mr. Montgomery.

Mr. MONTGOMERY. Thank you, Mr. Chairman.

Mr. Secretary, and Assistant Secretary and other personnel here, I appreciate your being here. To the Secretary and Assistant Secretaries, I got the impression from what you have said everything is going pretty good in the Reserve Forces. Certainly, the Reserve associations that testified here this morning do not say that.

We have got a lot of problems. And I am like Mr. Beard. We have got to wake up and get to reality. If we don't the whole damned thing is going down the drain.

Bill Clark was talking to us about the Reserve Forces who were dancing to the Blue Danube. Everything is fine. He has a 160,000-man shortage in the Army Reserve and in the Army National Guard. The Army National Guard has 63 percent of the infantry battalions. We have to wake up. You have to give us the facts up here.

Secretary Pirie says, "We cannot do the job alone."

Quite frankly, this committee has been doing more on Reserve than you have been doing over there in the last 4 or 5 years. We passed incentives. We have taken the lead on the individual rate of Reserves. And I think we ought to just change places. But quite frankly, I am very disappointed.

The only testimony that I agree with is the Assistant Secretary of the Air Force. Air Guard and Air Reserve are doing pretty good. But the Navy is not doing any good on Reserve—Bob, you tried to eliminate the Navy Reserve. In the last 4 years you came up here to reduce the Navy from 87,000 to 47,000.

Our committee puts it right back up. Now, you are in here saying we needed this all the time. You have to come up here and lay it on the line with us. We are trying to help you. I may not sound like I am your friend, but I am your friend.

We are not getting much out of this. So I would just like to ask each of the Chiefs in the military to give me briefly your three priority items needed to improve the training in readiness of your Reserve units starting with the Marine general.

Very briefly, the three items that we can help you with.

Major General Blaz.

General BLAZ. Thank you, sir. I am a mere brigadier, not a major general.

I have three items, sir. You caught me here quickly. Let me say I think the first item I would ask for is the incentives program. You did mention accurately you had done some in that area. I think a continuation of that is very significant. In the case of the Marine Corps: Last year, as an example, we received $2 million for our training of the IRR. We have put that to good use and I will tell you it has been a tremendous help to us this year. It is the first time. And I think we are going to show some good results.

The other thing has to do with, in my judgment, the area of compensation and pay. But I have mixed emotions about this because I do not wish to address the question of only the Reserves; because I think you will have to throw it in with the Regulars as well.

I would go Regulars first and then whatever applicability it might have extend it to the Reserves as well. I wouldn't want to ask for this in the Reserves; because in the total force concept it would be unacceptable to have something for the Reserves that doesn't pertain to the Regulars.

Mr. MONTGOMERY. Thank you. that is a good answer, General.

Admiral PALMER. I am Admiral Palmer, Chief of Naval Reserves. I wrote mine out, and my backup people gave me exactly the same list. The first and most important thing right now is the problem we are having with travel as was discussed earlier. Last year we had not enough money to pay people, but we had enough money to get them there. This year we have a serious deficiency in the congressionally imposed travel ceiling which puts us in the position we can pay them if we get them there. It looks like right now with their present dollars a "ballpark number" of probably 30,000 to 35,000 of my Selected Reserves would have to accept permissive orders to be able to get to their Active Duty or training site.

That means that they are not paid for travel or per diem but just their basic pay while they are there.

The second category I would say is equipment. These things have all been discussed in my statement, and also by various Reserve organizations here before. I will mention specifically new ships for the Naval Reserve Force and aircraft modernization for the P-3 are probably the highest priority items.

Another thing I think would be, if possible and affordable, to get us into an all-category "A" Naval Reserve as are almost all of the other Guard and Reserve forces. It would be not just a case of equitability but it would be a case of better readiness if all of my people were in that category. Those are the three things, sir.

General GABRIEL. It is not too different from the other two services so far. Our problems very simply stated being the fuel increase.

The price increase, certainly, is on top of us.

The pay incentive and bonuses, is No. 2. And third we will say travel—the travel restrictions that are laid on us.

What this has done to us—the latter in particular and of course the POL funding as well—has limited the number of deployment exercises such as Red Flag, and overseas deployment, as you know, to the operating bases which we have done quite a bit of in the Reserves. We are having to cut those down.

If we don't get the POL funding and travel we will have to cut them completely in the last quarter of this year.

So this: Fuel, pay, and travel are the top three.

Mr. ZENGERLE. I might expand for a moment, Mr. Montgomery, on the question of pay General Gabriel alluded to.

We have in the budget request for this year approximately $6 million for the Air Force and National Guard in the reenlistment bonus authority. As I indicated in my statement, the manning in the Reserve and Guard is full; but we do have some imbalances

which reflect ultimately a shortage in certain critical skills such as munitions and armaments handlers. This bonus authority we have requested in the budget before the Congress now is designed to alleviate that problem. And I wanted to be somewhat specific about that.

General WEBER. I would agree with my bosses in blue. I would like to add this for the Air National Guard. Our No. 1 problem in both the Army and in the critical skills in the Air Guard is in manning the force. In the Air Guard, in order to man the force we must have good effective training. To have good effective training we must have equipment. We do have some severe equipment shortages—old, obsolete aircraft—in the Air National Guard.

Those must be in my judgment, updated if we are going to have the good satisfied customer out in our units that we are after. To me equipment must go on the list of the problem areas and improved training in the Air National Guard.

With your permission, Mr. Montgomery, I would like to expand on your three for the Army Guard; because I think we have about seven that are difficult to prioritize. Again, with our prime objective of manning the force, to which good effective training relates to manning the force, we must have a personnel package.

I would not talk to that right now, but talk to such things as school money, which is so important, and indeed we do not have adequate school money. In the competitions that are necessary to develop a balanced program we do have good school money this year. We do not have the travel money to get our folks to schools. So we have to substitute alternate means of training our people at home station largely inasmuch as we can't get them to the training sites.

Our training facilities are extremely critical. We have this year only $23.7 million in our total construction program in the Army Guard as opposed to the past 5 years when we averaged $60 million in our construction budget.

We need money desperately to take advantage of the good training devices that the training and doctrine command has developed—the subcaliber mechanisms; the laser, and such devices. We desperately need training construction money.

The last item that we desperately need is to improve the training at the unit level. In order to do that we desperately need a full-time training NCO.

General BERKMAN. I am Chief of the Army Reserve. To respond to your question, of course, force readiness is the objective of the Army Reserve. And I would like to make a number of comments on the challenges facing us to reach that objective.

Of course, manning the force is a No. 1 challenge, and a number of elements go into that: The initiatives that have been mentioned by others; the incentives; the enlistment and reenlistment bonuses; additional recruiting support; funding, to permit the Army Reserve unit members to meet and participate in their part of that partnership.

All those things are important to manning the force. There are other services demonstrating there is a high correlation between full-time manning and readiness. The Army Reserve has had the lowest percentage of full-time manning. That is one of the initia-

tives that is underway. And I would put that high in my priorities. Additional full-time people at unit level to assist in the myriad of things that ultimately go into readiness—training, administration, logistics, maintenance, all of those matters.

The third on my list, not necessarily in this priority, is the expansion of full resources of very important association programs that are being developed for units of the Army Reserve, and indeed, the Army Guard with the active components.

The association in wartime missions under Capstone—the label for this program—at forces commands, the partnership between the Reserve units and the Active component units, the affiliation program, deployment training—all of those things that will enhance training and make a career in the Army Reserves an even more satisfying and more rewarding career for our young men and women.

Finally, training. All of these things being related to each other, but resources, travel funds—so that we can accomplish our planned training and improving equipment which is so essential to training, and mission-oriented training; also facilities in military construction funding for necessary training facilities.

All of these things are interrelated. They relate and will result in improved manning, improved strength, improved retention, and ultimately improved readiness.

Thank you, Mr. Chairman.

Mr. PIRIE. Because of the seating arrangements here I was unable to have General Bodycombe present his views. I would like him to give his views in a few moments.

General Guice is the Director of the Air National Guard. General Bodycombe is the Chief of the Air Force Reserve.

Mr. STRATTON. We would like to hear your views.

General GUICE. Mr. Chairman, I have priorities today for Air National Guard listing them in this order:

To fully fund the strength and training and travel requirements that will produce readiness; providing incentives for those critical skills areas that need to be better manned; and to continue the modernization of equipment in the Air National Guard.

Thank you.

General BODYCOMBE. Mr. Chairman, in answer to your question, sir, the three things we have on our priority list: First is the monetary, which would include enlistment and reenlistment bonuses and fully funded end strength and travel pay; second, we would like to retain our air technician force in its present status under competitive civil service and be released from any further participation in any kind of militarization test; third, we would like an acceleration and modernization of our flying squadrons.

Thank you.

Mr. STRATTON. Thank you, gentlemen.

Does that answer your question?

Mr. MONTGOMERY. Yes.

Mr. STRATTON. Secretary Pirie, I have a couple of questions I would like to address to you. I got stuck in the chair in the House for 2 hours, so I wasn't here when the other testimony was presented, and conceivably maybe these things have been responded to before.

You, I take it, are the top spokeman on behalf of the Pentagon in military manpower matters. Do I understand that the administration is still pressing for registration?

Mr. PIRIE. Yes, sir, that is correct.

Mr. STRATTON. You are in favor of that?

Mr. PIRIE. Yes, sir.

Mr. STRATTON. It is my understanding that the reason for asking for registration is that we recognize that if there were an emergency, if the Soviets were to attack in Europe, for example, that we in the present status of both the Reserve and the Guard would not have nearly enough replacement forces, reenforcement forces, to make available to General Rogers to resist that kind of an attack? Is that correct?

Mr. PIRIE. Yes, sir. It is important to note that the individuals delivered by the Selective Service do not become available to General Rogers, commanders in the field, are not deployable until 12 weeks.

Mr. STRATTON. In other words, that is not the reason for the registration? What is the reason for wanting registration?

Mr. PIRIE. The major and overriding reason for wishing to reinstitute registration is to indicate to the Soviet Union that activities such as Afghanistan triggered a major reappraisal in this country and the administration of our feelings with respect to military readiness.

Mr. STRATTON. Is your answer, Mr. Secretary, that the only reason for registration is to present a position to the Soviet Union that we have reappraised our what—our military position?

Mr. PIRIE. Second, Mr. Chairman——

Mr. STRATTON. Is that what you are telling me?

Mr. PIRIE. You asked if that was the only thing, and I am going on to my second reason.

Mr. STRATTON. But you say it has nothing to do with an inadequacy of available reenforcements in our present status, is that your testimony?

Mr. PIRIE. That is correct.

Mr. STRATTON. We have perfectly adequate reenforcements to make available to General Rogers?

Mr. PIRIE. As I testified earlier in my statement the Army is some 270,000 pretrained individuals short of its objective. We consider that a very serious problem.

Mr. STRATTON. But not serious enough to warrant that the implication that you might not be able to prevent the Soviets from breaking through?

Mr. PIRIE. I didn't hear you.

Mr. STRATTON. We are only 270,000 short?

Mr. PIRIE. We are 270,000 short. That is a serious problem. We believe that should be rectified.

Mr. STRATTON. How can the registration of young men, 19 and 20, have any conceivable relation to presenting any kind of a picture to the Soviet Union if it doesn't put a single man into uniform?

Mr. PIRIE. It enables us to mobilize, to face a major challenge by the Soviet Union, and it speeds that mobilization——

Mr. STRATTON. Forgive me for interrupting you, but my time is running out. I have another meeting.

I want to try to get the philosophy without any additional verbiage, if possible. It enables us to mobilize. As you are the head of the manpower division—are we assuming that we don't intend to mobilize; we don't intent to put into uniform—we don't intend to train anybody until the actual breakthrough has occurred?

Mr. PIRIE. No; that is not our intention at all. That is why the President is asking for registration.

Mr. STRATTON. I know, but registration doesn't put a single additional person in uniform. All you have is a list of names and telephone numbers. How is that going to "shake Brezhnev in his boots," and say, "My God, really, they really mean business over there. With a list of names and telephone numbers like that, we better retreat."

Mr. PIRIE. Registration facilitizes the mobilization process.

Mr. STRATTON. I know, but I asked you when are we going to mobilize, after the Russians have attacked, after they have broken through?

Mr. PIRIE. The mobilization is the decision the President has to make based on the international situation. It is possible the Soviet Union could conduct a surprise attack. That has been analyzed by our intelligence agencies.

Mr. STRATTON. That is true. Don't you need more than registration? Don't you need to get somebody into uniform? Don't you need to give them at least a little training before you send them overseas?

Mr. PIRIE. We have substantial Active Duty and Reserve Forces now, Mr. Chairman.

Mr. STRATTON. You said you have a shortage of 270,000. So if you have adequate forces, they would be the ones you are relying on. It so happens you have a half million short of what you need.

Mr. PIRIE. 270,000, Mr. Chairman.

Mr. STRATTON. Have you testified before the Appropriations Committee on the registration?

Mr. PIRIE. I have.

Mr. STRATTON. Have you read the paper?

Mr. PIRIE. I have, indeed, read the papers.

Mr. STRATTON. You know your case is not going very well in the Appropriations Committees?

Mr. PIRIE. Yes, I am aware of that.

Mr. STRATTON. Do you know why?

Mr. PIRIE. I am aware that the members of the Appropriations Committee have reasons of their own, I think.

Mr. STRATTON. Have you talked to the individuals? I am not talking about reasons of their own. Do you know why they are voting against it?

Mr. PIRIE. Yes, sir.

Mr. STRATTON. Because they say you are not going to use registration. They say that the Defense witnesses who have come before them that all they want is a list of names and telephones numbers, that there isn't the vaguest idea on the part of the administration witnesses that, God forbid, we would ever think of actually drafting the people that we register. All we want is to be able to wave a list

of names and telephone numbers and that is going to get the troops out of Afghanistan and going to bring peace to the Persian Gulf.

Don't you think that you ought to be a little bit more frank? Why do you register somebody for the draft if you don't intend to try to utilize them to bring additions to your trained manpower pool so that we are not 270,000 short of what we need? I don't think General Rogers knows exactly how many reenforcements he is going to require when the Soviet Armed Forces, 4 million strong, storm across the gap in an effort to reach the Rhine.

Can you testify to this committee which, as Mr. Montgomery says, has been trying for years to do something about the manpower problem; that you are really not interested in putting a single person into uniform in the year 1980?

Mr. PIRIE. No; I can't testify to that. We are interested in filling out shortfalls with respect to both the Active Duty Force——

Mr. STRATTON. But registration has nothing to do with it. You are going to give more bonuses, more incentives, and have less doctors because you are not going to pay them. But as far as registration is concerned, this has nothing to do, in your testimony, with getting a single additional individual ready to meet our military needs in the event our national interests are threatened.

Mr. PIRIE. No, that is not correct. Our view is that——

Mr. STRATTON. Why don't you level and tell us what the registration is really for, and when we are going to start drafting them?

Mr. PIRIE. Our view is that registration now puts us in a better position than waiting until later, particularly later if there is——

Mr. STRATTON. You mean after the election?

Mr. PIRIE. It is not a question of the election. It is a question of waiting until conflict has broken out.

Mr. STRATTON. How much time have we got? When is the conflict going to break out? You are too young to remember, but we had the draft in operation for a whole year before they attacked us at Pearl Harbor. But on the basis of what you are saying, we are going to have to wait until Brezhnev brings his own Pearl Harbor before we start doing anything with this list of names and telephone numbers. Does that really make sense?

No wonder you couldn't convince the Appropriations Committee because you are not leveling. You are trying to pretend by getting a list of names and telephone numbers, and not imposing any obligation on any American, that somehow you are going to solve the whole problem. And you know perfectly well you can't do it. Isn't that correct?

Mr. PIRIE. No, that is not correct, Mr. Chairman.

Mr. STRATTON. OK. Your testimony is that somehow without putting any obligation on any individual you are still going to be able to solve it?

Mr. PIRIE. My testimony is we will be putting obligations on individuals.

Mr. STRATTON. How and when? After the balloon has gone up. Does that make much sense?

Mr. PIRIE. We are having them register, and pledging to keep the Selective System informed of their whereabouts.

Mr. STRATTON. That doesn't help General Greenlief. That doesn't help these people who are down here telling you what the short-

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ages are. Were you here when the testimony was presented by General Greenlief and you were at the Washington Hilton the other evening when I mentioned my conversation at Lake Placid with General Castalano, that if we would examine and classify these people that you want to register in the State of New York they could get enough volunteers from those who ended up as 1-A to fill all of the slots in the National Guard vacancies in New York State. Are you aware of that testimony?

Mr. PIRIE. I remember you telling me that, yes, Mr. Chairman.

Mr. STRATTON. We just had that testimony from General Greenlief, that this was the view of the National Guard Association, apparently reflecting the views not only of General Castalano, but other commanders.

Now, if that is the case, why don't we examine and classify them because there won't be a single bit of coercion there. Congress won't have to mandate anything. All we will have to do will be to find out whether a guy is 1-A or 4-F, and you will already have 4,000 volunteers in New York State, and might even have 5,000 in California. Isn't that a good idea?

Mr. PIRIE. Whether to examine or classify the individuals is a technical judgment. The Director of the Selective Service system has testified.

Mr. STRATTON. I am sorry, I didn't hear what you said.

Mr. PIRIE. Whether to classify or examine is a technical matter which the Director of Selective Service has determined.

Mr. STRATTON. That is not a technical matter. We are talking about the policy of the United States of America when we are faced with the greatest crisis since Pearl Harbor. Are you going to leave it up to some bureaucrat to decide whether we go the step?

Here you have a free ride without a single bit of legislation being passed by Congress, and admittedly, we are pretty gun shy up here. We don't even have registration. I am not sure whether we are even going to get a registration bill out of this committee. We are going to let the President take the onus and do it by Executive order.

Here is something where you can get a free ride and get probably 100,000 volunteers out of the 2 million who are going to be examined and classified. Have you considered that, Mr. Secretary?

Mr. PIRIE. I think we ought to take your suggestion under consideration, Mr. Stratton. I am not certain we will be in a position to act on it.

Mr. STRATTON. Who would have to make that decision, Mr. Secretary?

Mr. PIRIE. I have a suspicion, although I have not looked into it, that the President will have to make that decision, Mr. Stratton.

Mr. STRATTON. Have you recommended it to the Secretary of Defense?

Mr. PIRIE. I have not.

Mr. STRATTON. Has the Secretary recommended it to the President?

Mr. PIRIE. No, sir.

Mr. STRATTON. Don't you think it is worth at least exploring whether or not what General Castalano says, first of all, is it true? And if it is true, don't you think it is worth recommending, because

we are likely to go through 1980, as I see it—and I am a little discouraged sitting in this chair—we are likely to go through 1980 without even getting registration. That is going to give a great signal to the Soviet Union. But if you would tell the Appropriations Committee that if they give you registration, then you will also get classification and examination, that you expect to have maybe another 100,000 volunteers out of it, I would say they would give you the money.

Mr. PIRIE. I think, Mr. Chairman, if we could convince ourselves that classification and examination would indeed yield very large numbers of volunteers for the Guard and Reserve, that that would trigger a very serious reassessment of whether we ought to do that. But I don't know that at this point.

Mr. STRATTON. I know you don't know it. But do you agree with the President that this is the greatest crisis that we have confronted since Pearl Harbor?

Mr. PIRIE. It is a very——

Mr. STRATTON. You better not answer that "no" or you won't be on that job very long. Of course, you agree.

Mr. PIRIE. I run quite a few hazards in my position. Of course, I agree——

Mr. STRATTON. Then you are the man that is responsible for providing the manpower in the greatest crisis that has faced this country since Pearl Harbor, even though you were just in rompers at that particular time.

Mr. PIRIE. Ten years old.

Mr. STRATTON. So, if you are the man who is responsible for manpower, don't you think you ought to be looking into that when you have the head of the National Guard Association and, as I understand it, the heads of virtually every State Army Guard in the country who believe that that is true—don't you think that ought to be looked into as a matter or priority?

Mr. PIRIE. I think if one of them would write me and tell me that, it would certainly trigger a reaction in my office.

Mr. STRATTON. They are pretty afraid to write you, because they would have to go up through all the generals so it is a little easier to talk to a Congressman when he is up at the Olympics waiting for a bus than it is to send a letter to the Pentagon and 6 months later get a reply.

Mr. PIRIE. I talked to General Castalano, and he doesn't appear to be fearful of offering recommendations.

Mr. STRATTON. Apparently, you haven't been talking to him about this particular subject.

General Weber, what about this, would you agree with that assessment? I want your personal opinion. Anything you say in response to a personal opinion request will not cost you a star or any loss of pay.

General WEBER. Sir, to honestly answer your question, let me address what we are dealing with now in terms of just registration.

The opinions vary among the leadership in the States of how much assistance just registration will provide.

Mr. STRATTON. I am not talking about that. I am talking about the estimate to me which was a fantastic revelation that if we examined and classified the people that we register, we would get

4,000 volunteers for the National Guard in New York State out of 212,000 registrants.

General WEBER. It is my personal opinion we would make up all of our shortfalls in personnel.

Mr. STRATTON. If we examined and classified them?

General WEBER. The qualification and motivation of those particular individuals, I would question that.

Mr. STRATTON. If we examined and classified them, is that right?

General WEBER. Yes.

Mr. STRATTON. OK. Thank you very much, Mr. Secretary. I think you really need to reappraise this situation; because I am not kidding. I don't see that registration is going to emerge from this Congress. If it does emerge it certainly is not going to be in the form that represents a resounding confluence of overwhelming opinion between the Congress and the President. And if that doesn't happen, you aren't going to have any kind of a signal to the Soviet Union that means a hoot in hell. And therefore, we are going to have to address ourselves to our manpower problems. And in my judgment we don't have much time.

The Russians can move tomorrow. And they might do it. And you don't know that they are not going to move tomorrow. If we aren't breaking our necks to try to get this thing solved, as Mr. Montgomery suggests, I think we are gravely negligent with the national security of the United States.

Mr. Daniel, do you want to take the Chair?

Mr. DAN DANIEL. Mr. Hopkins.

Mr. HOPKINS. Mr. Chairman, thank you very much.

Gentlemen, I would like to ask you a question that I asked the President of this country a few nights ago. And if I may, I will describe to you the setting, so that you might better appreciate my question.

I was invited to the White House along with a few of my colleagues to talk about the defense of this country a few nights ago. And General Jones was there and talked for about 5 minutes. Mr. Brown was there, and he talked for about 5 minutes, as did the President.

All in all, I would say they painted a very bleak picture about the defense of our country, describing from maps that there are some 12 Soviet divisions north of Afghanistan, and 9 divisions north of Iran, ready to stomp down through there; 100,000 Soviet troops in Afghanistan. The President stated that night in his opinion that this was the greatest threat to peace in our country since World War II.

I reminded the President that night and remind you he canceled the B-1 bomber and vetoed the aircraft carrier and stopped the neutron bomb and slowed down the M-X missile and the Trident submarine. In view of this great threat we now have, what I want to know, Mr. Secretary, are you or is the Department of Defense ready to reappraise those areas, and if not, why not?

Mr. PIRIE. With respect then to the B-1 bomber and to the nuclear aircraft carrier which the President did not veto this year, and neutron bomb, and other things: Those transcend my area of responsibility, Mr. Hopkins. I can't really tell you whether the

Defense Department is ready to reappraise the B-1 bomber or speed up the Trident submarine or that kind of thing.

Mr. HOPKINS. What is your personal opinion? What do you think?

Mr. PIRIE. In these days I just don't have a personal opinion. It is not my area.

Mr. DAN DANIEL. Mr. Secretary, will you kindly pull the microphone closer to you? We can't hear you.

Mr. ZENGERLE. I can tell you, since it falls in my responsibility, that the President has put a signature to a letter clearly stating his full support for the M-X missile. And that is a fairly recent document that he signed within the past 2 or 3 weeks.

Mr. HOPKINS. Do any of you have an opinion on the Trident submarine or aircraft carrier situation?

Admiral MOREAU. Yes, sir, Mr. Hopkins. As Mr. Pirie stated, of course, there is a nuclear carrier in the most recent budget, which was not vetoed although it has been at previous times. The CNO testified what they need in the force level.

With regard to the Trident submarine, I think it is also classified testimony with respect to that, as well as decisions on the Trident II missile. I would be happy to talk to you in executive session on a classified basis.

The CNO has also indicated that they are presently trying to manage a three-ocean commitment with a 1½ ocean Navy. That is absolutely correct. The authority has increased commitments we have presently in the Indian Ocean, and with the drawdown in forces in other parts of the world, we can't be all things to all people all the time without increased force levels.

The naval forces presently are stretched precariously. On the other hand, in great fairness, they are budget constrained.

We are doing the best we can with the forces we have, and naval forces have to seek priorities along with forces from the other services.

Mr. HOPKINS. Gentlemen, let me just say I know the hour is late. I am for those of you who came in this afternoon. I am very new to this committee. I have only been here for hours, as a matter of fact.

May I have some additional time?

Mr. DAN DANIEL. Without objection.

Mr. HOPKINS. I suppose in the vernacular of some of the services you might consider me as still being in boot camp. I would like for you to know I genuinely would like to help you.

I believe in a strong defense. I think that is what keeps us free in this country. But I do get conflicting remarks here, just my first day here. One person comes in and says we are not ready. Somebody else comes in and testifies saying we are ready. I suppose the question is "ready for what?"

My own personal view is, I want us to be ready to defend this country. And whatever it takes to do that, is what this Member will vote for. But I get conflicting views here today to the extent that I feel maybe the operation is a success, but the patient died.

I talked, as Mr. Beard was stating a little earlier—certainly not at length as he has with some of the personnel in the armed services—but I have talked with a few. I get very much the same

reaction he is getting. I don't know if there is a breakdown in communication or there is a breakdown in information. I would hesitate to think that somebody is not being totally honest. I don't want to believe that. But I just want you to know as a new member of this committee I would like to help you. But I expect that some type of help from you.

I expect you to be brutally honest. And that is the only way that I know that we can help each other, and help this country, because I am convinced in the brief time that I have been here that this country is in deep trouble. And I have not yet talked to anybody who has convinced me otherwise.

Thank you very much, Mr. Chairman.

Mr. DAN DANIEL. Thank you, Mr. Hopkins.

I have one other question. First of all, Robert, let me say to you my emotional outburst a moment ago had nothing to do with personalities, but I am deeply concerned about the corruption and graft that I know exists.

I don't believe it is getting the type of top management attention it needs. And unless something is done, and done rapidly, to clean up the act, I hate to contemplate the consequences.

I don't think you all realize just how difficult it is for us to continue. The subject is commissaries, for example. We have a lot of people in Congress who don't believe we ought to have commissaries of any sort. I happen to believe we do. I think they serve a real good purpose.

I think we are going to have to do something to convince the people that we are doing the best job that can be done in order to continue them. Now, I don't believe that I have been on the floor more than half a dozen times since this recent article appeared, first in Life and in Time, that someone hasn't asked me, "Daniel, why don't you assume your responsibility and clean up this mess".

The truth of the matter is, Mr. Secretary, I do not have the time that is required to do it. I have three staff members. They are working fulltime at it. It is going to take more than that. It is going to take more top management attention to do the job that has to be done.

Let me ask you about cross-service training. Certainly, we must have somewhere in some of our skill categories a surplus of manpower. What are we doing about cross-service training?

Mr. PIRIE. This pertains particularly to the Army in our efforts to increase the yields in the right skills in the Ready Reserves. We are looking at that, and we are looking at rapid retraining of individuals because they are deployable right after "M" day. And that will be the predominant use of the training base in the immediate weeks after mobilization day, Mr. Daniel.

But let me pass it to Mr. Clark, whose organization is primarily involved in that.

Mr. CLARK. Mr. Daniel, are you referring to cross-training of individuals for example, in the Individual Ready Reserve pool?

Mr. DAN DANIEL. I am talking about cross-training of any personnel.

Mr. PIRIE. Giving combat skills to people whose primary skills may be something else to make them deployable.

Mr. DAN DANIEL. Precisely.

Mr. CLARK. Army Reserve core of training involves an element of teaching the combat skills to all personnel that enter. The purpose of that is so that any soldier, regardless of the unit he is assigned to, can perform the minimal combat task necessary and that will probably be required in the event of war to be able to defend his support organization in the event it is attacked or subject to ground warfare.

So, all personnel go through a core curriculum which is intended to give them the minimum essential combat skills. Does that answer your question?

Mr. DAN DANIEL. Well, it partially answers it. Does any uniformed personnel have any additional comments they would like to make?

General OTIS. General Otis, sir. I would like to make one other comment.

Throughout the Army we look at both officer and enlisted to have more than one skill. Many of our skills are concentrated overseas and not in the continental United States. And so for those troopers and soldiers that are needed in things like the Hawk missile, where we have a lot of those people overseas and only a few in the States, we train those in different skills here in the CONUS.

Mr. DAN DANIEL. Anyone else?

Mr. ZENGERLE. Speaking on behalf of the Air Force, Mr. Chairman, with regard to the Air Reserve Forces, we don't have very much cross-training. What happens there, most identifiable in the nature of your inquiry, is that upon conversion of units certain jobs, functions, specialties, are lost because old weapons systems are replaced by newer.

Of course, there is training in the newer weapons systems in specialties that are required. But in the Active Forces we have a name for a program that responds directly to the points you are interested in and the name is warskill.

The Air Force consciously trains its personnel in at least dual skills to insure there is a wartime mission that can be fulfilled. And so, for example, those individuals who are instructors in the air training command, are also fully prepared to fulfill combat roles in the foreign theaters. And in fact, are sent in groups of hundreds to the foreign areas—Korea, Europe, and so forth—to insure that their skill training is up to speed in the event of the need to take advantage of it.

Mr. DAN DANIEL. My time has expired.

If any of the rest of you have anything to add, please do so for the record.

Mr. Montgomery, do you have additional questions?

Mr. MONTGOMERY. Yes, Mr. Chairman.

I don't want to get back on registration but one point that should be made is that if classification and examination would also result in enlistments going to the Active Forces, besides Reserve Forces.

Mr. Secretary, it has been mentioned today travel funds are needed by the different chiefs on your side, and also the associations have testified the travel funds are very important. Could you tell this committee, are you going to ask OMB to give more funds and ask the Appropriations Committee for more funding for travel for the reservists?

Mr. PIRIE. Yes, Mr. Montgomery. Let me recap the history of our travel fund problem.

As you know, after taking the usual cuts at our fiscal 1980 budget, and the House and Senate Appropriations Committees, we then had an additional $500 million cut for travel funds. The Office of Management and Budget apportioned that cut amongst the Federal agencies and apportioned the defense share of the $500 million cut at $508 million.

We noted almost immediately we had a problem there. And so we have taken that up with the Office of Management and Budget, very strong representations from Secretary Brown and Secretary Claytor. And they agreed to reconsider that. We believe we will get some of that back, perhaps as much as half.

In getting that back, it is my intention to do everything I can to make sure the Reserves get their share. I recognize travel money is particularly important to the Reserves since that goes to their ability to get their training done, and that goes to their readiness.

Mr. MONTGOMERY. Thank you.

General Otis, we were rather shocked in the Personnel Subcommittee to find out that some of the Reserve units had not been given assigned missions and they had even late deployment. And even in the Army Reserve and Army Guard, they had not been given any missions.

Now, the Appropriations Committee wants to eliminate those units. I don't think our committee wants elimination of National Guard and Reserve units. Have they been given assigned missions?

General OTIS. Yes, Mr. Montgomery. The short answer to your question is yes, most of those units that were identified in the GAO report have now and have been specifically identified with wartime missions.

There are some that have not, and in fact, we will recommend some of the units that now are no longer needed for inactivation.

But the numbers shows that out of 345 that were units that were identified as being suspect by the GAO—in fact, 265 are valid and we will recommend some 70 for inactivation.

Mr. MONTGOMERY. Seventy units?

General OTIS. Yes, sir.

Mr. MONTGOMERY. That leads into my next question, then. What about incentives for all the units? Has the Defense Department considered that for all—Naval, Marine, Combat, Guard, all Reserve units—incentives?

Mr. PIRIE. Yes, sir, that is under consideration. I will let the individual services speak. But the incentive program is open to them if they wish to avail themselves of it.

Further, in the fiscal 1981 budget the intention is to make the incentives available not only to their early deploying units but the critical skills in the later deployment units. It is being expanded.

Would you like to add anything to that, Bill?

Mr. CLARK. Yes. Those critical skills being essentially the combat skills, Mr. Montgomery. All persons in all units in those skills will be eligible for the bonus.

Mr. MONTGOMERY. We were quite surprised, Bill, to find out that in your Army Reserve, in your combat units, they were way below strength of your combat support units in the Army Reserve.

Are you taking any action there? That 56 percent was the strength levels of these combat brigades in the Army Reserve, where you might have 85 or 90 percent in the support Army Reserve unit.

Mr. CLARK. There is no question that that is a very serious problem, and I have high hopes that the extension of the bonus to people who can enlist in combat skills will go far to improve the strength picture of those units.

General BERKMAN. I think the extension of those incentives to those critical combat skills will contribute to—hopefully contribute to—the strength of those units. I think too the extension, if resources were available for the other incentives—the other initiatives I mentioned, such as additional full-time manning; resourcing the new relationships under Capstone, with the active components, would also contribute to improving not only strength but ultimately the readiness of the units, sir.

Mr. MONTGOMERY. Mr. Secretary, this will be my last question. I am kind of concerned with the nonchalant and kind of bored with the subject of the Individual Ready Reserves. I am concerned that you say you are increasing the strength levels of the Individual Ready Reserves, and you are taking people who you are discharging from the service which is about 30 percent of those that will be volunteers today who within 1 or 2 years will be discharged for the good of the service and for the good of the individual.

You have admitted now 25 percent of all of your recruits in the last year were category 4. Well, if you fill up the Individual Ready Reserve with category 4, with people who can't make it in the Army, we are really worse off if we have to call on these individuals. I would hate to have a regular unit of a National Guard unit that was going to be moved into Europe or the Persian Gulf and end up with nothing but problems in replacements. It doesn't sound like I am on your side, but I am.

I think you have some serious problems in the Individual Ready Reserves.

Mr. PIRIE. Mr. Montgomery, not all of those who are discharged before the end of their obligated service are put in the Individual Ready Reserve; but only those whose commanders feel they have a potential, and that we can use in the case of general mobilization in a national emergency.

Second, the bulk of strength increase in the Ready Reserve has not come from those individuals but from the other actions we have taken to make sure other people who completed their enlistments are fully qualified, and things of that kind. They don't transfer out of the Individual Ready Reserve into the Standby Reserve or simply in the case of the Selected Reserves simply get discharged without being put in the Individual Ready Reserve.

We are managing our assets. That is where the bulk of the strength is coming from, sir. It is really not a fair assumption to make all those 4's. They are not.

Mr. MONTGOMERY. This will probably be my last question.

Mr. Chairman, I would like to thank the witnesses for coming up here this afternoon. Maybe in some cases we have been a little hard on the witnesses; but it is sincere. And I am certainly worried about the security of this country—that we can defend this coun-

try. I think we are going to have to be tough on each other to get some type of defense that can protect this Nation.

I think the time is getting late. And if we had any success today to improve the Reserve Forces, to add 50 percent to the combat missions in Europe; if we have impressed anybody, Mr. Chairman, this whole day's hearing has been worthwhile.

Mr. DAN DANIEL. As Mr. Hopkins said, it has been frustrating but very productive.

Mr. Hopkins, do you have another question?

Mr. HOPKINS. Thank you very much, Mr. Chairman.

If I could follow up on one other thing of the colloquy you had earlier with the Congressman about the test scores; because I am interested in that also: It seems to imply that some of the recruits didn't really score as high as perhaps they should have to qualify.

It tends to lend credit to perhaps some people's thinking that the services might be more interested in meeting a recruiting goal than they are meeting the quality of the individual that goes into the service. I would like to have your response on that.

Mr. CLARK. I would like to assure you that is not the case. The suggestion that we are intentionally lowering test scores so that more people can pass through the gates is incorrect.

I am just as dedicated, and General Otis is just as dedicated in having the kind of force to perform the mission as you gentlemen clearly are.

But when you have a large number of people across the board in a number of skills who score substantially below what your expectations were, then it seems to me you can't just look single mindedly at any one factor. You certainly must decide whether or not that test adequately measures the kind of performance you are trying to measure. That was the point I was trying to make to Mr. Beard; not that we were going to play a numerical game by simply lowering test scores so more people could pass through the gate. I want you to have my personal assurance that is not the case.

Mr. HOPKINS. What do you recommend then that we do about that?

Mr. CLARK. Certainly, we do need to examine the tests to make sure they are properly constructed. We have as a matter of interest raised the aptitude scores on 75 skills in the last couple of years to insure that people with greater aptitude will enter those skills. The reason we did that was because in the training cycle we had an unacceptable amount of attrition, and that caused people, who had enlisted for a certain skill, to have to be reassigned into a perhaps less demanding skill. So we raised the scores on those to screen out those people who would be more likely to not be able to achieve the training levels required.

The thrust for the last couple of years, and particularly today, is to try to obtain more high school graduates, and particularly—which has not to do with trainability but has to do with the stick-to-it-tiveness, if you will—those who will stay in the service, and to attract more people in the upper middle categories. Because there is a correlation, if not exact, to their trainability.

The major thrust of our recruiting effort now—the major task that we placed on the new commander we have in our recruiting command—is to turn the focus around of the recruiting effort to

try to achieve more high school graduates and more people in the upper middle categories. Clearly, that will help in having more people who have a fundamental ability to absorb the training.

Mr. HOPKINS. How are we going to help our situation, Mr. Clark, when the recruits I talked to on the base itself, in the absence of the general so they were not intimidated by my questions, when they tell me what you are getting today in the service are streetwise kids who know how to sell drugs—and they are, in fact, selling drugs on the bases today?

Mr. CLARK. Certainly, that is a matter of deep concern, one we will have to look at very carefully. We are very concerned about the drug and alcohol problem we have in the Army. And as a matter of fact in the budget that is before you now there are additional resources to try to cope with that problem.

Mr. HOPKINS. That is all I have, Mr. Chairman.

Thank you very much.

Mr. DAN DANIEL. Mr. Ford.

Mr. FORD. Thank you, Mr. Chairman.

I would like to ask a couple of questions: First about the equipment side of the House. We have talked mostly about personnel this afternoon. I would like to ask you about the question I asked General Greenlief about the A-7's. The National Guard Association provided a rather long list of items they thought they needed adding up to close to $1 million. Among those items was 18 A-7K's, which if I remember correctly, would cost on the order of $218 million, about $11 million or $12 million a bird.

What is your feeling in the Air Force about providing those particular aircraft?

Mr. ZENGERLE. To start off, we don't take issue with the position that General Greenlief has taken, that in a perfect world the provision of A-7 aircraft, very good aircraft, would substantially enhance for a moderate cost the training capability of the units. Those aircraft are sought for.

Mr. FORD. Wait a minute. In a perfect world—and I don't know why we bother talking about it—but in a perfect world would the Air Force prefer to give them all the A-10's that they want so everybody flying close air support and air-to-ground missions would be flying the same aircraft?

Mr. ZENGERLE. That is the point I am getting to. It is not a perfect world. We have to make choices. I think the preference is if we are going to spend money for direct procurement for the Air Force, to spend it on the most modern aircraft you can get, which would be compatible with those in the Active Forces. Those would be the A-10 and F-16 aircraft.

I think that position has been taken as well by the Chief of Staff of the Air Force, Gen. Lew Allen.

Mr. FORD. General Gabriel.

General GABRIEL. That is the priorities we established in our program. We can use the A-7's—and we have. Those we have have not even been added on. But we do ride with the program priorities that we have in the 1981 budget.

Mr. FORD. But you are phasing the A-7's out of the Active Forces as soon as you can, aren't you?

General GABRIEL. Yes, they are going out next year.

Mr. FORD. You are phasing out the A-10 in the National Guard as fast as you can?

General GABRIEL. That is correct.

Mr. FORD. The A-7 is based on about a 20-year-old technology?

General GABRIEL. It is about that, yes.

Mr. MONTGOMERY. When are you phasing in the F-16's? I believe the Guard would like to get them.

Mr. ZENGERLE. We have money coming in this year to procure F-16's for the Air Reserve.

Mr. MONTGOMERY. What about the A-7's for the Air Guard? When did you get scheduled F-16's coming into the Air Guard to take the place of the A-17's, General?

General GABRIEL. It is reserves. The first squadron comes in as reserves. They are not yet in the fighter program but they are in the 5-year program.

Mr. MONTGOMERY. That is the problem, Mr. Chairman, we don't know when we will get the F-16's and we have excellent squadrons out there now, with good pilots.

I just can't see why we would try to hold back on the A-7's, where we can't get any time date on when the F-16's will be brought into the Air National Guard.

Thank you.

General Gabriel. We do have 19 F-4 squadrons now. We will have 22 by next year. That is a pretty good fill-in until we can modernize. We have all the old F-100's out, as you know.

We have done a lot of modernizing over the last 5 years.

Mr. MONTGOMERY. But the problem is, General—I remember when you assigned these A-7 squadrons to the National Guard. You said that is aircraft you want them to fly. And we were able to get them some new aircraft. I think it has paid off.

General GABRIEL. I agree.

Mr. FORD. Also, General, we did not, if I remember correctly, provide any long-lead money for the A-7's last year. If we did authorize 18, could you procure them in 1981?

General GABRIEL. I didn't understand the question.

Mr. FORD. Last year we authorized or funded 6 or 12 A-7's. We did not provide any long lead for further procurement beyond that?

General GABRIEL. That is right.

Mr. FORD. If we authorized and funded 18 this year, could you buy them in the 1981 time period?

General GABRIEL. I don't see how we could.

Mr. FORD. OK. Thank you.

General Gabriel. Yes.

Mr. Ford. Specifically, I would like to ask Secretary Connor and Admiral Moreau about the question of the decommissioning of the Navy Reserve ships, the 14 destroyers which are about 40 years old, I guess.

The Navy Reserve Association testified this morning they opposed that because the ships are used for the training of reservists, and they questioned whether or not there would be billets available for them if you decommissioned those ships.

I would like you to tell me: How many Reserve billets those ships provide; how many Active Duty people we have to use to maintain those ships; and what the cost is of maintaining them?

Mr. CONNOR. Mr. Ford, a brief background: There were 20 of these ships. The Navy Department is working under a mandate whereby six of the ships you have are to be overhauled. I would like to have others either substantiate what I say or clarify it.

The opinion of the naval operations group is that the destroyers, with the exception of these, either have been or are being frammed or overhauled, are such that they are not a desirable training platform and would not have adequate weapons and engineering systems to perform acceptably in a hostility in the foreseeable future.

I will have others comment on this, but personnelwise, we also have problems there, as we normally would with much older ships. As you know, these are called Naval Reserve port ships. They are composed of roughly 62 percent Active Duty personnel and 38 percent inactive duty—what we term "Selected Reservists."

It has been difficult to maintain morale on an old ship on which the engineering problems are extremely difficult. It has also been very difficult to maintain our numbers as far as Selected Reserves who are drilling on these ships.

Admiral Palmer has a report here he might refer to whereby on some of these vessels the conditions are such they practically discouraged Selective Reserves from participating. I am not going totally off on a tangent, but just before I finish I would like to comment on the efforts of the Chief of Naval Operations and his staff to come up with a substitute as a followon—a corvette, or something similar to it.

Unfortunately—and I don't want to give a different impression—there will be a timelag and gap in there between the time the destroyers are phased out and the corvette comes in. I am not for one moment suggesting this isn't an important gap. I would invite your attention to the fact that the Naval Reserve Force does have other ships which can absorb the manpower that might be excess if these ships are decommissioned.

As you know, we have something like 95 or 96 percent of the minesweeping—the deep minesweeping capability of the Navy within the Naval Reserve. These ships are also old, and are in generally good condition. The morale on them is good. They can take more enlisted personnel—let me digress again for a moment on the corvette I mentioned. What we should do there is have the non-Selective Reserve percentage at a minimum, with practically 100 percent Reserve on them.

Just briefly, to recap: It is the opinion of the Navy Department the ships—most of them—are beyond the point where they can be overhauled. In other words, it is a question of cost and whether it is worthwhile.

As far as personnel: It is difficult to maintain our Selective Reserve of crewing them. To answer your other question: yes, there are other places where the ready reservist can participate. Perhaps Admiral Palmer would like to further comment on this?

Admiral MOREAU. I would have been happy to talk to it. We are very enthusiastic about the ships, and about the escorts, and the magnificent job they have done over the years. In our judgment those ships are no longer threat capable—high-threat capable. In our judgment those hulls are no longer safe. The size and configu-

ration of the ship and the inhabitability requirements and the number of people you have on them essentially makes it barely possible to make them more threat-capable. You could never make them high-threat capable in the sense of using them as a battle group escort.

There are some things you can do to help them. They are going to be extremely expensive to upgrade. Our judgment has been that it is not cost effective and the product you will get won't do the job we need it to do. And, therefore, those ships should probably go.

I would like Admiral Palmer, who has inspected some of those ships recently, to just give you his view of them.

Now, then, as you know, this year and next we will have four LKA's, two LST's, two ammunition ships, which will pick up some of the Selected Reserve crew manning. In terms or numbers, the total number is probably 20 ships.

You recall that sequencing of numbers—of the 20—and we retain 12, and overhaul 5, and we would put 2 in overhaul next year if we don't get relief. This involves about 1,300 Reserve personnel.

Mr. FORD. If they are in overhaul now, how old are they?

Admiral MOREAU. These ships are between 35 and 40 years old. We were directed to overhaul five the previous year, two next year, three in overhaul, and if we do not get relief we will put two more in overhaul next year.

Mr. FORD. You are saying after they are overhauled they would still not be threat capable?

Admiral MOREAU. They will not be high-threat capable. You can't put a Lance helicopter on it.

Mr. FORD. You are overhauling and maintaining them strictly for training reservists?

Mr. FORD. Yes, sir, and they will have a capability for instance to—if you put enough money into it, put a towed array on them to use them as an escort for economic shipping—you couldn't use it to escort a battle group.

Not only do we have room in the other ships going to the NRS—which takes perhaps a third of those 1,300—the others will go to Ready Reserve units and go to mobilization billets as every one of our 7,000 Naval Reserves has. And as the Secretary just discussed the reserve corvette study—the FFX study—we have money 5-year defense plan to start building in 1983. That is close upon us. We are talking about and that study gives you a ship definition essentially on a frigate or corvette, which will be a Reserve ship in the real sense which is probably about the opposite now, probably two-thirds Ready Reserve manned and one-third Regular Navy manned. It will not be as capable as a seven. But it will be a capable ship within SKW-26 Sonar and Lance helicopter.

Those will be real for the first time in the Navy—real Reserve ships and capable ships.

Mr. FORD. Would you put in the record what the cost of maintaining those Reserve ships are and would you also put in the record the present Active Duty manpower required to maintained them? And I would like to ask Admiral Palmer to comment on what the retention effect is on the Reserves if we do take them out of the force.

In other words, what alternate billets do you have for the reservists, and do you think you would have any adverse retention effect?

Admiral PALMER. We have a plan. We are talking about a very small number of people and an awful lot of money being spent on 1,300 Selective Reserve out of service force of about 58,000. So we are spending a lot of money on just a very few people.

That is for the whole 20 ships, not just for the difference there. We have a plan to use all of these people. They don't leave use like the Reserves. They go to other billets. My average filling of 38 percent of the complement which is Reserve is about 58 percent. So I can only fill about half of the billets right now.

I would imagine that depending on where you put the surviving ships, the remaining ships, that manning will go up. But it is a function of geography and I can't tell you because I cannot spell out the number of automatically; because they may not be there.

Does that answer your question, sir?

Mr. FORD. Yes, I think so.

Mr. MONTGOMERY. Will the gentleman yield?

Mr. FORD. Yes, sir.

Mr. MONTGOMERY. Admiral, it has been my experience dealing with Reserves since I have been in the Congress, you have got a lot of men and women in the Naval Reserve who would really like to serve, but you hadn't billets for them and you cut the drill pay from 40 drills to 24 drills.

Quite frankly, I have seen more skills in the Naval Reserve, people who like to wear the blue and white uniforms than I have seen in the other Reserve Forces. I don't know where this misconception came up that you can't call a reservist out for 15 days. It is hard to get them.

The Air Guard is taking them out now for a month and putting them in Panama and moving them around. I always had the philosophy put the naval reservists on the these ships and keep them out for a month. I think you can do that.

So they run the ship into something. Nobody gets hurt. It is an old ship anyway. But they are getting the experience.

Thank you.

Mr. DAN DANIEL. Mr. Hopkins, did you have another question?

Mr. HOPKINS. Admiral, I am trying to read and catch up as fast as I can so that I can perhaps contribute something to this committee.

Do you agree or disagree the *Iowa* class ship should be brought out of mothballs due to the fact the Marine Corps certainly depends on the firepower from this type of ship? Do you believe the *Iowa* class should be brought out?

Admiral MOREAU. All admirals love battleships, of course. In a serious vein, the CNO testified recognizing we have the lack of gunfire support ships, the *Iowa* class battle ship, yes, has unique fire capability with its 16-inch naval rifle.

There are many other reasons beyond just that for bringing out the battleships in that question, amid some humor in the press. It is nonetheless under serious consideration, and that is because the ship has a enormous ability to stay afloat under fire.

There are other ways to support the Marines ashore than just naval gunfire support. So it would be a more questionable thing if

that were the only reason for bringing—in a significant sense—bringing out the battleships.

There are other capabilities that the battleships have. There is time and money involved to make it cost effective and we will know when we complete the study on that.

I think the answer is yes, sir, we will probably be able to justify that in terms of force levels and naval capability—the ability to support the Marines in naval gunfire support being one of those.

Mr. DAN DANIEL. Mr. Ford.

Mr. FORD. Thank you. I was interested in that question, because the CNO had said that the Active Force was in such a critical manpower situation he may have to lay up ships. And that seemed a strange situation when you have several thousand Active Duty personnel maintaining 40-year-old ships for Reserve training.

I would like to ask the question of Secretary Clark. Frankly, listening to your testimony I wasn't sure whether you and General Greenlief were dealing with the same National Guard. We didn't have the benefit of a prepared statement. I don't remember your statement, exactly, but you talked about how your programs are meeting with success.

General Greenlief said that they are very fiercely short of personnel. He particularly said both active and defense programs are disguised by the fact that DOD regularly has scaled down the authorized strength to levels which approximate the number of personnel they thought they could attract.

In other words, availability rather than the actual requirements has been the determinant. Would you tell us what the actual Reserve strength is and what the actual peacetime objective is, rather than what is in the 1981 budget?

Mr. CLARK. I will be happy to, sir. Let's talk about the National Guard because that was the thrust of your question. The same relative position or picture holds for the Army Reserves.

The wartime strength of the National Guard fluctuates a little bit based on changes of types of units. But it generally runs about 430,000 people. That is what you would need to fully man at wartime levels all the National Guard units.

We don't intend to fully man up to wartime levels. We have a desired objective of about 400,000 which has been fairly traditional as our objective for the Army National Guard. At the present time we are in the vicinity, I think, of about 345,000.

Our program for 1981 increases that to 381,000 at the end of fiscal 1981. Our objective is by the end of 1985 to clearly meet the desired manning levels of the National Guard. Our program is to accomplish that.

Mr. FORD. If you reach your manning level in the 1981 budget a year from next September 30, you will be at——

Mr. CLARK. 381,000.

Mr. FORD. Which is about 20,000 or 30,000 short of your peacetime objective?

Mr. CLARK. That would be about 19,000 short of our peacetime objective.

Mr. FORD. You are about 40,000 short of that right now?

Mr. CLARK. About 55,000 short of it right now. It is a very serious problem.

Mr. FORD. Your statement mentioned only the success of the program.

Mr. CLARK. We have had success. We have had 5 years in the declining National Guard and Army Reserve. We turned the corner this year and the Army National Guard increased its strength about 4,500. That is a major turnaround.

Now, we have indeed programed against what we have felt was achievable in each of the years. But we do have in our program the desired objective to building the National Guard up to its desired strength by the end of the program period.

If I can improve that performance, I clearly intend to. I don't intend to restrict recruiting to the Army National Guard or the Army Reserves.

Mr. FORD. Nobody said you intended to restrict it.

The witnesses talked this morning about the various things you thought you could do to improve it, and they maintain you have not suggested doing those things. They maintained very clearly that, and I was surprised by the depth of emotion they exhibited. They were asked to be members of the first team but were treated like second class citizens.

Mr. CLARK. I don't agree with General Greenlief on that particular point. I think we made enormous strides in the recognition and integration of the National Guard and the Army Reserve with the Active Forces. I think we have several programs that I think are enormously promising. The incentives which this committee was primarily responsible for initiating, for the Guard and Reserve, has begun to pay off.

Clearly, however, our priorities properly should go on those units that are going to be required first and that has been the thrust of it. I point out the incentives will be particularly beneficial to the National Guard because of its heavy orientation by extending the enlistment bonus for all the combat skills in the National Guard.

Now, we have also, as I pointed out, increased the number of full-time people. I personally think that is one of the most important single initiatives that we have underway today.

Mr. FORD. Are you talking about the support personnel?

Mr. CLARK. I am talking about more full-time people down in the companies, batteries and troops, where the training has to be conducted, where today in many of these units you have one or perhaps two full-time people, where we need to build that up so that we can have better training and more ready units.

Again, the initial thrust of that is for early deploying units.

Mr. FORD. That was one of the complaints by one of the members this morning. They did not have enough support personnel. The thrust of their testimony as I understand it was they were not getting the increases they needed. You say they are.

Mr. CLARK. I am saying we have increases. Would I like to do more? Certainly, I would like to do more. Are we making progress towards meeting our strength goals? Clearly not. We all live within constrained fiscal resources and you have to have a balanced program.

I think we have achieved that balance. If the National Guard can recruit to exceed their objectives we will clearly find a way of happily paying for those personnel.

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Mr. FORD. You haven't done it so far.

Mr. MONTGOMERY. Let me check on a point there. I talked to the unit commanders both in the Army Guard and Army Reserve. The Army has done a good job on full-time manning. On the early deployment units in the Guard and Reserve they have given them much help—training officers, NCO's—but what you haven't done is, those units that don't have early deployment you have taken the training NCO away from them, which really meant a lot to them.

I get the impression it would help if you take some of that top level full-time manning you have given in the early deployment units and kind of spread it into the other deployment units.

Mr. CLARK. I don't think we have given the early deploying units anything but the minimum essential, Mr. Montgomery. I would be delighted to be able to support General Weber's suggestion to be able to continue to put full-time training people out to all units if I had the resources to do it—which I don't have today.

Your comment about the ORS persons that we put out there on a test—that was the forerunner for what we are doing today. And we put those people out there in order to establish the program. To the best of my knowledge we have not taken any of the people away from those units. What we do intend to do, however, is make an effort to move those people to those earlier deploying units.

Mr. MONTGOMERY. My point is you better leave them where they are. They seem to be doing an excellent job on training. Training is getting the personnel in, the equipment in, and proper training.

Mr. CLARK. I couldn't agree more. As I say, we haven't taken any away. But clearly if I can't improve all units I have got to concentrate on those that are going to be required early.

Mr. DAN DANIEL. Mr. Ford, do you have one more question?

Mr. FORD. Yes, Mr. Chairman. I would like all of the military officers present to comment on the points made by General Greenlief and General Roberts and the other witnesses this morning, that they are really shortchanged on equipment for the Reserves.

Incidentally, Mr. Clark, if you would just for the record—you don't have any dispute, do you, with the statistics General Greenlief gave on the percentage of the Army's combat capability provided by the Guard units? He said 63 percent of the infantry battalions came in the Guard and so on.

Mr. CLARK. I have enough respect for Mr. Greenlief's research to say they are accurate.

Mr. FORD. What you said is correct. There is a communication problem between the people who represent the reservists as far as we know and between your office and some of the other offices. I would like the military people to comment on the point made that they have been neglected for years in terms of equipment, and the last one to get equipment. And they don't get nearly the equipment they need, not even as much as the Active Forces get. Would you all comment on that, and Secretary Pirie can comment too if he would like.

General WEBER. I will start on that if I may, sir. Let me first state that the $2.6 billion shortfall of authorizations that General Greenlief mentioned, that is an accurate assessment. Of the $10.2

billion in dollar value that we are authorized, we do have $7.6 billion. That represents 75 percent of our requirements.

Of that equipment, 97 percent of it is first line equipment and deployable equipment. The improvements this year have not been in the percentage of fill but in the quality of the equipment. This past year we received $319 million worth of new equipment. This replaced old equipment. The dollar value of "fill" remains the same, 75 percent.

We made some tremendous progress. Yes, we do have some shortage, not necessarily in equipment on which to train; but some of our equipment is not the same equipment as in the Active Army.

To that extent, our training is not the same training that we would get or that the Active Army soldiers get. Our most extreme shortage is in the area of communications such as electronics equipment, and that would include such things as radar. We do need self-propelled artillery, rather than towed artillery that we have. But we made fantastic gains in the equipment arena. I can honestly state to the committee we do have now sufficient equipment on which to train.

The vintage of some of the equipment as I indicated, is not that of the Active Army, for the most part.

General BERKMAN. Mr. Chairman, with respect to the Army Reserve, there has been an increase in the equipment over the years, but generalizing, there are still significant shortages. The equipment on hand in the Army Reserve units represents approximately 50 percent of the dollar value of the wartime requirement and 61 percent of the dollar value of the peacetime requirement. Shortages also in the Guard tend to represent high cost, low density equipment.

I might say that with respect to the early deploying units, the DOD plus 30 day force, the equipment on hand represents approximately 80 percent of the dollar value of that equipment. There may be additional challenges with respect to equipment in the future as additional requirements for POMCUS may result in withdrawal of selected equipment from Reserve units.

In that connection, a study is underway to determine what the minimum essential levels of equipment for training Reserve units are in order to assure that training is not jeopardized by withdrawals.

In addition, schemes and plans for equipment sharing, in order to assure that training is not degraded, is also being considered.

Thank you.

General GUICE. In regard to the Air National Guard during the decade of the 1970's: The Air National Guard underwent 135 aircraft conversions or model series changes. We have eliminated many of the older aircraft, such as the F-100. They are all out of the inventory now. Some 32 percent of the remaining inventory is 20 years or older. However, 61 percent of those older aircraft are representing in numbers of total aircraft—representing the same equipment that is being operated in the Active Force today—such as F-4's. The F-101's are programed out.

The earlier models, F-105's, are programed out. We feel that the modernization program supported very actively by the Active Force

has been very ambitious and very productive, producing results in the Air National Guard. We look forward to replacing the older aircraft that is in the inventory as soon as Air Force procurement permits it.

Thank you, sir.

General BODYCOMBE. I would like to give you a three part answer, Mr. Chairman, which is somewhat similar to General Guice's experience. On those kinds of airplanes that we share with the Regular Force, the same type, C–130's, the Regular Force treats us precisely like they do their units. We get the same support in total force very successfully.

In the older kinds of airplanes that they do not have in their inventory, it is most difficult for them to give us that kind of support. They are hurrying the modernization along. In our case in our component we are still operating six piston powered light transport aircraft that are very ancient and very difficult to keep in flight. And they require high octane fuel which is very difficult to find.

In my earlier statement when I was asked for three points, I put that modernization in there. I was speaking of those six squadrons of airplanes. The third part of the program which is peculiar and unique to the Air Force Reserve is where we associate with the Regular Force. Of course, there we fly and help maintain the Regular Force aircraft. In those units they do also treat us precisely like they do their own people. It is a very workable and very successful arrangement.

Admiral PALMER. Mr. Chairman, the Reserves—are they being short changed on equipment? On the air side I would respond generally "no." We just completed transitioning from the older attack aircraft to the A–7B aircraft, which are doing very neatly.

The availability of the aircraft is higher than the comparable USN. Our aircraft are not the best model but they are much better than the ones they relieved. We just combined the second, the electronic Air Force squadrons. So the air carriers are fully fleshed-out with their capabilities.

We have some definite air shortages which I would like to highlight. First would be the replacement of the aging, also over-30-year old, 118's—older, usually, than the pilot. The newer C–9's have worked so well for us. We have 12 C–9 aircraft now in the Reserves. We have one in the 1979 and two in the 1980 budget. We have still 31 18's that need to be replaced at the rate of 2½ 18's for the C–9.

The TACNAV mode is definitely needed for the P–3—not just for navigation purposes, but to continue to do what I can do now. And that is, operate the Reserve squadrons, P–3's, interchangeably with USN.

Finally, the ASW assets, the HS squadrons and the HEL squadrons, it is my personal feeling they should be continued as a mere image of the U.S. Active Forces, plus the present light attack, which are the only remaining assets in the Navy.

It would probably be needed first in support of a contingency operation. On the surface side; answering the question, Are we short changed on equipment? The answer is definitely "Yes." This has been described to you before in such detail by other testimony.

My objection to the ships is not just all of those things and their age, but they are just not good training platforms for my sailors. They don't train them to go back to sea in the *Spruance* class or the *Nimitz* class of ships.

I think a new program of replacement for the FFX definitely is the way to go. I spent 2 hours on Monday aboard an NRF destroyer, one which was listed by the Board of Inspection and Survey as the best of the ships that were scheduled for decommissioning.

I found the material condition atrocious. I asked one question: Describe the conditions of your department and condition of the equipment. This is the weapons officer. His response was the equipment is old. For instance, the target designation system, we find ourselves having to draw pictures of equipment components so that the supply system can provide the needed parts; because in many instances the parts are nonexistent and they have to be manufactured. That is what happens to a system that is old.

I looked at the worst compartment of the ship, the B–3 in the ship, the boilerroom, finding water leaking in the compartment with small patches—inability to repair because of rust behind the cable system. The cables after 35 years were so brittle it is considered any change to them could possibly cause about a $25 million overhaul.

So, air side is pretty good. We need the things we said, surface side. We need the better ships and in my personal opinion divest ourselves of the ships that cost so much for so very few people.

General BLAZ. I was on duty as a lieutenant colonel training reservists 10 years ago. Ten years ago the comment that is attributed to General Greenlief would have received a resounding affirmation from me because it was bad. However, I think that quite often many of our well intentioned Reserve organizations tend to find refuge in alleging that they are second-class citizens.

Quite frankly, it is getting too old for my aging years; because they do seek refuge in that. They refer to the political football. Whatever the appellations are, they are just out of date. They really need a briefing, and perhaps this is the deficiency on our part.

In the last 10 years the U.S. Marine Corps has undergone an enormous and very vigorous effort to realize common training, common programing, and common exercises. It is an effort we call total force. We have been in total force, sir, for lo this 10 years. We have just now recently characterized it as such.

I dare say to you that in the ground side of our Marine Corps Reserve it is hardly distinguishable whether you are a Regular or Reserve. And the problem we have as a matter of fact, is that we have so much ammunition in one system—as an example, we deliberately slow down changing off to a Howitzer because adjusting it is essentially the same whether you are firing a 105 or 155.

These deficiencies are not something incapable of being solved. I cannot give you a run down saying we are short so many sea bags and so forth. It is not something of concern to you.

Perhaps the aviation asset might be of concern to you. Our aviation is tactical aviation, and necessarily. I think it is the only way we can do it. Some of the aircraft are a little older than the ones with the Regular side. Some of the squadrons have mixed bags

of aircraft. We don't see this thing as a very bad situation necessarily.

So my final comment simply is if I were to say do I say yea or nay, I would say I agree with the comment but with one heck of a lot of reservations. Because it is just not generally true, realizing of course, the Marine Corps Reserve is very small compared to the others and the problems are not necessarily as difficult.

Mr. DAN DANIEL. Are there any other questions, Mr. Ford?

Mr. FORD. No.

Mr. DAN DANIEL., Mr. Montgomery.

Mr. MONTGOMERY. No.

Mr. DAN DANIEL. Mr. Hopkins?

Mr. HOPKINS. No.

Mr. DAN DANIEL. I think I will ask the gentleman from Mississippi, Mr. Montgomery, and Mr. Hopkins in joining me in requesting another trigger on our voting machine. After listening to this testimony I think we ought to have an amber light for maybe.

Thank you very much, gentlemen, for your patience and testimony. That goes for the audience. I think you have been most patient. I hope you will realize the reason there has been so much interrogation is simply because of our interest.

The committee stands adjourned until 10 o'clock tomorrow morning.

[Whereupon, the committee was adjourned at 5:33 p.m.]

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Friday, March 14, 1980.

The committee met, pursuant to notice, at 10 a.m., in room 2118, Rayburn House Office Building, Hon. Melvin Price (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order.

The committee meets this morning to continue its hearings on H.R. 7495, the fiscal year 1981 defense authorization bill. Our lead-off witness this morning will be Father J. Bryan Hehir, associate secretary, Office of International Justice and Peace, U.S. Catholic Conference.

Father, would you come around, please? I think I have seen you someplace before.

Father HEHIR. I think I have seen you, too.

We tried to schedule the testimony during Lent. To listen to two homilies is penitence. You have to put up with me once by obligation, the second is by constitutional authority, I guess.

The CHAIRMAN. You may proceed in any manner you desire, Father. You can read your full statement or you can insert it in the record and speak from it, or any manner you desire.

Father HEHIR. Thank you, Congressman.

The CHAIRMAN. Your full statement will be carried in the record.

STATEMENT OF REV. J. BRYAN HEHIR, ASSOCIATE SECRETARY, OFFICE OF INTERNATIONAL JUSTICE AND PEACE, U.S. CATHOLIC CONFERENCE, ACCOMPANIED BY EDWARD DOHERTY, ADVISER FOR POLITICAL AND MILITARY AFFAIRS

Father HEHIR. Thank you, Mr. Chairman.

What I would like to do is submit the full statement for the record and introduce it with a series of comments.

I represent the U.S. Catholic Conference, which is the public policy agency of the Catholic Bishops of the United States—our office deals with foreign policy questions for the bishops.

I am accompanied this morning by Mr. Edward Doherty, who is the adviser for the political and military affairs at the U.S. Catholic Conference.

Let me say at the beginning that we appreciate the opportunity to come before the committee in person. We testify regularly before the Foreign Affairs and Senate Foreign Relations Committees on questions of foreign policy, but it is of particular interest for us to come before this committee precisely because of the degree of attention in Catholic teaching to the morality of the use of force. That teaching spans actually several centuries but perhaps finds its most intense application in the time of the recent Popes, Pius the 12th through John Paul II.

Basically, what I would like to do this morning—and the introductory remarks will take me a maximum of 10 minutes—is to

look at the perspective from which the bishops approach the question of the defense posture statement and then to discuss that perspective briefly in terms of three issues: The relationship of political and military power; second, questions of nuclear strategy; and third, issues of conventional force structure and strategic doctrine.

Basically, the church's interest in the question of war and peace is that of a moral teacher and the content of Catholic teaching on the morality of warfare has been dominated by an argument that the use of force sometimes is a permissible moral action. Indeed it can be a necessary moral action, but that the use of force must be used for justifiable political purposes, and contained within stringent limits so that the force application serves a rational political purpose and is not exercised in a way that indiscriminately attacks values that are at the very structure of the international society.

In the nuclear age there has been an increasing skepticism in Catholic teaching about the possibility of using force as an instrument of rational political purpose. It would be too much to say that the Catholic Church's public position is a pacifist position. It has not been that. But there has been an increasing skepticism about the utility of the use of force, and indeed the morality of several uses of force.

This increasing skepticism about the use of force has perhaps more authoritively and most dramatically been indicated by the two visits of recent Popes to the United Nations. Paul VI's visit in 1965 was symbolized in the statement, "War Never Again," and John Paul II, in his visit to the UN last fall, as you know, at the end of his presentation to the United Nations, seriously questioned the utility of the use of force from a moral perspective within present interestate relations.

I have quoted a passage from his statement to the UN in my full testimony.

Basically, I think one can summarize contrary Catholic teaching about the moral of the use of force in terms of four major principles.

First, is repeated condemnation of the dynamics of the arms race as it is presently pursued, especially by the superpowers.

Second, a support for almost any reasonable effort at arms limitation, not necessarily unilateral moves, but move that clearly indicate a sense of generosity, if you will, among nations in being willing to take a certain degree of risk to control the arms race.

Third, condemnation of total war, and especially acts of total war aimed at the civilian population by weapons of indiscriminate destructive capacity.

The fourth principle that is central to the Catholic teaching in war and peace is support for conscientious objection and selective conscientious objection as the means by which individuals who are asked to participate in warfare exercise their degree of moral responsibility for scrutinizing whether this use of force is something that is compatible with their civilian and Christian vocation.

There is a continuing affirmation in the Catholic teaching that states have the right to what are called acts of legitimate defense, and that is why I say that Catholic teaching is not pacifist, but the meaning of legitimate defense is defined by the previous principles.

I wish to speak to three issues today but I want to stress at the outset that we feel the dominant issue, as one tries to look at military questions from a moral perspective, the dominant issue is the relationship between moral doctrine and strategic doctrine.

Traditionally, the moral doctrine on the use of force has been most useful when a nation has gone to war and its citizens were asked to judge in moral terms whether to participate in that war or not.

During the Vietnam war, the moral argument about the utility of the use of force was invoked by several individuals and groups in the country, and so we understand in the midst of warfare the moral doctrine still continues to function as a kind of judge of political and military policy.

But in the nuclear age, when the time of warfare is reduced from years to perhaps moments, it is particularly the question of strategic doctrine that is of concern to those interested in assessing political and military questions in moral terms.

Moral theory usually is interested in instincts which motivate action, political, personal action or military policy. It is interested in the consequences of certain actions, and it is interested in the kinds of actions that individuals or groups or states are willing to pursue.

It is a strategic doctrine that a nation states its intentions about the use of military policy. It is in a strategic doctrine that a nation in a sense sets the framework within which people must choose in the midst of warfare how to act. And it is within a strategic doctrine that one then articulates a force structure to implement that doctrine.

It is, therefore, of some concern for us to engage the prevailing strategic doctrine in terms of a moral argument. We see that perhaps as a most useful function that a moral theory plays in the nuclear age, to engage in the strategic discussions with some framework of moral judgment.

Therefore, I would like to look first at the relationship of political and military power. I have indicated that in the Catholic teaching there is an increasing skepticism about the moral utility of the use of force in the present international system. That makes us particularly interested in the discussion among strategic theorists about the limits on strategic power, even judged in terms of political and military terms.

It has been argued I think, that military power was intrinsically limited because it was meant to be an extension of political power. That meant that the military power was judged by its contribution to the achievement of rational political purposes which are by definition limited purposes.

In the nuclear age, this stress on the intrinsic limitation of military power is even more intensely stressed in the strategic theory because of the costs of using nuclear weapons. The potential cost to the user as well as the adversary places new constraints on the use of military power.

All of this, in a sense, is embodied in the history of strategic discussion over the last 30 years, but it is useful to recall that history about the limits and potential of military power, because it does seem to us as we read the strategic discussion today, not just

the posture statement, but commentators on it, that in a sense there is a new challenge that is being posed. The new case in a sense is that we might have overestimated the utility of military power, that we need to reevaluate in a sense its potential, as it is perceived by others and as used by us, and so in the technical literature there are articles today that go into some depth about why the Soviet Union thinks it can fight and win a nuclear war.

We were counseled on the op-ed page of one of the Washington papers only 3 weeks that ago we needed to think more realistically about our foreign policy. That meant reevaluating the utility of the use of force as an instrument of political change.

Throughout the SALT II discussions arguments were made that the treaty in a sense could not be analyzed on its intrinsic terms but only in terms of the larger geopolitical balance, and the perception of power that was contained in the meaning of the treaty for U.S. policy. Indeed, Iran and Afghanistan are used as object lessons that we have undervalued the significance of military power in our foreign policy.

I have tried in the full statement to engage these arguments, particularly about Iran and Afghanistan, as examples that we are in a sense impotent. In the Iranian case, it seems to me the question is not the impotency of how much power we have but once again, the severe limit on the use of power within the framework of the present international system.

One might distinguish between the supply of power we have, costs of using that power, and the achievements that the power can achieve in the political order. It is not that our supply of power was not adequate to do what we wanted to do to Iran, it was the cost of using that power to the hostages that yields the calculus that it ought not to be used.

In the Afghanistan case, once again, it is one thing to look at the possibility of using power to prevent the invasion, or to dislodge the Soviets.

It seems to me, although one could make scenarios for both of those cases, those scenarios don't fit any rational political purpose between ends and means in American foreign policy. At the same time, the kind of line drawing that went on in order to notify the Soviets that the Persian Gulf was off limits it does seem to me is a useful indication of stating a case that there are some limits that if reached, will call into question our restraint on using military power.

So it is not my purpose to argue that military power is irrelevant in foreign policy but only to stress the intrinsic limitations on the uses of that power in American policy.

It is precisely those intrinsic limitations on the use of power then that is the prism through which we would like to look at the strategic debate, the nuclear debate.

Our full statement on the question of the superpower strategic debate was made by Cardinal Krol in testimony before the Senate Foreign Relations Committee on the SALT II Treaty. Cardinal Krol supported the ratification of the SALT II Treaty and his argument was based on three moral principles:

The first is that for us the dominating moral principle in the nuclear age is to prevent any use of nuclear weapons, and so we

argue for decisions on force structuring and strategic doctrine that will limit the possibility that nuclear weapons will ever be used.

This sounds like a banal statement until one tries to follow its implications through targeting doctrine and strategic posture. This argument that the first moral principle is to prevent use at any cost has led us to oppose, for example, the deployment of the neutron weapon and to oppose arguments that we ought to shift increasingly toward a counterforce capability in U.S. strategic posture.

These positions are somewhat important doctrinally in moral terms since the neutron weapon, because of its reduced blast effect, is a more discriminating weapon than some other nuclear weapons, and discrimination is an ethical principle in our moral theory.

At the same time, it does seem to us that the possibility of a more discriminate nuclear weapon within the European theater might reduce the firebreak, if you will, psychologically and politically, and increase the possibility that we would in fact cross that line more easily if we had more discriminating weapons, and we have argued against a more discriminate weapon because we want to keep that firebreak secure.

In terms of counterforce doctrine, in a sense the counterforce option to some degree is an alternative to the most objectionable part of the present nuclear deterrent strategy. That deterrent strategy is based upon a promise by both superpowers that in certain circumstances they would strike civilian centers. This is a policy that opposes the central moral principle of Christian teaching on warfare to keep civilian centers immune from attack.

But once again, in our view the discussion about counterforce strategy tends to make nuclear war more thinkable, and to make it more thinkable is to reduce in our view, the psychological and political constraints on using nuclear weapons, and we have argued against a movement toward a more forceful counterforce strategy, and for that reason, we have opposed the deployment of the M–X missile.

The argument against use is our primary moral principle. The argument about deterrence in the Krol testimony is that it is morally tolerable, not so much approvable, but tolerable, because it seems to concentrate the use of nuclear weapons. But it is a problematic tolerance that surrounds the deterrence, and so the third principle is that within the framework of deterrence we ought to support as vigorously as possible measures that seek to limit the strategic arsenal of both superpowers.

It is for that reason that we would continue to argue that the SALT Treaty should be reviewed, reconsidered and indeed ratified.

Finally, the argument about strategic doctrine and moral doctrine follows through to our view of theater nuclear forces and conventional weapons. I won't make that argument in any detail because I have extended my time too far. But basically, once again, in the theater nuclear force, the call for modernization of theater nuclear weapons seems to us to be accompanied by increasing political willingness to use those weapons, and we would argue, as we argued on the neutron bomb and on counterforce to try and build a firebreak ever more securely in the European nuclear theater against use.

We would hope that the United States would use the possibility it has of modernizing those weapons as one more attempt to bring the Soviets into serious discussion about limitations not only on the central strategic balance but in the European theater also.

Finally, regarding conventional force structure, if you hold, as we do, that the primary moral principle of the nuclear age is to prevent the use of nuclear weapons, but you recognize that military force is part of foreign policy and part of the international arrangements of the world today, then one must support conventional capabilities, and indeed we do.

It is our argument that our conventional capability needs to be suited in such a way that we are not hastily pushed in the direction of using nuclear weapons, even in a limited sense, because we are unconvinced that the use can remain limited, and so we would hope that in the planning of American conventional force posture our capabilities to fight a conventional war, if necessary, are strengthened in such a way that this places a barrier on the temptation to invoke tactical or theater nuclear weapons in a limited engagement.

Mr. Chairman, we are aware that several of the things that are in our full testimony are unconventional themes to be brought before this committee, but we do not think that they are unnecessary themes. In a sense, several of our concerns intersect with the concerns of this committee. Both of us know that a nuclear exchange is an exchange in which nobody wins, and we feel that is a truth of both the moral and the political order.

The purpose of our full testimony is to relate the moral categories of the Christian and Catholic tradition to the strategic categories of the present debate about U.S. strategic and political and military power in the world today.

We appreciate the opportunity of being able to engage in that debate.

WRITTEN STATEMENT OF REV. J. BRYAN HEHIR

Mr. Chairman and Members of the Committee:

I am Fr. J. Bryan Hehir and I serve as the Associate Secretary for International Justice and Peace at the U.S. Catholic Conference (USCC); the Conference is the public policy agency of the Catholic bishops in the United States, and our office deals with foreign policy issues for the bishops. I am accompanied by Mr. Edward Doherty, the Adviser for Political and Military Affairs at the Conference.

I wish at the outset, Mr. Chairman, to express the appreciation of the USCC for the opportunity to present this testimony on issues contained in the Annual Report of the Secretary of Defense (FY 81). Although we appear regularly before the Foreign Relations and Foreign Affairs Committees we have wanted for sometime to testify before this Committee because of the extensive attention the Catholic church, through the recent popes, has accorded to questions of war and peace and because of the unique role which this Committee plays on security questions in the United States.

Since this is our first appearance before the Armed Services Committee, I will begin with a section on the perspective which guides the USCC approach to questions of war and peace, then move from that perspective to address three questions: the relationship of political and military power today; issues of nuclear strategy; and conventional force structure and our defense posture.

I. Catholic Teaching on War and Peace

In the political order, and especially in the arena of military strategy, the church's role is that of a teacher of moral principle. To fulfill the role competently is a complex task; one must be clear and forceful about the meaning of morality in the world of politics and strategy, but one must be equally clear about the concrete nature of the problem which political leaders and elected officials face in deciding questions of war and peace. The fundamental assertion the church makes about the relationship of morality and strategy is that there is no such thing as a "nonmoral" problem (devoid of moral content) nor is there any such thing as

a "purely moral" problem (which can be answered apart from the technical data of strategic questions).

The moral principles concerning war and peace which guide the church's approach to these questions have been articulated in a series of works reaching from St. Augustine's City of God through the address of Pope John Paul II at the United Nations last October. The amount of attention the Holy Father devoted to the arms race in the U.N. Address, and his reiteration of that theme at the White House on October 6th, illustrate the preeminent importance accorded issues of war and peace by the Catholic church today. The USCC's desire to appear before this Committee is a reflection of the responsibility the bishops of the United States feel as moral teachers and citizens in the homeland of one of the nuclear superpowers.

It is neither possible nor appropriate in a testimony such as this to explain the Catholic moral doctrine on modern war. It is possible and necessary, however, to note a recent change in the character of the moral teaching and then to state a series of principles which exemplify the major lines of the teaching today. The change in Catholic teaching involves the way in which the emergence of nuclear weapons on the world scene has provoked an increasing moral skepticism about the legitimacy of the use of force to resolve political problems. This moral posture allows the use of force as a last resort in the affairs of states, provided that the force is used for justifiable political ends and employed within a set of strictly defined means.

The impact of nuclear weapons on this moral posture is seen first in the teaching of Pius XII (1939-1958), who restricted the legitimate causes justifying was to purely defensive reasons, to defend one's populace, territory or that of an ally or defenseless nation and people. John XXIII (1958-1963) continued the moral scrutiny of war in the encyclical Peace On Earth; he called for the banning of nuclear weapons and questioned whether war could be contained within reasonable political purposes in the nuclear age. The Second Vatican Council (1962-1965) opened its extensive moral commentary on war and

peace with the statement that it was necessary for Catholics "to undertake an evaluation of war with an entirely new attitude".

This new attitude has been reflected most dramatically and authoritatively in the two addresses of Paul VI (1965) and John Paul II (1979) to the United Nations. Paul VI sounded the theme of the shift in Catholic teaching about war: "No more war, war never again!" John Paul II concluded his address with a critique of prevailing arguments used to justify the arms race:

> The ancients said: Si vis pacem, para bellum. But can our age really believe that the breathtaking spiral of armaments is at the service of world peace? In alleging the threat of a potential enemy, is it really not the intention to keep for oneself a means of threat, in order to get the upper hand with the aid of one's own arsenal of destruction?

While it would be too much to conclude that Catholicism had adopted an in-principle position of pacifism as its sole response to modern war, it is possible to see that the nuclear age, and its attendant awesome dangers, has moved Catholic moral teaching to affirm only a quite narrow justification of resort to arms. The shift of perspective in turn shapes the following principles which are at the heart of contemporary Catholic teaching on modern warfare:

1. Condemnation of the arms race as "an utterly treacherous trap for humanity" and "a danger, an injustice, a theft from the poor and a folly". Correlatively, the church has continually supported efforts of disarmament which would proceed "at an equal pace according to agreement and backed up by authentic and workable safeguards".

2. Condemnation of total war and the use of weapons which "can inflict immense and indiscriminate havoc which goes far beyond the bounds of legitimate defense".

3. Support for the positions of conscientious objection and selective conscientious objection as means by which individuals can fulfill their duty to scrutinize whether specific forms of warfare are legitimate and justifiable.

4. Recognition of the right of states "to legitimate defense once every means of peaceful settlement has been exhausted". The meaning of legitimate defense, however, is shaped by the previous three principles.

These principles form the core of Catholic moral teaching on modern war, but they do not exhaust its content. The full range of the teaching constitutes a developed moral doctrine of principles, rules of practice, procedural guidelines for interpreting principles and, finally, judgments on specific cases. The dominant lines of the doctrine determine which issues in the

Posture Statement have the greatest salience for the moral dialogue about defense policy. Before specifying the issues in this dialogue, it is central to our purposes before this Committee to identify the major question as the relationship between moral doctrine and strategic doctrines. In the nuclear age, when the major strategic question is how we forestall war by the threat and promise of mutual destruction, strategic doctrine has taken on new significance. It is by its strategic doctrine that a nation: (1) states its intention of what it will do or not do in the event of war; (2) shapes the choices which political leaders will have to make in a crises; and (3) structures its forces to implement doctrine. The content of a nation's strategic doctrine is, therefore, filled with implicit moral as well as political premises.

In past ages the moral doctrine about war had its greatest utility when a nation had decided to go to war or was pursuing a war. The moral debate about Vietnam illustrated that this utility continues in our day. Added to it, however, is a new function, perhaps the most important task which moral teaching has in the nuclear age. It is the task of critically analyzing the content of strategic doctrines to determine where it would lead us as a people in the midst of a crisis. It is as an effort of measuring the contemporary U.S. strategic doctrines by the prevailing categories of Catholic moral doctrine that the rest of this testimony is devoted.

II. The Relationship of Political and Military Power

We are aware that it is the particular competence and responsibility of this Committee to assess how much and what kind of military power the nation requires to fulfill the constitutional requirement of providing for the common defense. We have already noted that in the moral doctrine of the church today the use of force receives only marginal justification - as a last resort, for a narrowly defined set of reasons and within stringent limits on the kinds of means to be employed. It is precisely for this reason that we have a high degree of interest in the arguments of strategic theorists about the limits of military power even from a purely strategic point of view.

In the classical doctrine of Clauswitz the limited nature of military power was implied in the principle that war was an extension of politics; while it went beyond the normal conventions of political exchange, war was still to be judged not as an end in itself but by its contribution to the rational and limited goals of policy. This implicit recognition of the limits of military power became an explicit theme of analysts and statesmen in the nuclear age. The qualitative increase in destructive capacity introduced by nuclear weapons constituted, it was said, a "transvaluation of values". The nineteenth-century philosopher's dictum had become the twentieth-century's strategist's statement. The severe constraints on the applicability of military power were the product of a recognition that, at least early in the nuclear era, the costs of using force were potentially as high for the initiator as for one's adversary. A consequence of this perception was not only the desire to avoid nuclear confrontation, but caution not to be drawn into conflicts which could become nuclear. From a different perspective, and for other reasons, Vietnam was widely viewed as confirmation of the fact that military power is not easily used as an effective instrument of policy today.

All this is history, but relevant history since in a post-Iran, post-Afghanistan world the proposition that military power <u>is</u> limited and <u>should</u> be limited is under challenge. There are arguments in the air that we have underestimated the potential of military power - real and perceived, and that we need to redress the conceptual and policy mistakes of the last decade. In the technical literature sophisticated cases are made for "why the Soviet Union thinks it could fight and win a nuclear war". On the op-ed pages of recent weeks we have been instructed "to learn again how to think realistically about our position in the world"; and this involves a reappraisal "of the efficacy of violence as an instrument of political change".

Perhaps most significantly, during the SALT II ratification debate, the opponents of the treaty lodged their major challenge precisely at the intersection of our real or perceived decline

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in strategic power and the consequences this would have for our political posture in the world. The critics of SALT II argued that the perception of our strategic vulnerability (to a Soviet strike on our ICBMs) would encourage adventurous or aggressive actions in crucial areas of the world which the U.S. would be powerless to offset. In this view military power, rather than being cast in a limited role, is the essential component of our standing as a world power.

As much as I would like to say so, it is not my purpose to argue in this testimony that military power is an irrelevant or even a marginal element in world politics today. At the sametime, in the face of assorted proposals that we ought to rethink, i.e. upgrade, our conception of the role of military power in foreign policy, I do want to argue that the moral truth about the severely limited moral status of force today has something to teach us about its limited political utility. Afghanistan, and to some degree Iran, are being used as object lessons to illustrate the need for greater emphasis on military power in American foreign policy. Before we accept that proposition and proceed with what some have called "the militarization" of foreign policy, it is necessary to scrutinize the arguments being made. The Iranian case is not an example of American impotency, but of the limits on using the power we have. We surely have no doubt that our supply of military power vis a vis the Iranians would allow us to do whatever we would want; it was the calculus between the supply of power, the costs (for the hostages) entailed in using it and the achievements we would reap from it that yields the decision not to use power. More power would not change that calculus.

The Afghanistan case is more complex, but again one must distinguish between the case in isolation and its systemic implications. In itself the Afghanistan invasion by the Soviet Union should be recognized for what it was: a brutal and unnecessary act of war, a breach of the U.N. Charter and a grave injustice to the people of that nation. The condemnation by the U.N. General Assembly and the meeting of Islamic nations should be

kept constantly before the Soviets. Having said this, it is difficult to conceive how a rational case could be made for using power either in a way which could have prevented the invasion by the Soviets or could dislodge them by force. One can write the scenarios for both, but they don't fit any convincing pattern of ends and means for U.S. policy.

A different calculus emerges if Afghanistan is perceived to be a step in a major move to change the balance of power decisively in the Persian Gulf. The case for this possibility is far from self-evident, but the seriousness of the consequences if it were true means that it cannot be dismissed. Faced with the possibility of a regional move by the Soviets, some line-drawing was a reasonable use of power. It was done with a looseness of language which implied a nuclear possibility - surely neither needed nor morally justifiable, but in itself the establishment of a "line" served a useful purpose by dispelling ambiguity in the superpower relationship.

Even in this case, however, the way in which military power is cast as the consuming factor in the policy equation is open to criticism on two counts. First, the essence of the problem in the Persian Gulf is neither territory nor allies but oil for the industrialized nations. The basic situation which makes us substantially vulnerable to a threat in that area of the world is our degree of dependence on foreign sources of energy. The focus on the Gulf as a military problem to the relative neglect of an effective domestic energy program is neither politically prudent nor morally justifiable. Second, on the same grounds of political prudence and moral principle one can question the apparent jettisoning of <u>both</u> human rights criteria and serious policy measures on nonproliferation in the unseemly haste with which we were prepared to lavish military assistance on a government in Pakistan whose orientation on both issues is less than reassuring. The point here is not that consideration of some security measures were not in order, but the way in which presumably central strands of Administration policy were set aside for a largely military response again raises the question of whether

the limits of the military option were carefully examined. In this case recent Pakistani decisions may be saving us from ourselves.

III. The Moral Structure of the Strategic Debate

A. The Case of SALT II

The twin condemnation of total war and of weapons of mass destruction cited above sets the horizon within which Catholic teaching approaches the questions of nuclear strategy. In the area of nuclear strategy the relationship of moral doctrine and strategic doctrine reaches a unique level of complexity. The USCC position, based on papal teaching but also on the need to relate it to U.S. defense policy, has been expressed in its most complete form in the testimony given by Cardinal John Krol of Philadelphia during the SALT II ratification debate. The statement was based on three principles. The first imperative of an ethic of nuclear strategy is to prevent any use of nuclear weapons; this banal sounding statement takes on policy significance when one pursues its implications into the areas of force structure, targeting doctrine and weapons deployment. It has led us at the USCC, for example, to oppose both the deployment of the so-called "neutron" warhead and also to argue against a shift toward a counterforce posture for U.S. strategic doctrine.

On the face of it both of these positions seem paradoxical for an institution committed to articulating an ethic of nuclear strategy. The neutron warhead is more discriminating in its blast effect, and discrimination is usually regarded as a positive dimension of weapons design and targeting in the ethics of war. Similarly a counterforce strategy in principle is an alternative to the most objectionable element in the present strategy of deterrence, the targeting of population centers. In opposing both of these measures we have based our analysis on avoiding any move in strategic doctrine or targeting doctrine which would seem to make nuclear war, even in its "limited" form a more likely policy option. We are unconvinced that a limited nuclear war can be fought within the confines of a just-war ethic. Similarly, we are unconvinced that the establishment of a U.S. counterforce capability, as foreshadowed in the MX missile, contributes either

to the security of the deterrent or to a needed arms control strategy. Hence, we do not support the deployment of the MX. We give priority to the moral principle of nonuse, and consciously subordinate other decisions, on moral principles and strategic theory, to this overriding imperative. Whatever may increase the possibility of use is for us the primary moral question.

The second principle addresses the question of deterrence. From one perspective the strategy of deterrence is unacceptable since it threatens to do something which never could be countenanced in Catholic teaching: direct and massive attacks on civilian centers. The paradox of deterrence of course is that some evidence exists that this very threat is a major reason why nuclear weapons of any kind have not been used in over thirty years. The moral question of deterrence, therefore, is whether it is possible to accept a threat whose execution could never be approved. The teaching of the Second Vatican Council acknowledged the paradoxical nature of deterrence, affirmed it to be an unstable basis for keeping the nuclear peace, but neither condemned nor approved it in principle. The American bishops in a pastoral letter of 1976 highlighted the moral problem of even threatening to use these weapons against civilian centers. Cardinal Krol's testimony sought to address directly the relationship of use and threat. He argued that the deterrent could be tolerated (not approved) as a "lesser evil" than use, since it still seemed that deterrence was a barrier against any use of the weapons. The condition of tolerating rather than opposing the deterrent, however, was not based on any conviction, moral or strategic, that deterrence provided a stable or secure relationship for the superpowers.

Hence the third principle of the Krol testimony argued that moral tolerance of deterrence could be sustained only as long as there was some evidence that the deterrence framework was being used as a backdrop for serious efforts of arms control and disarmament.

I have offered extended commentary on these three principles because they, rather than any political or strategic views, determine our view of the SALT II agreements and the present

state of SALT II in U.S. policy. We recognize in political and strategic terms that SALT II must be seen within the larger horizon of superpower relationships (the so-called geopolitical argument) and that this implies questions of substance (how does one interpret linkage) and issues of timing (how to address SALT in light of Afghanistan).

We do not think, however, that SALT II should simply be regarded as one more measure (like technology or grain sales) by which we punish the Soviets. Such a view misses the point that SALT II is useful for us in terms of both security and arms control objectives.

President Carter has indicated in his speech to the American Legion the importance of SALT II to world stability and peace. He has indicated his intention to take the matter up with Congress "when the time comes". We believe the time should come sooner rather than later:

-NIE 1138-79, according to the N.Y. Times, predicts that the U.S.S.R. will have 250% more deliverable warheads by 1989 without the restraints of SALT II than if the treaty were in effect.

-JCS Chairman David Jones and Air Force Chief of Staff Lew Allen have spelled out the unfavorable position for the U.S. which failure to ratify SALT II will produce.

-Failure to ratify SALT II in this session of the Congress will create difficulties since the protocol expires at the end of 1981. Thus there may be a disposition not to ratify in favor of going back to negotiations to deal with the expiration of the protocol.

-Failure to ratify SALT II leaves the urgent question of negotiating limits in theatre (forward-based) systems without a negotiating framework.

-Delay in ratification of SALT II puts off the beginning of SALT III with its hope of negotiating for the first time significant reductions in weapon levels on both sides.

Although all of these reasons are political and strategic, they serve for us as supporting principles of our position. Our primary imperative is the sense we have that the moral toleration

of deterrence is not enough. It must be joined by vigorous advocacy in support of arms control measures which must be pursued as policies of both self-interest and moral necessity. For all these reasons we urge rapid reconsideration and indeed ratification of SALT II.

B. Theatre Nuclear Forces

The 1981 defense budget now provides funds for building and deploying nuclear weapons, both IRBMs and GLCMs, capable of striking targets in the U.S.S.R. Arguments for these new systems explicitly emphasize the war fighting as well as deterrent roles of these weapons. The case for modernization of theatre nuclear forces is made in terms of the need to offset the Soviet's Backfire bomber and SS-20. The proposal for modernization through deployment of Pershing II and cruise missiles is problematical for the USCC on both moral and strategic grounds.

At the level of moral analysis we encounter a problem similar to the one posed by the neutron weapon and a counterforce capacity. The decisions on modernization appear to envision an increased nuclear war fighting capability. Since our primary imperative is the nonuse of nuclear weapons we seek not to encourage in any way the idea of politically or morally tolerable "limited" nuclear exchange in the densely populated region of Central Europe.

Strategically, this process of force modernization complements and reenforces the previous Soviet moves which increase the intensity of the theatre nuclear arms race. We would favor attempts to use our capacity to deploy new IRBMs and GLCMs to push the Soviets toward a serious discussion of limits on theatre nuclear forces.

IV. Conventional Forces and Strategic Doctrine

The central questions in the doctrinal debate between strategic and moral positions remain at the nuclear level. But the implication of the position one takes, morally and politically, on nuclear weapons extend to questions of conventional strategy. The key linkage is the relationship of strategic doctrine and force structure.

For several years now the Annual Report of the Secretary

of Defense has described a strategy of preparing to fight simultaneously one and one-half wars. The presumption seems to be a "major war" in Europe and a "minor war" in another region of the world. The question which remains unclear, and which some statements during the Afghanistan crisis have obscured even more, is whether the one and one-half strategy is predicated on an expectation that nuclear weapons will have to be used in both theatres.

Our strategic proposal, growing out of the three principles articulated by Cardinal Krol, would be a strategic doctrine aimed at deterring nuclear war and possessing the capability of fighting a conventional war if necessary. Since we are concerned to establish firebreaks at several levels of strategic choice, we are particularly interested in the U.S. possessing adequate conventional capability, for example in the Middle East, to forestall our being pushed into using nuclear weapons. It is our sense that present strategic planning has been excessively preoccupied with nuclear strategy and perhaps too easily draws confidence about the linkage between our conventional and tactical nuclear forces. Given our moral position, we seek to "decouple" the conventional-tactical nuclear linkage, and we would encourage the steps necessary to place a secure firebreak at that point.

Conclusion

We are aware that some of the themes in this testimony are unconventional topics for the Committee to address. It is precisely for this reason that we are grateful for the opportunity of being heard. In the final assessment we do not think our concerns, cast in terms of Catholic moral teaching, are substantially different from some of the Committee's major preoccupations. While we may have differences on a range of technical issues, we both know that there are no winners in a nuclear exchange. This is a truth of both the moral and political order. This testimony has tried to establish how the two views relate.

The CHAIRMAN. Father, we appreciate having your statement. I think you have hit many points of great interest to the committee, and I think philosophically we are about on the same course.

We are just glad that you did have an opportunity to appear before us and present your views, and they will be taken into consideration in the committee's deliberations in these areas. Thank you.

Mr. Hopkins, do you have any questions?

Mr. HOPKINS. No, thank you, Mr. Chairman.

The CHAIRMAN. Does staff have any questions?

Mr. Ford.

Mr. FORD. Father, I just wanted to ask one question in relation to our statement that you oppose the M-X missile, because you oppose the potential counterforce weapon that would make use of nuclear weapons more likely. If I understood your statement, you tolerate deterrence because you favor nonuse of nuclear weapons.

I wonder if you are not a little bit on the horns of a dilemma there, what your position would be if you did not have a situation, if you recognize a situation where the absence of the M-X, or some kind of modernization of the land-based missile, you weakened the deterrence where you make the possibility of nuclear exchange more likely, and if you are not making the use of nuclear force more likely by not having it than by having it?

Father HEHIR. The dilemma that you cite is, of course, the dilemma that runs through both the moral and strategic argument, and it is a mix of, seems to us, of the physical power you possess, the perception of that power that your adversary has, and the way in which you announce your strategic doctrine to make it credible and convincing.

It is possible that one could argue that one needs precisely to reinforce the land-based capability to the Triad to make our deterrence more convincing. We have two problems with that.

One is it does seem to us that that style of increasing the capability of the land-based deterrent, in fact, moves us back into an earlier period of the arms race where first use becomes in a sense, a "more rational possibility or more rational inclination for both the superpowers."

Obviously we feel threatened by the Soviets' counterforce capability and we are now arguing that we need to match it. It seems to us this matching of counterforce capabilities moves the strategic debate back into a period that was at an earlier period regarded as one of the most dangerous periods of the strategic interaction where first use, for one reason or the other, for different reasons at that time, became in a sense a more dominant part of nuclear policy than it has been recently.

Second, I think before—and this goes beyond where the bishops have testified, so I want to be clear about this, this is my own personal judgment—the question is, if one in a sense wants to look at the vulnerability of the land-based deterrent, and if one looks at it at least the way—and this is where the bishops have looked at it in light of what measures are possible for serious arms control—one I think would like to see a further discussion of the possibility of looking again at the Triad structure to see if it is absolutely necessary and that the vulnerability of the land-based deterrent

need not inevitably be addressed by simply building it without looking at the question of moving away from the land-based deterrent.

I would like to at least see it discussed further from a professional point of view, but I can't say that is the bishop's position. They have not addressed the issue.

Mr. FORD. I understand our position. From a military professional standpoint it has been considered and discussed quite a bit.

Father HEHIR. I appreciate that.

Mr. FORD. Inevitably and unfortunately that is often done in a classified setting.

But I just wanted to bring out that point, that total value of your deterrent is the perception by the other side——

Father HEHIR. I agree.

Mr. FORD. And to the extent that you don't have that you increase the possibility of first use by the other side.

Father HEHIR. Yes.

Mr. FORD. And since your whole rationale for a supporting deterrence is that it prevents use by either side——

Father HEHIR. Except that the Krol testimony was even longer than this one so it is hard to summarize. The Cardinal was troubled about supporting deterrence because it has its own moral problems and there is that third principle that deterrence could be tolerated but at least from the church's point of view that toleration, that public toleration of deterrence had to be supported by an aggressive political and educational activity in the direction of arms limitation as possible.

That moves us at the point of this discussion of whether to move in the direction of the M-X or to try and reverse the discussion in another direction, that moves us to not move in the direction of building something else. Because we feel that the imperative of trying to lead the public discussion in a direction that would think creatively and at some risk admittedly in the direction of further limitation.

Mr. FORD. Of course, if you did not have nuclear deterrence, no matter how much you build up your conventional capabilities, as you suggested, you would never have the opportunity to use it in a just war, if the other side had a clear nuclear superiority.

Father HEHIR. We are not of the position that given the fact that we are in the nuclear age, that one side can decide to opt out. We don't think that is the reason why the deterrence is tolerated.

So we are not of the position that this far into the nuclear age, you can advocate a kind of metaphysical purity and——

Mr. FORD. I would conclude by saying if you are going to tolerate it you ought to make it as sure as possible.

Father HEHIR. Well, I am not sure the certainty all lies on the side of building the M-X. That is my point.

Mr. FORD. Thank you.

The CHAIRMAN. Thank you very much.

Mr. Hogan.

Mr. HOGAN. Thank you, Mr. Chairman. I just have one or two questions.

Father, I am a little concerned about your perception of the Iranian problem where you indicated that because of the supply and the cost the judgment was that you can't move.

I am worried about the perception that they may have had about the will of this country. Do you have any comment on what you perceive to be the will of this country to exercise some use of its power and what that might mean in the eyes of Iran, for example, in the present setting?

Father HEHIR. Mr. Hogan, my own view whatever it is worth, is that we really have not been filled with ambiguities since World War II and right up to the present in key moments about our will to use power either in the macroterms, in terms of things like World War II and the Korean war, and indeed the Vietnam war, or in more microterms.

I think there was a study done by Brookings, about 2 years ago, about the number of times we had with varying degress of intensity in a sense shown the flag and supported it by military measures in a whole series of incidents and, therefore, it doesn't seem to me that in the eyes of most of the world we are ambivalent about the use of power in principle.

Now then, the question comes about specific instances of using power, and there I think the dilemma of the superpowers is something that has been the product of this paradox of having more power in the superpowers' hands than any nations have ever had in the history of the human race; but the utility of translating that power into the politically useful purposes has been precisely the issue of debate.

I, in my academic training, had Dr. Kissinger in one of his earlier incarnations at Harvard, and I think it was he who used to argue the central question was how you related your deterrent theory to your use theory, because the possibility of using what you had for deterrence was so costly in terms of use. I think he has in a sense, modified his position somewhat.

But it does seem to me that our will to use power is not so much what is at stake, it is the condition under which it becomes a rational action. So the Iranians taking hostages, it seems to me, as I indicated in the statement, ought to be condemned by the international community because it violates a central procedural rule in international relations, but the question of how you redress that by the use of military power isn't a major strategic problem. I think it is the problem that we value the lives of those hostages.

At Christmastime the bishops asked me to go as part of this delegation that visited the hostages, and what became clear, the three ministers who visited, what became clear is that the tactical possibility of using military power to accomplish the objective of saving those lives seems constrained to the point of impossibility. So I don't think it is a question of our will, it is a question, it seems to me, there of tradeoff——

Mr. HOGAN. I don't mean it in that context. I meant it in the context of their perception before they took the hostages, of the will of this country, post-Vietnam?

Father HEHIR. Well, it does seem to me that the kind of move that they made, which was to take hostages, was in part, could be part of the judgment that we would indeed not be able to use force

because we would value those lives. If they did something different, it seems to me if the Iranians had the capability, for example, which I don't think they do—had the capability to threaten our access to the gulf, it seems to me then you are into a different situation, because then one could conceive of specific measures that could be taken to make sure that we had access to the Persian Gulf and Persian Gulf oil. There I don't suspect that they would doubt our use of force.

I must say that from my personal experience that the students in the Embassy, when they talked to the ministers, they were convinced we were going to try an Entebbe. We tried to indicate to them the facetiousness of that presumption. That was their continuing presumption, indeed, that we were going to use force. I don't say that is the Government presumption.

Mr. HOGAN. I just don't happen to share your perception of their rational consideration of what might happen before it all happened. But, Father, let me move on to just one final question.

I am concerned that you are telling us that the American foot soldier in a war setting is going to chose his own war. Is that what you are saying?

Father HEHIR. I take it that refers to the section on conscientious objection, selective conscientious objection?

Mr. HOGAN. Yes.

Father HEHIR. I am not sure that is the best way to put it, Mr. Hogan. We have just submitted testimony to the Subcommittee on Military Personnel of this full committee, on the draft, which sets out in more detail our view of that position. The need to assess the use of military force in moral categories is a standard principle in the Catholic thought, rooted at least as early as St. Augustine, and from that time on there has been a series of attempts by the church to provide two things, a moral framework for the public discussion about the morality of the use of force—the kind of thing that is in my testimony here, which is policy analysis—and then, second, a personal pastoral framework so that each person who is asked to use force by his nation, makes a moral judgment on whether that is a possibility or not.

That position is really not new. It is unfortunately not as well known in the Catholic community as it ought to be, but that translates into two different positions. The pacifist position of conscientious objection has traditionally not been a major dimension of Catholic teaching until the nuclear age. The Protestant peace church really carried on the pacifist tradition but under the impact of nuclear weapons, the Vatican Council for the first time in the Catholic teaching, gave support for people who hold a totally pacifist position and the American bishops during the Vietnam war reaffirmed that position.

The more traditional Catholic position argues that use of force by the state are at times permissible, and indeed necessary and morally useful, within certain limits of ends and means. That then raises the question how does an individual as a citizen or a soldier assess the ends and means for which its nation is using force. That can lead to the posture of selective conscientious objection.

The argument that a person could say in principle I am not a pacifist but I do have serious moral judgments about the present

use of force, that does translate into the foot soldier choosing his war, but I don't want to do that sloppily because the presumption of Catholic teaching is the state has a right to use force and there is some obligation for citizens to accept the obligation of citizenship.

So in the moral theory you have the presumption that the state has the right to call upon people to serve the common good, but the position of selective conscientious objection says that that presumption can be overridden if the person can demonstrate that in a right judgment of conscience they can call into question the moral purposes for which force is used.

Mr. HOGAN. Does the military ordinarily instruct its Catholic chaplains to counsel military persons on active duty in that regard?

Father HEHIR. Well, to look at the practice everyday, I would have to in a sense have done a sociological survey that I don't have immediately available, but the military bishops are part of the bishops conference and the position of conscientious objection and selective conscientious objection has been the policy position of the Bishops Conference in explicit terms in the United States since 1971, so I would say the military ordinary is bound by that policy because he is part of the bishops conference.

Mr. HOGAN. Thank you.

The CHAIRMAN. Thank you very much, Father. You are excused.

Father HEHIR. Thank you very much.

The CHAIRMAN. We appreciate your testimony.

Father HEHIR. Thank you very much.

The CHAIRMAN. The next witness will be Mr. David Keating, director of the legislative policy of the National Taxpayers Union.

STATEMENT OF DAVID KEATING, DIRECTOR OF LEGISLATIVE POLICY, NATIONAL TAXPAYERS UNION, ACCOMPANIED BY MS. DINA RASOR

Mr. KEATING. Mr. Chairman, and members of the committee, thank you for the opportunity to appear today before the committee. My name is David Keating, director of legislative policy for the National Taxpayers Union, and accompanying me is Dina Rasor of the NTU research staff.

The National Taxpayers Union represents over 130,000 dues paying members and affiliates in all 50 States. We are interested in reducing the burden of the taxpayer. We are concerned with all areas of Federal spending and the military is no exception.

We at National Taxpayers Union are concerned that the American taxpayer is not getting a good return on his defense dollar. Several areas that we are especially concerned about are the C-5A wing modification, the proposed C-X cargo plane, and the proposal of airlift for rapid deployment. We have serious questions concerning both planes and we believe the taxpayer has a right to hear some straight answers that we have not been able to find.

I would like to briefly go back into the history of the C-5A program. Initially Lockheed underbid Boeing for the contract. Many people thought they "bought in the contract" knowing that the bid was too low originally. The estimates placed the underbid-

ding by approximately $400 million. From that point the trouble began.

For several years the cost overruns were kept quiet by Lockheed and the Air Force. The Air Force repeatedly claimed that only slight cost overruns were occurring, but justified the costs by claiming the plane exceeded its technical requirements.

Finally, in late 1968, before Senator Proxmire's Subcommittee on Economy in Government, Ernest Fitzgerald—who at the time was Deputy for Management Systems in the Air Force—told the committee the truth—the C-5A program had a $2 billion overrun. Despite these serious problems, and hours before Ernest Fitzgerald was scheduled to testify again, the Air Force quietly bought a second run of the C-5 without even knowing the real cost of the first run.

During this same time period Henry Durham, department manager for Lockheed in charge of production control activities for the C-5—We would like to submit a statement from Mr. Durham today for the record.

[The following information was received for the record:]

WRITTEN STATEMENT OF HENRY M. DURHAM, DEPARTMENT MANAGER IN CHARGE OF PRODUCTION CONTROL ACTIVITIES, LOCKHEED CORP.

On September 29, 1971 I testified on C-5A cost overruns before the Joint Economic Committee chaired by Senator William Proxmire.

During the hearing I submitted voluminous testimony and documentation showing that the Lockheed Georgia Company was guilty of such abuses as gross mismanagement, massive waste and collusion with the Air Force to falsify Aircraft Completion documentation in order to collect progress payments for work which had not been accomplished. There were twenty three separate charges.

The charges were so serious that Senator Proxmire asked the General Accounting Office (GAO) to investigate.

As a result of Senator Proxmire's requests, a team of five knowledgeable experienced GAO aviators made an "in-depth" investigation of the charges over a period of approximately five months.

At the conclusion of the investigation, the GAO produced a report which substantiated and verified practically every charge. In fact, Senator Proxmire said during a hearing held on March 27, 1972: "Generally speaking, the staff study corroborates nearly every aspect of Mr. Durhams charges. All of this documents and materials were found to be authentic, and additional evidence was discovered by GAO in support of what Mr. Durham said and in support of some malpractice that even Mr. Durham was not aware of."

During the investigation of my charges, the GAO uncovered some of the most blatant abuses in the history of military contracting. For example, it was discovered that the Air Force paid Lockheed at least $400 million in gross progress payments and then made things worse by paying an additional $705 million in illegal payments. A total in this one instance of over a billion dollars.

When the Defense Department, the Air Force and Lockheed were caught with their hands in the taxpayers cookie jar, they conspired to convert the C-5 contract from a fixed price contract to a cost plus contract and then made the conversion retroactive back to the beginning of the contract which made all of the illegal payments legal.

For the record, I would like to mention a few of the other charges substantiated and verified by the GAO to be true.

1. C-5 airplanes were moved to the flight line with thousands of parts missing although Lockheed records falsely showed the parts had been installed.

2. Parts were improperly removed or cannibalized after being installed on aircraft and inspected and subsequently installed on other aircraft in order to sell the work.

3. The Company was facing a $30,000,000 cost overrun on valuable small parts (VSP) due to over procurement resulting from failure to control parts in production areas and cribs. VSP cost per aircraft was supposed to be approximately $560,000. However, the cost exceeded $1,000,000 per aircraft. One typical example of the lack of controls was that on one occasion VSP valued at $1.3 million was sold as scrap for $2,800. This situation was indicative of Lockheed poor inventory controls.

4. Due to ineffective management controls, parts and material were ordered without knowledge of their cost, quantities in inventory, and justifiable need.

5. Unnecessary procurement of miscellaneous small parts resulted at both the Chattanooga and Marietta plants because the Chattanooga inventories were overstocked and out of control.

6. Expensive purchases and subcontracted parts which could have been salvaged were erroneously discarded.

7. Due to poor management controls, exorbitant prices were paid to vendors of material when the same material was available in Lockheed's own stores for a fraction of the price paid to vendors.

8. Due to lack of controls, thousands of tools were wasted, unnecessarily damaged or stolen.

In December, 1972, Mr. Elmer Staats, Comptroller General of the United States and head of the GAO produced his own version of an audit report concerning my charges which bore little resemblance to the GAO report. Practically all of the key charges substantiated and reported by the GAO auditors who made the investigations were mysteriously omitted, distorted or diluted. In other words, the Comptroller General refused to endorse the report produced by his own conscientious auditors. Under intense political pressure, Comptroller General Staats squirmed like a worm in a hot frying pan and proved to be nothing more than another gutless Washington Bureaucrat afraid to cross the people who butter his bread.

One condition that is indicative of the continuing collusion existing between the Pentagon and Lockheed is the C–5 wing crack problem.

Wing cracks were detected very early in the production program. For example, I remember when cracks appeared in aircraft No. 0003—The third unit off the assembly line. Therefore, the wing problem is not a problem that was unknown or detected at a later date but has been known all along.

Instead of stopping production and redesigning a structurally acceptable wing which would have been the honest course of action, Lockheed and the Air Force opted to install what is known as a wing fix—consisting of plates, brackets, angles, stiffners and similar parts which they claimed would add sufficient strength. The fix which was financed by the Air Force cost millions of additional dollars. We all know it was a typical fiasco and miserable failure which didn't work.

It is very important for the public to know that the real reason they didn't stop production, re-design the wing and do the job right is because to have done so would have stopped progress payments to Lockheed.

In other words, continued payments and funding Lockheed was more important than structural integrity. This was and has been a source of deep concern to me.

Unbelievably, the Defense Department wants to reward Lockheed for its disastrously rotten performance with a lucrative $1.3 billion contract to repair the wings on the C–5. A job they were paid to do correctly in the first place. This is nothing but another bailout because the aircraft aren't worth repairing. Also, the Air Force appears to be leaning toward awarding Lockheed the multi-billion dollar C–X Military Transport Contract.

What have these wonderful people done. News releases show that Senator Nunn has made public pronouncements that Lockheed has the edge over other companies in the C–X competition.

The fact that a key member of the Senate Armed Services Committee would encourage the awarding of a major defense contract to a company from his own state, despite that company's rotten performance and unsavory reputation, is nothing more than unscrupulous pork barrel political shenaniganism and is indicative of why the American people hold Congress in such low esteem.

A key point is that C–5 aircraft wings aren't worth repairing because other portions of the planes are just as shabbily constructed as the wings. It would be far less costly to utilize existing cargo aircraft such as the 747F which is a proven aircraft of great structural integrity. Repairing wings on the C–5 would be like trying to get a ruptured penquin to fly.

Why do members of the Senate and House Armed Services Committee continue to pour the taxpayer money down the Pentagon sewer by supporting the awarding of contracts to inefficient, wasteful, dishonest and poorly managed defense contractors.

So far, no effective actions have been taken to eliminate such companies from competition or to punish the guilty. On the contrary, the Committees have a reputation of not only ignoring dishonest practices and poor performance but helping to sweep such conditions under the rug. It appears that committee members are more concerned with protecting the interests of the Defense Contractors than in protecting the interests of the taxpayers they supposedly represent. For example, no hearings were held by either armed services committee on the terrible malpractices perpetrated by the Lockheed Corporation on the C–5 contract. Instead, committee

members, including the chairmen of both Committees supported the Company. Only Senator Proxmire has conducted hearings but even he has been ignored and rebuffed in his efforts to effectively deal with the situation.

I hope that my testimony and the testimony of others submitting testimony in this hearing will alert American taxpayers to the "Buddy Buddy" "Grease the Palm" system of defense contracting and that they effectively deal with it by electing more suitable people to Congress. Also it is hoped that these actions will encourage other people who know of corrupt practices to come forward and alert the public.

One last comment:

There is something terribly wrong with our system when people who report corruption and wrong-doing suffer loss of jobs, threats on their lives, family and property and ostracism by their community while people who are guilty of corruption and wrongdoing are promoted for their performance, praised, protected and supported by members of Congress and continue to live the good life. Does anyone in Congress have the courage to change this condition?

ATTACHMENT NO. 1

LOCKHEED-GEORGIA CO.,
February 24, 1970.

Interdepartmental Communication to: Professional Personnel Department, Dept. 90-31, Zone 260.
From: R. C. Goddard, Dept. 35-10, Zone 51, Ext. 7757.
Subject: New opportunities program.
Re: Management memo, Serial No. 766, Dated 10 December 1969.

With regard to Corporate policy as set forth in referenced memo, we recommend Henry M. Durham, Employee No. 526 798, as a potential candidate for interdivisional transfer at the division management level. This recommendation is made as a result of long association with, and close observation of Mr. Durham in his professional duties.

He joined Lockheed in August 1951, and his record has been one of steady unbroken progress. Starting as an assembly dispatcher in Production Control, he now fills the responsible position of Night Division Manager.

Among his many qualifications are unquestioned loyalty, energy, initiative, product and corporate knowledge; ambition, and an insistence on a job well done—first of all by himself, and secondly by all reporting to him.

It is our unqualified opinion that Mr. Durham would represent a real asset to any organization to which he might be assigned.

R. C. GOODARD,
Manager, Production Control Division (Assembly).

(This Letter is inserted to demonstrate credibility as a witness.)

ATTACHMENT NO. 2

I want to talk with you about a sickness in our country—a morale sickness, an ethical sickness—that threatens to destroy America.

One symptom of this sickness is greed—The greed that drives great corporations to cheat Americans, as consumers and taxpayers, out of billions of dollars for the sake of profits * * * the greed that drives private citizens to take part in such cheating, or help cover it up, for the sake of their careers.

Another symptom of this sickness is collusion—the collusion of public officials, elected and appointed—in actions that harm the people they are supposed to serve and benefit only the special interests.

And the most dangerous symptom of this sickness is apathy—the indifference that so many of us display when outrages are called to our attention * * * when we shrug our shoulders and say, "Well, it's not my problem, or at least there's nothing I can do about it."

I think you can tell by looking at me that I'm not a radical out to destroy the good things in America. You can tell by listening to me that I'm not a politician out for public office. I'm just an American who happens to have had a very powerful, very painful experience with the sickness in our country—and who is determined to tell other Americans about it so they can try to do something before it's too late.

I first learned about the moral sickness in our country while working for one of America's great corporations—Lockheed—the largest military contractor in the world, on its most ambitious project, the C-5A airplane, designed for our armed services as the largest transport in the world. You've probably heard and read about

the C-5A—the airplane that has cost the taxpayers at least $2 billion more than it was supposed to—the airplane that doesn't fly very often or very well.

I think a brief account of my experience may help you understand why we've had so much trouble with the C-5. What's more important, it may help you understand why we're having so much trouble in our country.

I was employed by the Lockheed Georgia Company for almost twenty years. In July of 1969, I was placed in charge of the production control division having jurisdiction over the flight line, flight test and avionics areas.

Almost immediately after assuming this position, I began to detect serious deficiencies in C-5 aircraft when they arrived at the flight line from final assembly area—aircraft, which according to Lockheed records were virtually complete, were actually missing thousands upon thousands of parts.

I was mystified and immediately launched an investigation. It didn't take very long to discover that, for one thing, Lockheed was meeting its contractual production schedules and qualifying for aircraft progress payments by falsifying completion data. The company was moving major assemblies and aircraft on the prescribed schedule regardless of the state of completion to collect progress payments and be credited with being on schedule—thousands of aircraft installation documents, representing thousands of parts were being fraudulently stamped by Lockheed quality control as being completed—in full view of Government inspectors—although the parts had not been installed.

I later submitted documentary proof showing that the Government secretly made excessive progress payment of over $1 billion to Lockheed.

There were many other serious malpractices which I won't dwell on here.

At any rate, when sure of the facts, I reported the conditions to my immediate superiors.

The first response was to tell me to go back to sleep—not to worry about it—typical corporate flakery—and, when I pushed harder I was told that people in very high places were becoming annoyed and to stop pursuing the matter. I was told to put on my "Lockheed hat."

However, I still had faith, I had been with the company almost 20 years—I wanted to believe. I felt sure something would be done if I could just get to the right people. So, I resorted to a series of written reports. The first report evoked an immediate reaction from my superiors * * * I was ordered to shut up and hide or destroy the report.

Those instructions and the manner in which they were given seemed inconsistent with what I believed at the time to be the integrity of Lockheed management. I therefore continued to produce the reports because I considered it vital to correcting the conditions.

I don't want to dwell on this period of time except to say that I finally managed to meet with the president of the company and, after a long period of difficulty trying to get the company to reform, including contacting Mr. Haughton, chairman of the board, I resigned with a deep sense of moral indignation.

To illustrate the arrogance of these corporate princes, a high company official paid me a visit before I left. He was afraid I might be planning to go outside Lockheed to publicize conditions in the company.

I remember when he asked me if I knew what happened to Ernie Fitzgerald who went to Washington with some Lockheed problems. When I said I didn't, he said, "Well, I'll just tell you. Fitzgerald is now chief s-t house inspector for the civil service and will never be able to get a good job as long as he lives." He indicated that anyone who bucks Lockheed, the Pentagon, or the Nixon administration is in for a rough time the rest of his life.

He was right on that score for I was blackballed for over 2½ years and unable to secure meaningful employment until recently (thanks to some wonderful people who believe in me).

My first act after leaving Lockheed was to attempt to contact people in Government. Embarking on letter writing campaign, I first wrote to every member of Congress who I thought might conceivably be interested—eighty-six Senators and Representatives in all—offering to come to Washington. I advised them that I possessed irrefutable evidence of gross mismanagement, waste, corruption, and collusion between Lockheed and the Air Force on the C-5 program. I implored them to allow me to present the evidence before voting on the $250 million Lockheed bailout bill.

Among these great protectors of the public interest I wrote were the chairman of the House and Senate Armed Services Committees and the chairman of the Senate Banking Committee and many other congressional leaders. I felt sure that they of all people would be vitally concerned! Aren't these elected public servants supposed to be overseeing military spending? Are they or aren't they protectors of the public

money? I haven't heard from them to this day! In fact, I only received sixteen "Dear Friend" replies to those 86 letters and none of those offered much more than sympathy. Now, this should be of great concern to us all. What must a citizen do to be heard by his Government? I was desperate. After numerous attempts to make connections with the press, I finally received a reply from Morton Mintz, the very fine investigative reporter on the Washington Post. Mr. Mintz examined the evidence and wrote a very long article about the allegations against Lockheed which the Post published and sent out to newspapers receiving its wire service on July 18, 1971.

At this point, Senator Proxmire asked me to testify before the Joint Economic Committee.

This is where our personal nightmare began. I began to receive serious threats on my wife and children. The telephone rang night and day. Anonymous callers not only threatened to kill me but viciously threatened to disfigure my daughter. Lines of automobiles drove slowly past our home. Signs saying "Kill Durham" appeared on bulletin boards and restroom walls in the plant and around town. The local press fanned the flames. I had to stand armed watch at night to protect my family. (It is to Lockheed's credit that Dan Haughton made a public statement that killing Durham would be against company policy.)

Finally, when the threats and vicious calls intensified instead of abating, I appealed to Senator Proxmire for Federal protection for my family. For over two months, Federal marshals guarded my family around the clock.

We have been ostracized by the community and even our church. People stopped their children from associating with mine.

The seething undercurrent of hatred exists even to this day.

I was scheduled to testify before Congress prior to the vote on the $250 million Lockheed bailout bill. However, my appearance was mysteriously rescheduled until a later date—until after the bill passed by a very narrow margin.

On September 29, 1971, I did testify before the Joint Economic Committee charging Lockheed and the Air Force with gross mismanagement, massive waste, collusion, and other malpractices. I submitted voluminous documentary and physical evidence to substantiate 23 charges. The charges were so serious that the General Accounting Office (GAO) was asked to investigate. In March, 1972, the GAO released a report to the Joint Economic Committee which corroborated practically every charge.

The only reason the Washington office of the GAO released the report is because I had previously managed to secure a copy which I reproduced and distributed to Senator Proxmire and others, including the press. If I had not managed to get a copy, I am convinced the report would never have been released.

It is an almost unbelievable report and extremely damaging to Lockheed and the Pentagon. In fact, in a statement opening the March, 1972, hearings, Senator Proxmire said, "Generally speaking, the staff study corroborates nearly every aspect of Mr. Durham's charges. All of his documents and materials were found to be authentic, and additional evidence was discovered by the GAO in support of some malpractices that even Mr. Durham was not aware of."

Now, this was a report prepared by a team of experienced GAO auditors who made an "in depth" investigation over a period of approximately 5 months. The report contains positive, irrefutable, irreversible findings and substantiations. Yet, the Washington GSA office, bowing to White House pressure, attempted to downgrade the report calling it a staff study which had not yet been reviewed by Lockheed and the Air Force.

On December 2, 1972, I received a letter from Senator Proxmire requesting my presence at another hearing scheduled for December 18, 1972. Accompanying the letter was a copy of the comptroller general's final report covering the charges.

When I read the Comptroller General's report, I was shocked! The report was a whitewash! It not only failed to address itself properly to the very serious allegations which the Comptroller General was asked to investigate, but also ignored, obscured, or reversed the findings arrived at by the General Accounting Office's own conscientious investigators. Nixon's henchmen had been at work again!

Obviously the only way to attack the situation was to compare the GAO auditors' report with the Comptroller Generals report and take it apart, piece by piece. Therefore, my testimony consisted or a rather detailed comparison of the two reports. It took almost two grinding, sleepless weeks to do the job.

I flew to Washington 5 days before the hearing to deliver my testimony to the Joint Economic Committee staff and to make sure the wheels were turning to get the testimony reproduced and ready.

While there, I met with Morton Mintz of the Washington Post and Erwin Knoll, Editor of the Progressive Magazine. We discussed the matter and I provided them copies of the testimony and related data.

Mr. Mintz wrote an article which appeared in the Post on Monday morning, December 18, the day of the hearing. The article branded the Comptroller General's report a whitewash!

During the hearing, but before I testified, Senator Proxmire, who must rely on the GAO for most of his subcommittee investigative work, rose to the agency's defense. The Senator stated that I should not feel that the Comptroller General's report was a whitewash because a substantial number of my charges were supported—obviously he had not read the report. His remarks were tailored to salve my feelings while at the same time support the Comptroller General.

I realize I had caught the Senator in the middle. While I was extremely disappointed, I put it down as another good lesson in "political shenaniganism".

I still felt that I could be deterred from my course because the principles of integrity and honesty were involved. Suppose everyone turned their backs on corruption, dishonesty, waste and collusion in this country?

The fact that the Comptroller General of the United States would release a dishonest report calculated to conceal disastrously rotten mismanagement, corruption and complicity between a large corporation and a powerful Government agency should not be tolerated by the American people.

The Comptroller General is supposed to be the chief watchdog for Congress and therefore the people. I can only conclude that he, like many other Federal agency heads and officials, is just another White House agent—a gutless bureaucrat. Under present conditions in this country, a man can practically destroy himself, his career and his family in trying to help his country while those who participate in corruption and dishonesty and rape of the Federal Treasury go scot-free, live the good life and continue to reap rewards from their misdeeds.

I learned the hard way about the awesome power of the military industrial complex and the power for conformity exerted by huge corporations. This is a reason a corporation can bilk the country out of hundreds of millions of dollars through fraud, mismanagement, waste and the "buy in, bail out, get well system" * * * the people in management who know these things are too frightened to speak out.

The apathy of Americans is difficult to understand. More and more people seem to accept corruption and dishonesty as the way of life.

Events such as the $250 million "bail out" loan for Lockheed, the ITT scandal, the Watergate crimes, the Litton shipbuilding scandal, the Nixon tax dodge, the corrupt and sleazy giving and use of vast sums of cash by craven men of selfish and venal intent, and numerous other outrages should alert every American. Disclosures of White House horrors and other wrongdoing in high places have lead not to confession or remorse but to denials and obstruction.

Why aren't the people scandalized and angry at the graft? I think maybe recent events are finally waking some people up.

Have any of the men in government or industry responsible for the C-5A, the Cheyenne helicopter, F-111, the Litton disaster and other Boondoggles been punished? Absolutely not! These wonderful people have been promoted and their companies awarded with new contracts. (Roy Ash was so adept at Boondoggling and throwing away money at Litton, that Nixon put him in change of the budget.)

I have continually hoped that my action would encourage others to call attention to corruption or dishonesty or to conditions threatening the public welfare. I have met with little success so far.

This is how corporations and the government respond to citizen employees who blow the whistle. They surpress and punish them.

When I went to work for Lockheed, I did not trade one set of responsibilities and values for another—I simply added my duties as an employee to those I felt as a citizen and a man.

I choose to be a citizen first and an employee second, because citizenship is a privilege and not something that can be subordinated to the interest of a powerful employer or special interest group.

The true citizen will decide that his primary allegiance is to his personal integrity.

Sometimes it seems that we no longer live in a society in which responsibilities are shared and general welfare a common goal, but seem to be deteriorating into a type of society where it is every man for himself and the devil take the hind most, where profits are more important than honesty and the public welfare.

Before I conclude my remarks, I want to say that if it had not been for help from concerned members of the press, television, and radio, the Lockheed scandal would

still be under wraps—concealed by the very Federal agencies and certain members of Congress who are supppose to be protectors of the public welfare and harbingers of justice.

I also want to thank Mr. Fred Rosenblatt, Mr. Charles Cubbler and Mr. Howard Perlman who are responsible for securing me a meaningful job with a future which will allow me to move my family and start a new life in a new environment.

I know you have heard this said many times. However it has deep meaning for me. President Kennedy once said: "Ask not what your country can do for you, but what you can do for your country". I believe this with all my heart! Thank you!

Mr. KEATING. Mr. Durham found that planes with thousands of undocumented parts missing were being delivered to flight line areas. One of the reasons for the cost overruns became clear—quality and production control was grossly inadequate and rows of expensive unused parts lay rusting in the Georgia plant.

The cracking of the wings in a stress test in July of 1969, dispelled the myth that the C-5 Galaxy was a great technological achievement. Other problems began to appear as the planes were flown. One blew up on the runway and killed a Lockheed employee, an engine took off without the plane, wheels fell off during landing, but the most tragic failure of all was the cargo door failure during the Vietnam evacuation that killed more than 200 people including Vietnamese war orphans. The most shocking and startling thing about this crash is that the Air Force knew that that door would fail 4 years prior to the crash.

The failures of the plane are well documented, as the record has shown. So what we would like to see is what the taxpayer has gotten for his investment. A plane with chronic design, quality, and production control problems, produced at a high cost, that is unable to meet the specifications that were supposed to make it useful in the first place.

The real crux of our testimony today is that we feel the ultimate insult to the taxpayer is that now Lockheed has the contract for the final installation of the wing modification. The fundamental question that we have been asked by our membership is why should the taxpayer pay Lockheed over $200 million this year to remedy their own mistake?

We have been informed that Lockheed has been rewarded a fixed price/incentive contract for the wing modification. In other words, the taxpayer is paying for the original mistake, and the way this contract is structured, will be paying for mistakes to correct the mistakes if there are more.

This means the taxpayer will pay a certain percentage of any cost overruns. What percentage is unknown to us. On the basis of Lockheed's past performance, the likelihood of large cost overruns is very real. We would like to know how much profit is being paid to Lockheed to fix the wings, something that was really their fault to start with.

Could this be another multibillion-dollar bailout for Lockheed Corp.?

We feel if the wing modification program is to continue that there should be no general and administration expenses allowed. In other words, nothing over marginal costs.

We would also like to point to a couple of other problems that we feel people may not be fully aware of. We should start with the fact that in the final phase of the wing modification construction program there was no competitive bidding. We would like to look at

the whole incentive system that we are structuring here. We feel the incentive system has been turned upside down. It seems that the more inefficient, the more mistakes that were made on the C–5 plane, the more money Lockheed made.

This seems to set an example for other contractors both inside the defense industry and in other programs of the Federal Government, that if you build failures into the system you will be rewarded. In other words, the more mistakes, the more money to fix the mistakes and the more profits.

We would also like to point out the wing modification program is not the last problem with the C–5 airplane. This is made clear in a little known, low-profile Air Force engineering report known as Apex on the safety of the C–5 which points out other serious problems with the plane that perhaps may need fixing before the plane is actually usable. They have pointed out that the following modifications should be made.

They include:

Eliminate fire sources and provide an extensive fire detection and suppression system.

Install electronic aids to prevent inadvertent collision with the ground.

Implement an effective corrosion control program.

Increase the spares and parts inventories to reduce cannibilization.

Improve the management system for implementing corrective actions.

Install a lift distribution control system to reduce wing fatigue damage.

Return the aft cargo door complex to full operational use.

We would like to also submit the engineering part of the Apex report that we were able to obtain for the record for further inspection by the committee and the staff. We apologize for the condition of the report, but very few of these reports are evidently in circulation.

[The following information was received for the record:]

APEX BRIEFING, JUNE 16, 1975—AFLC/AFSC

Introduction

Charter; study group; objectives; assumptions; facts bearing on objectives; alternatives; discussion.

Operations

OPS Subcommittee; OPS (tasks); SOR review; air delivery; war mission; C–5 capability; C–5 capability (loadability); H mod delay-deny; augment/replace summary; OPS—143.2/SIM.

Safety

Specific tasks; C–5 accident summary; accident rates comparison; accident costs; major safety concerns; fire, collision w/ground.

Engineering

Why 8750; risk reduction; inspect/monitor; AFT ramp; PMO; program schedule/drawdown.

LOGISTICS

Corrosion; spares; cannibalization; materiel deficiency reporting; avionics; maintenance manning; balance resources.

Wrapup

Validate C-5 requirements; identify improvements; determine OPT use; UTR 2.04-4.0; UTR 2.04-MIN ACL; UTR 1.5-3.0; UTR 1.0-1.88; financial summary.

Apex Safety Study

INTRODUCTION

1. The primary objective of the Safety Panel of the APEX Study Group was to identify those operational/maintenance practices or procedures and components, systems or failure modes which could result in the loss of an aircraft. In addressing this task the panel attempted to systematically review all past studies, data and analyses which related to failures, hazard analysis, design and operational/maintenance procedures, practices and occurrences. In view of high dollar loss, the significant outsized airlift capability represented in a single C-5 aircraft and the fact that the loss of another C-5 can have a major impact on a Congressional decision to authorize money for the wing modification, as well as perhaps a decision as to whether the C-5 will be maintained in the active air force inventory, safety was emphasized in all areas of the study.

2. Traditionally, new aircraft have a rather high incident/accident experience factor in the first years of operation and the C-5 was no exception. However, by the fourth year of flying the C-5 was well within the general accident experience level achieved by the C-130, C-135 and C-141 and from the fourth year of operation through Sept. 1974 the −5 accident rate, based on major accidents only, was third in the jet cargo category. Only the C-141 and the C/KC-135 aircraft had better accident experience during similar periods of their life. The loss of C-5 227 at Clinton on Sept. 27, 1974 and 218 on April 4, 1979 in Vietnam, moved the C-5 cumulative major accident rate into a position behind the C-133.

3. Of major importance is the fact that since May 1970, when a C-5 aircraft was destroyed by fire at Palmdale CA, four C-5s have been lost. In terms of total dollar loss this is approximately equivalent to the loss of 60 F-4E aircraft or 22 C-141s. Equally important is that this loss in terms of a 70 UE force represents a reduction in outsized airlift capability of about 5.7 percent. This could be equated to an average of 18 million ton miles over a 30-day period in the NATO scenario.

4. Perhaps the most challenging part of the overall safety task for the Study Group was the fact that all of these occurences were for different reasons; all were first events and only two can be credited to inappropriate aircrew actions. Thus, there were no obvious trends of failures which might markedly assist in identifying those actions necessary to prevent another catastrophic failure.

5. In addition to the three major accidents since 1972 there have also been four minor accidents which have incurred significant dollar loss and three of these occurred in 1974. Thus, since Jan. 1974 we have experienced a significant upturn in the C-5 accident experience.

6. As pointed out in the Engineering portion of the Study, the C-5 structure and auxiliary equipment were subjected to severe weight saving restrictions during the design and development stages which heavily influenced not only component and structural stress levels but also tended to perhaps lower reliability. As a result the C-5 now appears to have certain peculiar problems that are not generally found in commercial cargo type aircraft. While a system safety plan was a part of the contractor proposal and some hazard and fault analyses were accomplished, other consideration such as schedule performance, total weight and costs appear to have disproportionately affected certain design decisions. These safety studies were not a part of the documentation purchased from the contractor thus they are not available today in Air Force files. However, a review of the early documents which the contractor has retained did not reveal any areas of concern which were not already being investigated and studied. A rather significant point in this area is that on various other aircraft, such as the C-141, a given level of engineering effort was purchased from the contractor at the time the aircraft went operational. This permitted the contractor to continue his engineering and analysis support past the date of engineering transfer from AFSC to AFLC for both the using and supporting commands needs. This was not done for the C-5 and consequently there has been little or no contractor system safety analysis or design analysis accomplished since engineering transfer. Whether these studies might have materially assisted in identifying, before the fact, the causes of the C-5 accidents is a moot point. The important fact is that the Air Force does not now have an analytical engineering system and fault/failure analyses program either organic to AFLC or on contract for the C-5 weapon system. Additionally, it is extremely difficult, if not impossible, to give adequate engineering design study to failure/incident occurrences and/or

trends. Further aggravating this lack of capability is the fact that the material deficiency reporting system does not provide a means where potentially serious incidents are identified and subjected to detailed analytical analysis. For example, less than a month prior to the accident at Saigon, an aircraft flying out of Dover AFB had a ramp unlock in flight; the events were such that the crew was able to depressurize, descend and recover safely. This failure was not adequately identified or recognized and the EUMR was subsequently closed without positive corrective action. We need to restructure the reporting system, devote the necessary management, safety, and engineering efffort to identify the high hazard potential systems/areas in the aircraft and then track all part failures/malfunctions that occur in these areas, systems or subsystems and carefuly analyze and rapidly correct these high hazard items. This requires additional data analysis capability at MAC and AFLC plus a funded (level of effort) contract engineering team.

7. Fire has proven to be one of the most serious problems to be contended with in the C–5. Five of the total of 12 aircraft damage accidents involved accidents involved fire and three of the four destroyed aircraft were the result of fire. Three accidents, including two destroyed aircraft, involved hydraulic fires. Accordingly, extensive efforts must be directed toward reducing the probability of fire. In this regard, efforts must be initiated to accelerate already identified corrective actions to insure that crew and/or passengers are protected from fire and/or smoke and are given maximum opportunity to escape in the event of a crash involving fire. Admittedly we are installing a very extensive and sophisticated Fire Suppression System (FSS) to inert the fuel tanks and provide detection suppression and extinguishing capability to both manned and unmanned areas of the aircraft. However, we must clearly recognize that this system does little to address the root cause of the fires. With some exception the systems principal function is to extinguish a fire once it has occurred. What is really needed is a fix which climinates or significantly reduces the potential for fire. Combustibles are not adequately isolated from sources of ignition, and as a result failures or malfunctions in one system frequently influence and interact with the other to produce fire.

8. Another area which the Study Group felt to be worthy of special attention was collision with the ground where impact with the ground was the primary cause of the accident. Crashes where a fighter pilot delays his initiation of the pull out from a dive bomb pass and impacts the ground are not included. During the period of 1970 to date, Air Force wide, we have experienced 58 collision with the ground accidents. Of these 15 have involved cargo aircraft of which eight were outside the continental limits and seven were within the ZI. Considering the Air Force wide experience these accidents were equally divided between daylight and darkness. A total of 27, or 478, occurred during the descent and approach to landing. During this period we see very little decrease in occurrences from year to year or variation in the experience of the various classes of aircraft. A single primary cause and solution is not clearly obvious. What the data does seem to day is that this is an important area and that we should do whatever is possible in terms of better maps and charts, more training for the crews, or survey and analysis of the letdown and landing procedures at key airfields. Random enroute GCI controlled letdowns appear much more hazardous in terms of collision with the ground than are jet penetrations where the crew is on a surveyed, planned letdown with all ground clearance information clearily displayed. Additionally, crews on published letdowns appear to feel more intimately involved with their own letdown and ground clearance.

9. The most recent C–5 accident stands as grim justification for a thorough evaluation and redesign of the rear ramp and pressure locking and latching mechanism of the aircraft. The AFLC System Manager has contracted with Lockheed Gerogia for this task. As a goal, this redesign should be simple enough so that adjustments and rigging will be insensitive to temperature-induced expansion and contraction, uneven parking ramps, and cross wind conditions. Additionally, it should be designed so that aircrews can visually confirm a latch and lock condition prior to pressurization. The large number of EUMRs, and incident reports, along with the projected increased use of the front door and loading ramp as a result of discontinuing use of the aft door all support the need for an emergency analysis of the failure potential of the front pressure door/ramp/visor system as well. Six previous failures in this area have resulted in rapid decompressions. Fortunately, however, none have resulted in catastrophic failure. On at least one aircraft some minor secondary structural cracking in the visor hinge/crew entry door area has been detected which raises the question as to whether failure in this area might result in in-flight losses of visor, forward ramp/door. These conditions might well prove to be equally or even more disastrous than the loss of the rear ramp/pressure door.

10. The most recent accident also highlights the need for continued efforts to provide and protect flight control redundancy and to eliminate areas where single failures (even massive ones such as the entire door/ramp area) will not totally incapacitate the flight controls. Preliminary review indicates this potential may exist in the wing flap torque boxes and center wing rear beam area where all four hydraulic lines pass through a single area.

11. Although of definite safety concern, such safety conditions as structural failure of the wing, fuselage, landing gear, and other major components are not included in this safety section. These are included in either the engineering or maintenance portions of this report. The potential problem of corrosion induced by the high stress level design is also included in the engineering analysis. Timely attention to these areas is mandatory to ensure these items do not become major safety considerations.

12. During this study it has become increasingly apparent that the C-5 "Total Package" contract did not provide for adequate AF system safety surveillance during the early developmental and design stages and thus this critical area was not given adequate attention or pursued hard enough. While some hazard and fault analyses were performed by the contractor, these efforts did not achieve their desired results. It should be noted that the Air Force's own system safety efforts resulted in a critical report in 1966, pointing out the almost certainty of personnel loss in the lower cargo compartment if this portion of the C-5 was used as a personnel carrier. Recent accidents have validated this analysis.

13. Except for two cases, aircrew have not been causative factors in previous C-5 major accidents. However, the proposed continued reduction of flying time for line crews is considered to be a definite developing hazard potential. If simulation is to be used to fill the gap in training, it must be realistic, accurate, and adequate in quality and quantity.

14. Safe operation of the C-5, as with any other weapon system, must be an integrated part of the entire operation. A comprehensive evaluation of the safety problems will encompass or involve all other activities such as engineering support, maintenance, supply, overhaul, modification and flight operations. For this reason, the entire APEX Study must be considered addressing safety.

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Part V—Engineering

Four C-5A aircraft have been lost; all were victims of different events. In all cases the loss was the result of a first occurence of that event, and in all cases the loss was caused by a single failure mode (reference Table 1). Major engineering changes to the aircraft were called for in every case but one. The APEX Engineering Review has been conducted in conjunction with the APEX Safety, Operations, and Logistics Reviews to seek out and eliminate failure modes which could result in the loss of an aircraft. Stated another way, the APEX Engineering Review is designed to look at the question of how long can you safely operate the C-5 with or without the proposed wing fix.

A. BACKGROUND

1. The C-5A development program has been a controversial, trouble-plagued, politically explosive program from its inception in the early 1960s. The source selection design choice was not the final winner. There were almost 2 years of concurrency between testing and production; perhaps unrealistic contract terms were rigidly enforced, and it was almost common knowledge from the onset that the winning contractor had underbid the job. Cost, schedule and technical problems were built into the program. The political impact of these will be a key factor in Congressional deliberations on the new C-5A wing. The prevention of another major C-5A accident is of critical significance to not only the decision to fix the wing, but more importantly, to the preservation of the C-5A in the active Air Force inventory.

2. The fact that the aircraft successfully completed the majority of its performance requirements, except service life, is remarkable in view of the above. To date, the aircraft has flown nearly 250,000 hours and has a safety record surpassed only by the C-141 and the C-135. Its strategic airlift contributions have received wide acclaim. As for its major shortcoming, service life, slightly less than one third of the original goal of 30,000 hours is now forecast.

3. The greatest quantity of static strength and service life (fatigue) problems have occurred in the wing; however, the rest of the aircaft has had problems that cannot be passed over lightly. The presence of a guaranteed weight empty requirement in the C-5 Contract End Item (CEI) Specification is frequently cited as the source, origin or case of the structural design problems or deficiencies still facing the C-5. The need for the structural designers to freeze design gross weights almost at the onset of the design effort, coupled with the failure to obtain weight relief as other problems developed, led to some very hard management decisions which now require engineering fixes if the C-5 is to realize its full potential.

4. Fairly early in the program, the contractor found it necessary to make extensive changes in the wing life devices and fairings for drag reduction of about 14,000 pounds of weight empty increase. This was done by Lockheed within the constraints of the specification as part of the contractor's total responsibility to design to achieve the specified performance. It meant that the contractor had to find other design elements from which to extract weight to accommodate the increase. Inasmuch as over 80 percent of the aircraft weight empty is devoted to structure (approximately 10 percent is engines and 10 percent other), it follows that the structure would feel the weight squeeze most acutely. Lockheed, as a consequence, used the highest materiel design allowables, in the face of this squeeze, to the extent of expecting to realize 100 percent ultimate tensile strength of the material, especially in the wing lower surfaces. This was a radical departure from standard aircraft design practice (including their own) where conservative values ranging from 65 to 80 percent are common (the C-141 used 65 percent).

SPO engineers, on questioning the high stress levels, were assured that Lockheed was conducting an extensive component test program to identify and eliminate detail design problems and eliminate or minimize stress concentration problems. Additionally, particular attention was being paid in the manufacturing process, they said, to assure that the values for the fastener systems obtained in the laboratory were obtained on the factory floor.

5. A full-scale static test article and two full-scale fatigue articles have shown beyond doubt that the manufacturing precision and the careful design attention did not carry through. A massive failure of the static article resulted in substantial payload restrictions which are currently being overcome by operating the aircraft with the ailerons uprigged at from 6 to 12 degrees, depending on the flight phase, to

reduce wing upbending. Fatigue life has been the subject of numerous changes which will be discussed later.

6. Although the highest stress area of the aircraft is the wing lower surface, other parts of the aircraft were also subject to severe weight control. These must also be addressed in that any part which is designed to high working stresses is subject to greatly degraded life when also subjected to small initial manufacturing defects or small quantities of almost unpreventable corrosion.

7. In response to the C–5 structural problems, the Air Force formed, in late 1971, an Independent Structural Review Team (IRT), consisting of about 100 engineers who spent about 1 year analyzing the problems and forming alternative solutions. One of the IRT plans, known as Option H, was selected by the Secretary of the Air Force for implementation. This plan would replace the current center and inner wings with new, redesigned wing boxes and would rework the existing outer wings. Emphasis would be on lowering the stress levels to the 65 percent (of ultimate tensile strength) levels of the fatigue resistant C–141. That plan is now under fire because of its near one billion dollar price tag.

8. Both the Air Force Scientific Advisory Board (SAB) and the Aeronautical Systems Division Advisory Group (DAG) have reviewed the IRT findings; and in Jan. 1975, the DAG reviewed and updated the critical IRT data, approved the latest H Modification configuration and made a very positive recommendation that the H Mod proceed as an urgent safety of flight modification.

9. The issues facing the engineering community relative to the APEX Study are the following:

a. What is the life of the current aircraft?

b. How do you maintain safety of the C–5A aircraft?

c. Are there ways of extending the service life short of the H Mod?

d. Are there additional engineering versus operational trade-offs that could have a significant effect on the life of the current aircraft or on modification costs?

B. DISCUSSION

1. Issue—Life of current aircraft

Perhaps the single most critical issue in the C–5 program is the service life of the current aircraft. Although this has been the subject of much study, no precise value can be stated without attaching to that number some band of uncertainty. The final number of flying hours will vary for each aircraft by tail number and will be a function of aircraft usage, original manufacturing quality, effectiveness of corrosion control procedure, etc.

a. Wing: The C–5A wing structure, which weighs about 70,000 pounds without ancillary structure such as leading and trailing edges, is of classical box design (Figure 1) with upper and lower surface skins carrying a major portion of the load. The wing was fabricated at AVCO, Nashville, Tennessee, and shipped to Lockheed, Georgia, via rail car for final assembly. It consisted of five major sections (center wing, 240 inches; two inner wings of 457 inches each; an two outer wings measuring 657 inches each). The original wing was to be built to a design goal of 30,000 hours of service life; however, service life was not a firm contractual requirement.

(1) As noted earlier, the most critical area of the wing is the lower surface in that this was designed to 100 percent of ultimate tensile strength. Approximately 50 million dollars have been spent to date for wing structural engineering changes which have eliminated the most critical hot spots. To extend life further now requires a major modification to the wing lower surface; thus the wing lower surface is used as a reference point for all wing service life projections.

(2) Lockheed designed the lower surface in accordance with standard procedures which require that the failure of one member will not cause loss of an aircraft. Thus the lower surface is composed of a series of wing planks joined by fasteners which are referred to as the span-wise splices. For weight saving, Lockheed employed a ship-lap construction (reference Figure 2A) as opposed to the more classical butt construction (Figure 2B) used by other large aircraft.

(3) The C–5 wing was to be tested via classical fatigue test methods (i.e., four times the service life goal, or 120,000 cyclic test hours). Problems identified during testing generated engineering changes which were planned for fleet incorporation at one fourth the point at which they occurred, or the 0.25 damage point. Figure 3 explains this procedure. Both full-scale fatigue articles (X–998 and X–993) suffered first cracking at about 9,000 cyclic test hours and thus identified a series of engineering modifications for incorporation at or before 2,250 hours. This group was known as the first structural update. It will be completed in Sept. 1975. Both test articles encountered general cracking in the lower surface spanwise splices at less than one lifetime thus indicating a total service life for the aircraft on the order of one fourth of the original design goal.

(4) The full-scale fatigue tests started 19 months after first flight, or 1 month after the first operational delivery. Twelve months later, testing confirmed that a significant wing fatigue problem existed. Nine months later, after 50 of the 81 airplanes had been delivered, the degree of cracking indicated the true seriousness of the operational life reduction. The Independent Structural Review Team concluded in 1972 that the life was approximately 6,500 hours (Figure 4), while Lockheed placed the number only slightly above the IRT estimate. Since 1972, the SPO, contractor, and user have concentrated on efforts to minimize fatigue damage and maximize service life of the existing wing. Several sets of mission profiles have been developed (Figure 5). In 1973, an Optimistic set of mission profiles and an optimistic prediction by the IRT of the benefit of load alleviation schemes (an Active Lift Distribution Control System (ALDCS) and an alternate fuel sequency) indicated that it might be possible to get 17,000 hours of life from the average aircraft; however, a re-examination of those predictions in 1974, based on actual mission usage and laboratory tests of ALDCS benefits, lowered the estimate to 12,800 hours. A further reassessment, in Jan. 1975 by the Aeronautical Systems Division Scientific Advisory Group using an improved technique based on fracture mechanics (crack growth rate), determined that 8,000 Representative Mission Profile (equivalent) hours (without ALDCS) was more realistic.

(5) A general misconception of the C–5 wing life exists in the minds of many who recall that the B–52 and other aircraft have flown well beyond the 0.25 fatigue damage factor. Such an extension is not possible with the C–5 in that the 8,000-hour limit (without ALDCS) is a safety limit and not the 0.25 damage point; in fact, it is significantly below 0.25. For that reason, it is necessary to explain in some detail the derivation of this number.

(a) The basic premise of the C–5 wing life assessment is that:

1. The base line aircraft should not be flown beyond either the time that life extension options can be economically incorporated, or, if no general fix is intended, beyond the point of economical repair. This is known as the economic limit.

2. The baseline aircraft should not by flown beyond the time that safety can be confidently maintained (i.e., the safety limit). To predict the safety limit requires an evaluation of the damage tolerance (crack growth rate) of the structure. (For the inner and center wing, the safety limit occurs well before the economic limit; thus it is the controlling number.)

(b) Two approaches to damage to tolerance exist:

1. The fail-safe approach: The structure is designed so as to contain a single member failure without loss of the aircraft, or in Figure 1, one lower surface panel could fail all the way across.

2. The safe crack growth approach: The structure is designed (and inspected) so that the maximum expected initial manufacturing damage will not grow to critical size during service life. The time that it takes for the initial flaw to grow to critical size (failure point) is divided by a safety factor of two, and this is set as the service life of the aircraft.

(c) The C–5 wing is considered fail-safe in that a single plank failure will not cause loss of the aircraft; however, the wing rapidly loses its fail safety characteristics if cracks exist in the adjacent wing panels. As noted in Figure 2, the C–5 uses ship-lap construction in the spanwise splices; thus, the question of adjacent panel damage in most significant. During manufacturing, the fastener holes are drilled through both panels simultaneously and poor manufacturing quality (e.g., a bad drill bit) would probably result in defects in both panels at the same time. Therefore, if a panel failed and the adjacent panel hole had a flaw, that panel would fatigue very rapidly and subsequently fail causing loss of the aircraft. There are 22,000 spanwise splice holes in each wing lower surface on each aircraft and a serious defect in a single hole could cause the loss of an aircraft, if it is undetected. Therefore, it is mandatory that the service life limit be set so as to protect against the single worst wing panel spanwise hole in the fleet, using the safe crack growth approach.

(d) The safety limit versus manufacturing damage size is illustrated in Figure 6. On the left, it is noted that initial manufacturing damage size of 0.03 inch is probable and damage as large as 0.10 is possible. These values derive from the full scale fatigue article teardown analysis which confirmed the 0.03 average size, although no damage larger than 0.05 was actually detected. The IRT determined that a 0.03 flaw would grow to panel failure in 13,000 hours. Dividing that value by two results in the 1972 IRT recommended limit of 6,500 hours, which happens to correspond to the worst expected crack size of 0.10. The ASD/DAG analysis, based on 1975 usage (representative mission profiles, Figure 5, without ALDCS) and the teardown analysis of X–998, lowered the unfactored limit from 13,000 to 10,000 hours. Employing the same safety factor as used by the IRT (i.e., divide by two)

would have resulted in a 5,000 hour upper limit; however, in view of the X-998 teardown results, which revealed no initial flaws greater than 0.05, the DAG concluded that a flight value which protected against an 0.05 flaw size was reasonable, provided a quality inspection of all aircraft (22,000 lower surface spanwise splice fastener holes) was conducted to confirm the fact that larger flaws were not present. (Such an inspection is now underway.)

(e) In recommending this procedure, the DAG recognized that this results in operation of the C-5 at a higher level than the IRT had been willing to assume. They equated this risk level as approximately equivalent to that of the F-4 operations.

(f) In summary, the DAG concluded that the 8,000 RMP hours without ALDCS (8,750 hours with ALDCS) must be treated as an upper life limit. They recommended that attainment of this limit prior to incorporation of the H Modification should result in grounding of the aircraft and that any subsequent release for flying would be contingent upon the results of either a proof test (similar to that conducted on the B-52D) or from an extensive fastener removal inspection of at least 10,000 fasteners per aircraft, or very severe flight restrictions (reduced flight loads to less than the wing strength with one failed panel and a cracked adjacent panel). They further concluded and recommended that the H Mod be recognized as an urgent safety modification and should not be delayed.

b. Fuselage: The C-5 fuselage is approximately 230 feet long and consists of a two-lobe configuration which provides for separation of the crew and troop compartments in the upper lobe from the cargo compartment in the lower lobe. Structurally, the fuselage shell is conventional skin, stringer, frame construction.

(1) The judgement that the C-5 fuselage is good for 30,000 hours service life, or more, is critical to the decision to spend one billion dollars on the wing. The System Program Office has conducted two detailed reviews of this judgement during the past 2 years, and it was the subject of another review by the APEX group.

(2) It is understood that at the time the contractor launched a major weight reduction program (about 1966), the fuselage design was essentially complete and no major fuselage redesign for weight reduction was conducted; thus the high wing stress levels were not duplicated in it. Nevertheless, it is a very massive structure (Figure 7); the pressure vessel is the largest of any aircraft in the world (Figure 8), and the potential for catastrophic, explosive decompression requires careful analysis and testing, especially of the pressure doors (Figure 9). The most critical pressure doors are the five latch-type doors (visor door, forward ramp, crew forward door, aft ramp, and pressure door).

(3) The C-5A empennage has completed both static and fatigue testing, essentially trouble free. Fuselage static testing has been completed and all of the fixes resulting from that testing have been incorporated. Fuselage fatigue testing is currently in progress and, based on 14 mission profiles (Figure 5), is between one and two lifetimes.

(4) The fuselage structure is subject to a combination of pressurization, flight and ground loads including the effect of cargo, loads, wheeled vehicle axle loads, and impact loads of rolling stock. The fuselage, like the wing, is tested to a scatter factor of four. Originally it was subjected to test loads consistent with the 15 mission profiles (Figure 5). These were later changed to coincide with the 14 mission profiles and the incorporation of the Passive Lift Distribution Control System (PLDCS). The scatter factor of four was used to account for variations in manufacturing, utilization and nonaverage environment parameters. In other words, four times as many pressure cycles are applied as are expected to occur in one lifetime; four times as many bending loads resulting from flight operations were applied, etc. Static test loads were one and one half times the expected 2.5G flight loads and pressurization loads for static testing were twice the normal maximum in flight pressurization of 8.7 PSI differential.

(5) The fact that the empennage and fuselage were subjected to the above standard static tests and suffered only minor problems led the IRT in 1972 to the conclusion that the fuselage would be good for 30,000 hours of service life, even though it had less than one lifetime of fatigue testing at that time (the empennage fatigue test article had completed four lifetimes).

(6) Since the IRT review, X998 has been converted to a fuselage-only test and testing has resumed. Minor cracking has occurred in the forward ramp, around the windshield, in the visor hook backup structure, around the crew entrance door, in the wing-to-fuselage mate area, in the pressure door hinge fitting and in the upper edge of the aft service door. All of these areas have been, or are being, corrected by changes. Other minor problems have occurred for which only inspections are necessary and these are called out in the applicable Technical Orders (T.O.s).

(7) One additional fuselage fatigue problem is now pending SPO resolution, i.e., skin cracks in the cyclic test article in the aft fuselage upper lobe over the troop compartment (fuselage station 1523 to 1964). The SPO has delayed its decision awaiting APEX recommendations, in that the decision on a fleet fix is dependent upon how the aircraft will be used in the future. The specific items in question are support area landings and contour flying missions in that the major damage source in this fuselage area derives from the bending loads associated with these missions. This cracking problem began to occur at between 22,000 and 24,000 cyclic test hours of 15 mission/14 mission (no LDCS and standard fuel) usage. Equating these hours to 14 mission (with PLDCS equivalent hours) gives 35,600 CTH or equating to the 1975 (RMP) missions with alternate fuel, this area has 70,600 equivalent CTH, or almost two and one half lifetimes. Inasmuch as this area is fail safe, if support area landings and contour flying are not contemplated, then development of inspection procedures for subsequent PDM cycles constitutes adequate disposition of this problem. If they are a requirement, then an expensive modification is indicated.

(8) As fatigue testing continues, there no doubt will be other minor fatigue cracks which will require engineering changes with incorporation of modifications during future PDM cycles. This situation is no different from that of other large aircraft such as the C–141, which continues to receive minor modifications as a result of test experience and field usage.

(9) Aside from the fuselage fatigue problems, the area of corrosion protection must be addressed. The C–5 fuselage has a large amount of 7075 and 7079–T6 heat treat aluminum which is highly sensitive to stress corrosion, e.g., the wing/fuselage/main landing gear interface structure is of this material, as are the pressure doors, the door latching mechanisms and backup structure. Stress corrosion is not well understood or predictable except it is known that it can degrade the strength of highly stressed, improperly protected material very rapidly. One in-service aircraft has suffered approximately a 2-inch crack in a fuselage main frame (Figure 10), and a review of URs and structural inspection data reveal 28 cases of stress corrosion cracking in the fleet. All but one of the 28 cases were dispositioned via application of a standard T.O. repair procedure. The remaining case involved the failure of the visor actuator attaching structure which caused the visor to fall, doing in excess of one million dollars in damage. A major ECP was required to correct that problem. While no stress corrosion problems have been confirmed in the forward or aft ramps, a misrigged ramp could result in the unequal distribution of loads into the latching structure and this could accelerate stress corrosion cracking and failure.

(10) The possibility that stress corrosion could be a problem on the current C–5A aircraft led the APEX group to request from the SPO and Lockheed an analysis to determine critical forgings and extrusions on the C–5, the failure of which could result in a catastrophic failure. Further, the SPO was asked to conduct a visual examination of these critical components on a high time aircraft such as 69–002 to look for any evidence of corrosion and those results will be available in Oct. 1975. Should visual inspection indicate suspect areas, additional examination will be required.

(11) In summary, the fuselage has passed a series of very rigorous static tests which give confidence that it will give good service life. Final proof lies in the fatigue test, which now exceeds one lifetime and is continuing. Additional minor cracking is anticipated and some of these will require engineering changes and fleet modifications; however, these are expected to be relatively low-cost fixes. The abundance of corrosion sensitive T6 heat treat aluminum is an area of concern; however, an aggressive corrosion protection program, good maintenance, and proper rigging can prevent catastrophic failures from stress corrosion.

c. Systems: As a result of C–5 test programs and field experience, certain systems within the aircraft have been identified as having lifetimes less than the H modified aircraft. For example, the nose landing gear trunion did not successfully complete four lifetimes of fatigue testing and will probably require replacement on H modified aircraft. In addition, other major structural components such as the main landing gear yoke could require replacement. Aluminum power distribution cables from the main generators to the power distribution buses are already beginning to deteriorate. Lockheed has suggested informally that the existing navigation systems (IDNE, AHRU, HAMS, and MMR) are not expected to be economically supportable for the proposed life of the modified aircraft. These are essentially 1960 state-of-the-art equipments. Procurement of additional items of equipment and spare parts will be very costly and maintenance costs for these will continue to rise. Replacement of these systems with state-of-the-art equipment could prove to be highly cost-effective. AFLC has been tasked to provide a more complete list of such equipment with estimated replacement costs and schedules. MAC has conducted a preliminary study for the APEX Group of a more cost-effective avionics system for the C–5A. The

MAC effort indicates significant potential O&M savings; and a more comprehensive feasibility study by the AFLC and the contractor is now required, such that Class V modification planning can commerce.

d. Band of Uncertainty: It is felt that the life of the current aircraft structure is fairly well known, The C–5 fuselage could require significant inspection and repair costs in its later years, primarily resulting from corrosion problems; however, no single problem is now known which will prevent attainment of at least 30,000 hours of fatigue life.

(1) Existing aircraft subsystems will continue to require major maintenance due to their complexity, and some replacements with state-of-the-art equipment will no doubt be required; however, these will probably be cost-effective in terms of lowered maintenance costs. At the present time, no problems are foreseen with aircraft subsystems which would preclude attainment of 30,000 hours of service life.

(2) Some band of uncertainty exists regarding the service life of the current wing. As stated, the 8,000 RMP (without ALDCS) is a safety limit based on fracture mechanics (crack growth) analyses, and as such, represents an upper limit. Realization of lifetimes in excess of 8,000 hours is not anticipated for the representative mission profiles. As for the lower safety limit, a major inspection program at 5,500 hours is designed to detect major initial manufacturing damage such that protection up to the 8,000 hours number is likely. Additional laboratory testing to more accurately determine the benefit of ALDCS (now estimated as 750 hours) is under way, and additional minor operational changes, such as permanent removal of the aft troop kit, are being considered; however, these are more in the nature of fine tuning and are not expected to yield more than a few hundred hours of additional lifetime. (Life extension options such as proof testing are covered in Section V, B3).

(3) In summary, the 8,000 RMP hours (without ALDCS) and 8,750 hours (with ALDCS) for the average fleet aircraft should be used as firm planning numbers.

2. Issue—How to maintain safety of aircraft

a. Structure: (1) General: Structural integrity is initially insured by testing; however, its maintenance throughout the life of the aircraft is dependent on proper care (e.g., corrosion protection), usage (e.g., no overload conditions such as would occur due to mis-rigging) and monitoring to detect unexpected events.

(2) Inspection: (a) A series of C–5A inspection procedures derived from static and fatigue tests are included in the appropriate technical orders. These are re-examined by the user and System Manager and amended periodically based on field experience. Some additional "hot spot" inspections are now being added based on recent crack growth studies.

(b) In addition to these, the C–5 SPO has devised a set of special inspections designed to insure that initial manufacturing damage is not of such magnitude as to cause the aircraft to lose its fail safety prior to reaching its safety limit of 8,000 RMP hours (without ALDCS). Each aircraft will receive an inspection of its 22,000 wing lower surface spanwise splice fasteners as it reaches 5,500 RMP hours. Three aircraft have reached this point, one of these has been inspected with negative findings and the next two are scheduled to input this summer. The objective of this inspection is to find large (greater than 0.05 inches) initial manufacturing flaws, if any. Ultrasonic inspection is used and fasteners are removed and eddy current checks are conducted whenever ultrasonic indications of cracking are recorded. Few such large flaws can be expected, based on fatigue test article analysis; however, the fact that one such flaw in the fleet, if undetected, can cause loss of an aircraft, means that this inspection must continue to be pursued.

(c) As still another confidence measure, a special inspection of 3,000 inner wing spanwise splice fasteners will be conducted on a fleet high time aircraft this summer. These fasterners, which are located in one of the worst wing fatigue areas, will be pulled and the holes will receive an eddy current inspection. This inspection is designed to determine if widespread cracking is present from normal quality holes (initial manufacturing damage less than 0.03 inches). Analytic predictions are that widespread cracking of this nature should not appear until about 10,000 RMP hours (without ALDCS).

(d) Yet another planned wing inspection is the analytic condition inspection (ACI) conducted during PDM. It is an in-depth condition inspection of ten aircraft per year to determine not only fatigue problems, but also general condition problems such as corrosion. General problems discovered during ACI result in additional fleet inspections, usually at field level. The C–5A ACI program started in fiscal year 1973, and most inspection areas to date have been in the wing. Expansion of the ACI to include the fuselage is under consideration. As a minimum, the forward and aft ramps and pressure doors and the crew entry door will be added to the fiscal year 1976 ACI program.

(3) Monitoring: (a) A second method of maintaining structural integrity is via monitoring and recording devices. A very thorough individual aircraft service life monitoring program (IASLMP) has been conducted since the C-5A entered operational service. Damage is tracked at numerous wing and fuselage control points on each aircraft, by tail number, and the results are used to determine inspection times and ECP incorporation schedules. Velocity, vertical acceleration, altitude, fuel flow and event data are recorded on every flight on the MADAR tape and fed into a computer program which updates prior structural fatigue (damage) data on that aircraft.

(b) The computer program used in IASLMP is derived from fatigue test data and from predicted environmental (e.g., turbulence) data. Environmental data is verified by a second monitoring program, the service loads recorder program (SLRP). The SLRP was designed to verify that the predicted in-flight turbulence patterns do exist, and a life history recording program (LHRP) is due to replace it when adequate SLRP data has been collected. The technical community generally agrees that the scope of the SLRP program can be reduced, i.e., some recorders removed, thus resulting in reduced O&M and data reduction/storage costs.

(c) Still a third C-5A monitoring device is the flight structural monitoring system (FSMS) now under development and flight test. Inasmuch as the C-5 wing structure loses its fail-safety very rapidly after an initial panel failure, it is important to know when that panel fails. The FSMS is designed to detect a major panel crack and warn the flight crew. No flight hour installation point has been designated for FSMS; however, the consensus is that it should be installed as soon as its reliability has been established.

(4) Protection against overload: (a) A third method of maintaining structural integrity is to protect the design strength of the structure. This involves, mainly, protection from damage due to overloading/overstressing the structure and protection against structural damage (e.g., excessive wear, scratches, corrosion pitting, etc.).

(b) A second cause for overloading could be ramp misrigging. This could result in one hook carrying more than its share of the load. Overloading of this type hastens fatigue damage and can result in premature hook, hook latching or hook back-up structure failure.

(5) Corrosion control: (a) Degradation of design strength by corrosion can be quite rapid and lead to very early parts failure. Sensitivity to corrosion is dependent on the material type and heat treat. Aluminum 7075-T6 and 7079-T6, which are used extensively on the C-5A, are very corrosion prone. Large forgings, such as the C-5 fuselage main frames (Figure 10), must be protected at all times. Areas of stress concentrations can result in stress corrosion cracking very early in the aircraft life. Numerous minor cases have been discovered in the C-5 fleet to date.

(b) The APEX Group tasked the C-5 SPO to identify safety critical forgings and extrusions (principally T-6) which could be candidates for stress corrosion. The plan is to spot check an early fiscal year 1976 PDM aircraft and run laboratory analysis of suspect parts. Results of that program will not be available until about October 1975. Past experience says it is reasonable to expect to find some problem areas and a close monitoring and follow-up by the C-5A SPO is required.

(c) A vital element in the preservation of C-5A safety and life is an active corrosion prevent program. A system peculiar corrosion control manual, T.O. IC-5A-23, was published in November 1974. The C-5 System Manager (SM) chairs a Corrosion Control Board composed of MAC, AFLC, and contractor representatives. Quarterly meetings are called for; however, the board has not met since November 1974 because of the shortage of travel funds. Manpower shortages also appear to have an impact. The SM's obligations under the plan call for well in excess of one man-year's effort, whereas the SM corrosion representative is a full-time C-5A structural technician who can devote only token time to this critical additional duty.

(d) Numerous depot level corrosion control tasks are in progress. Teams are working at Dover and Travis to comply with a T.O. to inspect the wing station 577 joint splice plates. Cleaning, treating, adding inhibited sealant and providing for water drain paths are included. To date, four aircraft have been discovered with corrosions so severe as to cause replacement of the splice plates, a very costly operation. A similar T.O. is in work to protect the fuselage heel beam area, as are other less significant T.O.s. In all cases, these T.O.s are in response to problems which were identified two or more years ago.

(e) The C-5 has been in operation long enough for corrosion trends to develop. These areas have been identified as corrosion prone. Particular ones are the latrine and galley areas, crew entry door area, all hatches, elevator and rudder hinges, cowl doors, visor latches and hinges, wheel fairings/doors, all metal honeycomb areas

and all areas of high strength aluminum and steel alloys. At the present time, one aircraft requires a pylon change due to a severely corroded aft engine mount fitting, which is high strength steel.

(f) In summary, the C–5A is perhaps the most corrosion sensitive large aircraft ever built. Additionally, it is a victim of an Air Force-wide lack of understanding of corrosion in general. A mechanism does exist to minimize corrosion problems in the form of a Corrosion Control Board and a Corrosion Prevention Manual (T.O. 23); but the above lack of understanding, coupled with a lack of TDY funding and inadequate staffing, indicate a serious potential safety problem.

(6) Operating Restrictions: (a) Finally, structural integrity can be maintained by operating the aircraft at reduced stress levels. MAC defined operational procedures (i.e., payloads, fuel loads, flight patterns, etc.) which insure that normal design stresses are not exceeded.

(b) Whereas MAC aircrews, in normal operations, avoid turbulence whenever possible, the lower flying altitudes, coincident with the pressurization limitations in effect following the loss of aircraft 68–0218, are making that task difficult. Indications of higher fatigue damage are being seen in the IASLMP program since pressurization restrictions went into effect. With the onset of summer thunderstorms, flight in increased turbulence and the potential of exceeding normal stress levels do exist.

(c) Load alleviation (ALDCS) has been shown in wind tunnel testing to reduce peak gust and maneuvering loads about 30 percent. Such a systems on the C–5A increases static strength margins and helps insure structural integrity. In addition to the fatigue relief it is expected to provide, its safety value is significant.

b. Flight Critical Systems: (1) General: The safety or protection of flight critical aircraft systems, from a design standpoint, involves the provision of redundant systems, physically separated such that the failure of one does not affect the other. The loss of aircraft 67–0218 revealed that the C–5A has single failure modes which cause the loss of multiple systems and can cause loss of the aircraft.

(2) Engineering Tasks: (a) Several engineering tasks have been assigned and are in progress which are intended to re-examine all C–5A failure modes, pinpoint single and double failures, redesign against single failures and, where possible, protect against multiple failures. Those are:

1. Review past failure modes/engineering hazard analyses. Look at past assumptions and conclusions in light of operational experience and identify areas for reanalysis. Estimated Completion Date: June 13, 1975.

2. Examine C–5A dash one emergency procedures for adequacy relative to emergency control of the aircraft in the event of flight control system loss. Estimated Completion Date: August 1, 1975.

3. Conduct a study of the ways of protecting flight control system redundancy. Estimated Completion Date: June 15, 1975.

4. Conduct a study of ways of assuring the locking of the aft ramp. Estimated Completion Date: July 15, 1975.

(b) Item *1.* is intended to develop additional systems for protection. Examples of areas which are currently being re-examined include: thin wall hydraulic tubing, less flammable hydraulic fluid, less volatile engine fuel, routing of multiple hydraulic lines through the same area and elimination of ignition sources where fluid spills are possible. One item noted to date is the fact that all four hydraulic systems have lines through the wing torque box fittings and a single failure, such as the loss of a flap in flight, could cause loss of all hydraulics and thus the loss of an aircraft.

3. Issue—Ways of extending C–5A structural life

a. General: As stated earlier, the life of the C–5A wing is a function of the fail safety of the panel adjacent to a failed panel, and the fail safety of the adjacent panel is a function of the size of initial manufacturing damage; for the maximum expected initial damage (0.05 inches), that limit is 8,000 RMP (without ALDCS) hours.

b. ALDCS: (1) Based on the January 1975 ALDCS incorporation schedule, and assuming the ASD/DAG assessment of ALDCS benefit is 25 percent (i.e., damage from 4 flying hours without ALDS equals damage from 5 flying hours with ALDCS), then the average aircraft upper limit becomes 8,750 hours. Two options for life improvement then are first, advance the ALDCS schedule and second, see if it might yield more than a 25 percent improvement.

(2) Since the January DAG assessment, the C–5 SPO has requested and received permission to accelerate the ALDCS schedule by almost 1 year, which amounts to slightly over 100 hours/aircraft life extension. The contractor has been tasked to conduct further analyses and testing of the ALDCS to see if more than 25 percent benefit is possible. The tests to date place ALDCS benefit between 5 and 69 percent, varying by location on the aircraft and varying at a particular location according to

the phase relation between bending and shear loads. Although these tests are continuing, the general concensus is that more than a few percent improvement (a yield of an additional 100–200 flying hours) should not be counted on. Thus, the upper limit of C–5A RMP flying hours, with ALDCS, appears to be about 9,000. The C–5 SPO expects additional test results in October 1975.

c. Mission Changes: Another possible option is to further alter the RMP missions. Figure 11, for example, shows the effect of payload on fatigue life for one particular set of conditions. It also shows the effect of being forced to operate with the standard fuel sequence for payloads under 50,000 pounds (due to aft c.g. limits). The C–5A Operational Utilization Management Program, implemented by the C–5A SPO and MAC in 1972, is being re-established to see if further operational refinements are possible. One item now under study is the effect of removing the aft troop kit (scats, galleys). This could lead to use of the alternate fuel sequence for payloads under 50,000 pounds. The C–5 SPO and the contractor are exploring, with MAC, such ways of obtaining additional service life and expect to have additional proposals in late June. No estimates of life extension have been made, but the likelihood of obtaining more than an additional 300–400 hours is remote. Better estimates are expected in late June or early July 1975.

d. Proof Testing: (1) As for still further life extension, the only additional method seems to be a proof test similar to that conducted on the B–52D. The B–52D tests cost about $94,000 per aircraft and extend service life about 750 hours. Following proof tests, the aircraft are operated with flight restrictions which will insure that the proof test loads are not exceeded. The C–5 SPO and Lockhood are studying the advantages/disadvantages of such a program for the C–5 and will have results in late June.

(2) With the exception of the tests to more accurately determine the benefit of ALDCS, no other testing is planned that will assist in predicting the life of the current wing. Efforts must now turn to "listening to the fleet" via monitoring and inspection. As additional hours are accumulated, more frequent and detailed inspections will be required. Lead-the-forces aircraft will be watched closely for fleet indications as well as to assure their continued safety. Bad news, such as greater damage than expected, cannot be ruled out.

e. Summary: In summary, the extension of service life of the current wing beyond 8,750 hours is likely; however, the possibilitiy of obtaining in excess of 10,000 hours, even with a proof test, now seems remote.

4. Issue—Engineering versus operational trade-offs

a. General: The C–5 SPO has received only general requirements for the planned wing modification. No Program Management Directive (PMD) has been issued. Prior to issuance of the PMD, there are several trade-offs which have emerged and should be decided.

b. Mission Usage After Modification of the Wing: The C–5 SPO has assumed, and briefed, the fact that the new wing will be designed for the 1972 mission profiles (Figure 5) which include contour flying and support area landings. As noted in paragraph V-Blb, these two missions are the chief contributors to fuselage bending loads; and because of them, the fatigue article has suffered extensive cracking in the upper skin over the troop compartment. If these missions are retained and the aircraft must be capable of withstanding them, the fuselage skin over this area will probably require replacement (when the wing is modified) at a cost of $35–60M. If these are not planned, it now appears that no fix is required. Additionally, elimination of these loads from the fuselage fatigue test spectrum will result in reduced test costs. The C–5 SPO is studying these trade-offs and expects to have results in late June.

c. Service Life After Modification: (1) The C–5 SPO has assumed that the new wing is to have a service life of 30,000 hours and is designing the new center and inner wings to that requirement. The outer wing, however, is to be modified, not redesigned, and there is a higher risk associated with its attaining 30,000 hours after the modification. Current estimates are that it will have no trouble in attaining 20,000 additional hours after modification but that inspection and repair costs for the extra 10,000 hours may be high.

(2) The decision to modify rather than install new outer wings was based on costs; a new wing was estimated to add over $90 million to the program. The C–5 SPO and the contractor are re-examining the question and will have a new trade-off study about 90 days after the "H" design effort goes on contrast.

(3) The APEX Group has taken a brief look at this question and notes the following:

(a) Availability of cargo to haul plus the high cost of oeperating the C–5A will probably always restrict flying to the minimum necessary to maintain crew proficiency. No number in excess of 1,000 hours/aircraft/year can now be foreseen.

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(b) At 1,000 hours/aircraft/year with the currently planned H incorporation schedule (1979–1985), this will extend C–5A life well past the year 2000.

(c) By the year 2000, the aircraft will be 30–35 years old and will likely be beset with other wear-out problems.

(d) Proceeding now to modify rather than replace the outer wing does not preclude a later decision to replace the outer wing; however, the costs of such action would be much greater than the current estimated difference of roughly $90 million.

5. Issue—Key decision dates

a. "H" Mod Funding: The C–5 SPO has proposed, SECAF has approved, and SECDEF has accepted for budgeting and planning purposes the Figure 12 schedule. The corresponding H Mod budget for the near-years is shown in Table 2. Congress has not approved fiscal year 1975 money and there are indications that the C–A5 wing fix will be a subject for floor debate during the fiscal year 1976 budget hearings. A March 1974 start date for the design effort, which was proposed by the Tri Commanders in mid-1973, continues to slip with July 1975 as the most recent target (that target was 1 April 1975 at the time Figure 12 was approved). Additionally, the start date for Phase IV (production modification) which was planned for late 1979 has been challenged by the OSD/SDARC (Defense Systems Acquisition Review Council) and a schedule more like Figure 13, which is known as the "no concurrency" schedule, is now indicated. Phase IV start would slip to February 1982.

b. Major Decisions: The Air Force decision to fix the current C–5A rather than go for a replacement aircraft was made by Dr. Seamans, Dr. McLucas, and General Ryan in March 1973; however, to date, the only decision that has OSD blessing is the one to proceed with the design and test phases (Phases I and II on Figure 12). The 1973 decision was based on cost-effectiveness, i.e., the C–5A cost $4.45b in 1968 dollars, a replacement in then year dollars would be at least twice that much, whereas a wing fix in then year dollars was estimated at well under $1b. The C–5A wing fix then proposed promised at least a doubling of life for less than 20 percent of the original investment. The next major decision is whether to modify or redesign the outer wing (reference paragraph V–B4c). This must occur not later than about 4 months after signing the H design contract to prevent cost and schedule impact. Succeeding major decision points are shown in Figure 14, which assumes that the SDARC desires for no concurrency will prevail. Here, the first production aircraft would enter modification in February 1982. Any number of events/finding could occur that would affect this schedule. Table 2 lists some of them and their potential impact.

c. Utilization Rate: The current C–5A wing life will be reduced to zero in 1983 if the February 1982 production mod start date and the currently planned minimum UTE rate of 2.04 hours/day/aircraft are flown, as shown in Figure 15; it will dip below the desired contingency reserve in 1980. Two other cases are shown in Figure 15 for comparison purposes, a 1.5 and a 1.0 UTE rate. With the optimistic assumption that the efforts to prolong the life of the current wing (including proof testing) will yield an average of 1,000 additional hours/aircraft, the lifetime is extended by 17, 24, and 35 months for UTE rates of 2.04, 1.5 and 1.0 respectively. However, in view of the many uncertainties in predicting the C–5A service life, as noted in Table 3, any planning for any average life greater than 8,750 hours becomes very risky.

C. CONCLUSIONS

1. Maximum preservation of the predicted service life of the current C–5A aircraft seems prudent in view of the potential that Congress will not provide funds for the new wing.

2. The current C–5A wing life limit of 8,750 hours is a safety limit based on crack growth analysis, not the classical 0.025 fatigue damage factor used in such aircraft as the B–52, and should not be exceeded without additional testing (i.e., proof test).

3. By operating the C–5A to the 8,750 hours safety limit, the risk of aircraft less due to structural failure is about equal to that of the F–4. It is higher than that for commercial and for most Air Force aircraft.

4. The life of the current wing can probably be extended somewhat over 9,000 hours and possibly near 10,000 hours by conducting a proof test when the safety limit is reached. This could involve even higher risk (reference conclusion No. 3).

5. The C–5A fuselage should be good for a total of 30,000 flying hours. XOPs will result from fatigue testing which must be incorporated.

6. An extensive and costly wing inspection program will be required in order to maintain aircraft safety prior to wing replacement.

7. A less extensive but costly fuselage inspection program is required for the life of the aircraft. Key factors to guard against are corrosion and damage to pressure doors and ramps.

8. The individual Aircraft Service Life Monitoring Program (IASLMP) is highly beneficial in maintaining aircraft safety and must be continued.

9. The SLRP program is a good candidate for cost reduction.

10. The Flight Structural Monitoring System (FSMS) is a valuable safety device and should be incorporated as soon as its reliability is demonstrated.

11. C-5 leading must be carefully monitored to avoid damage to the forward and aft ramps.

12. Rigging of the forward and aft ramps/doors must be closely monitored.

13. The forward and aft ramps and pressure doors must be inspected at a frequency which will assure that they are free of cracks or damage.

14. Vigilance against stress corrosion must be very strong, especially on safety critical structure, due to the high design stress levels.

15. Turbulency encounters have increased since the pressurization restrictions were imposed, thus fatigue damage has been accelerated.

16. Single failure modes do exist in the C-5A which can cause loss of an aircraft. These must be identified and either eliminated or reduced to a very low probability of occurrence.

17. Engineering tasks associated with conclusion #16 must be aggressively pursued.

18. An active C-5A Operational Utilization Management Program is necessary to maximize the service life of the current wing.

19. The benefit of the Active Life Distribution Control System (ALDCS) is not yet determined.

20. No set of requirements for the new C-5A wing have been stated.via a Program Management Directive (PMD).

21. The long-range requirement to keep the C-5A in the active Air Force inventory has not been determined.

22. The need to replace versus modify the outer wing (H Modification) is dependent on the requirement for 30,000 versus 20,000 hours of service life after modification.

23. Mission usage (UITE) after incorporation has not been determined and thus makes long-range planning difficult.

24. The decision to fix the C-5 wing has been made by the Air Force but does not have solid OSD backing.

25. The decision to fix the C-5 wing must be made no later than during the fiscal year 1979 budget finalization period (mid-1977) when Phase III (hit procurement) money must be included.

26. The currently planned UTE rate of 2.04 must be reduced if maintenance of contingency reserve of flying hours is required to H Modification.

27. Uncertainties in predicting the C-5A life are such that planning based on any service life average greater than 8,750 hours is very risky.

D. RECOMMENDATIONS

1. The C-5A should be used at a rate consistent with "no H Mod" until the fleet retrofit decision for the H Mod has been made (about late 1977). (Action: MAC/DO)

2. All C-5A utilization/modification/planning should be based on an average service life of 8,750 MP hours/aircraft. (Action: MAC/KP/DO/LG; AFLC/MT/MA; SAALC/MMB; C-5A SPO)

3. Normal fuselage BCPs resulting from fatigue article testing should be recognized, planned for and funded. (Action: C-5A SOP; SAALC/MMB)

4. A study of the C-5A Service Loads Recorder Program should be conducted to see if cost reductions are in order. (Action: SAALC/MMB)

5. Preservation of the structural integrity of the C-5A ramps and pressure doors must be carefully maintained; loading, rigging, inspection, corrosion control are key factors. (Action: MAC/DO/LG; SAALC/MMB)

6. The current failure modes study must be aggressively pursued; actions must be assigned and safety modifications implemented. (Action: C-5A SPO for study: SAALC/MMB for follow-on efforts)

7. The C-5A Operational Utilization Management Program (OUMP) must be reinstated. (Action: C-5A SPO for APEX Tasks: SAALC/MMB and MAC/DOO for follow-on efforts)

8. A Program Management Directive (PMD) must be issued which clearly defines the planned C-5A usage and the required C-5A service life after incorporation of the wing fix. (Action: AFRD)

9. An active C-5A corrosion control program must be formulated, funded and implemented. Adequate manning must be provided. (Action: SAALC/MMB; AFLC/NM/BA; MAC/LG)

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(ENGINEERING, PART V)

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TABLE 1

Accident date	Location	Failure Mode
1. May 25, 1970: Total loss...	Palmdale, Calif., on the ground.	Reverse flow valve in air turbine motor failed, motor was driven backwards, overheated and set underfloor area on fire.
2. Oct. 17, 1970 Total loss....	Lockheed, Ga., on the ground.	Improper AGE used to purge fuel tank. Tank exploded. Brake overheated on takeoff. Retracted gear/tire caught on fire. Burned on landing.
3. Sept. 27, 1974: Total loss..	Clinton, Okla., air/ground.....	Brake overheated on takeoff. Retracted gear/tire caught on fire. Burned on landing.
4. Apr. 4, 1975: Total loss.....	Tan Son Mart, RVN, air/ground.	Aft pressure door lost and destroyed all tail controls. Aircraft destroyed on crash landing.

TABLE 2

AF APPROVED "H" MOD BUDGET (NEAR TERM)

(THEN-YEAR DOLLARS IN MILLIONS)

FY 74	FY 75	FY 76	FY 77	FY 77	FY 78
7.8	2.8	26.1	13.5	59.1	57.7

TABLE 3

EVENT	DATE	POTENTIAL LIFE IMPACT/AIRCRAFT
1. Accelerate ALBCS Schedule	May 75	+100 Hrs
2. ALBCS Benefit Study	Oct 75	+100-200 Hrs
3. Remove Aft Troop Net	Jul 75	+300-400 Hrs
4. Special Fastener Pulling Inspection Results On Aircraft 69-002	Oct 75	+ None - Possible
5. Results 5500 Hr NDI of Spanwise Splice	Mid-76	+ None - Possible
6. Results of Forgings/ Extrusions Inspection on Aircraft 69-002	Oct 75	+ None - Possible
7. FY 76 Fuselage ACI Program Results	Mid-76	+ None - Possible
8. Contingency Operations	Unknown	+ None - Likely
9. Proof Test Study	Jul 75	+500-750 Hrs - Possible

The Apex group did not put a price tag on these repairs. However, the 1976 GAO Airlift report concluded:

"The total cost to implement the APEX recommened improvements is unknown at this time. We believe, however, a substantial cost will be incurred for additional work resulting from the study.

Were these costs of the other documented problems considered by the Air Force before they claimed that the wing fix was the most cost-effective solution? We have not seen any evidence that they were.

How many of these repairs or modifications have been implemented? At what cost? Where is this money coming from? These are basic questions that the Air Force has not publicly addressed.

We believe that the committee should ask the Air Force the actual cost per-ton-mile of actual cargo carried by the C–5 in 1979 compared to commercial alternatives. Corrosion and many other problems in the plane causes abnormally high maintenance costs, which destroys the cost-effective argument by the Air Force.

In the same airlift report, GAO concludes:

If the C–5As are to be available for airlift through the 1980s the wing modification and other modifications such as the aft cargo door, installation of a fire suppression system, and a lift distribution control system are apparently essential. The Air Force should firmly establish and present to the Congress the total costs associated with modifying and correcting all defects. That cost should then be compared with the cost of alternative methods of achieving the mission now assigned to the C–5A, such as prepositioning material utilizing fast sealift capability or producing outside versions of the 747 or equivalent freighter.

In spite of these questions that we found, we have been unable to find any place either in the Air Force public documents or any GAO employees familiar with these reports.

From what we can see, the Air Force did not conscientiously or publicly consider all the options and once again gave the contract to the same company that produced the poor performance in the first place. The wing fix is supposed to extend the life of the wing to the year 2000. The question is, can the rest of the plane last that long? And can the taxpayer stand it?

Beyond question of the cost-effective problem of the wing fix is even a more pressing question. Is this plane reliable in a national emergency? The plane has had unexplained random failures such as landing gear malfunctions and other problems beyond engineering flaws. The C–5 played a significant role in the 1973 Mid-East airlift. Although the 1975 GAO Mid-East airlift report stated that the C–5 performed well, a significant problem occurred that placed doubt on the plane in case of a more massive airlift need.

Sixty percent of the C–5s were inoperable because they needed maintenance or parts. Only 35 percent of the C–141 aircraft were operable for the same reasons. Although this did not hinder the Mid-East airlift effort, it seriously raises doubts on the plane in case of a more massive airlift effort.

We have raised many questions and found few answers to the C–5A chronic problems. We urge the committee to explore these problems and show more oversight of the taxpayers money concerning this plane. Let's not let the C-5A disaster continue to drain the public purse, threaten the public safety, and jeopardize true military combat effectiveness.

The second section of our remarks is on the proposed C–X cargo plane. This year the Air Force has asked Congress for funding of a new cargo plane—known as the C–X. Many of these specifications are similar to the C–5A specifications originally. It seems incredible that Air Force would ask for the new and costly plane in light of the fact that they have not provided Congress or the public with evidence that rapid deployment through airlift is practical or desirable.

One of the arguments put forth for C–5A and C–X instead of commercial alternatives is that these planes can carry tanks. The question we would like to raise is how many planes do we need to carry tanks. We currently have 77 C–5As and the Air Force proposes to have perhaps at completion of the project over 100 C–X planes.

By adding the outsized cargo requirement to the C–X specifications, the Air Force eliminates the possibility of these using already proven commercial alternatives. A fleet of airlift planes designed to be able to carry outsized cargo doesn't seem reasonable.

The other requirement for the proposed C–X cargo plane is the short takeoff or austere airfield specification. This was one of the main specifications for the proposed C–5 cargo plane.

We wonder whether it is realistic to believe that these large ponderous planes can actually be exposed to a combat environment. We ask the committee to call on pilots with wartime experience and ask them how feasible it is to have airplanes of this size fly up to the front lines in the face of enemy opposition.

In 1976 a GAO airlift study concludes that the Air Force has not provided congressional committees or the GAO with specific data on airlift, and it is essential that a comprehensive study of the alternatives of airlift versus sealift versus pre-positioning be accomplished and sent to Congress.

As far as we can assess from public documents, this has not been done.

We also are quite concerned with a chronic lack of credibility on the part of the Department of Defense that extends beyond but is well illustrated by the C–5A and the C–X cargo planes.

The coverup on the part of Lockheed and the Air Force of the cost overuns and technical failures of the C–5A are well documented.

The same people, however, who helped contribute to the coverup to the Congress and to the taxpayers are now in positions of higher authority.

We have asked the Air Force on several occasions for unclassified results of their task force report on the C–X. When we received it we were amazed. After all our efforts, we received this much material—a fact sheet, a speech, an incomplete report that even people well versed in defense jargon we have been told could not understand. We are wondering if there is really any credibility here.

It is all the more concern to us that there are no more Ernest Fitzgerald's to watch for abuses. How can you and the taxpayers believe their figures in the light of horrendous past performance on a similar airplane.

Secretary Brown was Secretary of the Air Force during much of the coverup of the C-5A. Dare we believe him again as head of the Department of Defense. Who is going to watch out for the taxpayer where the soldier whose life may depend on this equipment.

We are concerned that the problem promises to repeat itself with the C-X cargo plane.

We would also like to point out we feel it is highly inappropriate that Senator Nunn, who sits on the Senate Armed Services Committee, is saying that Lockheed's chances for the C-X contract are excellent and is quoted in the Marietta Daily Journal saying,"Lockheed is airlift."

We obviously do not agree. We would like to see some restraints put on this type of spending and the type of incentives created.

NTU Research Director Sid Taylor has formulated what he calls the Fitzgerald law of cost overruns. We feel the same thing may happen again with this plane.

First, it is too early to tell what the plane or system will cost, and second, it is too late to do anything about it. We would like to see Fitzgerald's law repealed perhaps and let's demand some hard facts.

The taxpayer who pays the bill and the soldier who risks his life deserves no less.

Thank you.

The CHAIRMAN. Thank you very much, Mr. Keating.

Mr. Hopkins, do you have any questions?

Mr. HOPKINS. Thank you, Mr. Chairman.

Mr. Keating, on page 10 of your statement you state that the same people who helped contribute to the coverup to the Congress and the taxpayer are now in higher positions of authority.

Who are these people?

Mr. KEATING. Well, specifically, as we pointed out, Secretary of Defense Harold Brown. From what we have been able to find out, he was specifically aware when he was Secretary of the Air Force of many of the cost overruns and had not reported them to the GAO or the committees at the time.

There are a number of people I believe also in Lockheed that have been promoted.

Dina Rasor tells me that the Comptroller of the Air Force was aware of many of these problems, and is still there.

What we could do is make a list for the committee of specific people that took part in the coverup previously, and their positions then and their positions now, both within the Air Force and within Lockheed. We will submit that to the committee later on this afternoon.

Mr. HOPKINS. I would like to have a copy of that.

Mr. KEATING. OK.

[The following information was received for the record:]

NATIONAL TAXPAYERS UNION,
Washington, D.C., March 25, 1980.

Chairman MELVIN PRICE,
Committee on Armed Services, House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR CHAIRMAN PRICE: Thank you for your interest in our airlift testimony on March 14. We have enclosed two documents that we would like to place in the record.

The first document lists the personnel in the Air Force who were involved in the C-5 project and who remain in the Department of Defense. The second document lists Lockheed employees who were involved in the C-5 contract and their current positions in the Lockheed Corporation.

We find it disturbing that most of these people are still in decision making positions concerning defense needs or are potentially receivers of defense contracts. We again point out that we are not accusing any one of illegal conduct but rather of incompetent practices. We hope the committee will closely re-examine our testimony before voting on the C-X cargo plane.

Sincerely,

DAVID KEATING,
Director of Legislative Policy.

Enclosures.

AIR FORCE

1. Hans Driessnack. Then: Col. "T"—secret informer on Ernest Fitzgerald—no damaging material on Mr. Fitzgerald was found. Now: Lt. General—Comptroller of the Air Force.
2. C. C. Laplant. Then: Lt. Col. carried doctored testimony of Mr. Fitzgerald to Proxmire hearings on Nov. 26, 1969.
3. Joseph Cappucci. Then: Brig. General—Office of Special Investigations for the Air Force—admitted preparing misleading file on Ernest Fitzgerald. Now: Brig. General—head of Defense Investigation.
4. Dr. Harold Brown. Then: Secretary of the Air Force. Now: Secretary of Defense.

LOCKHEED

1. Lawrence Kitchens. Then: President of Lockheed Georgia Co. during the C-5 manufacturing. Now: President of the Lockheed Corporation.
2. Roy Anderson. Then: in charge of finance for Lockheed Georgia Co. including financing of the C-5. Now: Chairman of the Board of Lockheed Corporation.
3. Robert Fuhrman. Then: President of Lockheed Georgia Co. during the C-5 manufacturing (succeeded by Mr. Kitchens). Now: President of Lockheed Missile Co. elected Corporate Vice-President of Lockheed Corporation.
4. Paul Frech. Then: Director of manufacturing at Lockheed Georgia Co. during C-5 manufacturing. Now: Corporate Vice President of Lockheed Corp.
5. Vic Alexander. Then: production manager for Lockheed Georgia during C-5 manufacturing. Now: Vice President of Lockheed Georgia.
6. Robert Ormsby. Then: charge of C-5 engineering at Lockheed Georgia Co. Now: President of Lockheed Georgia Co.
7. V. H. Brady. Then: product control division manager at Lockheed Georgia during the C-5 manufacturing. Now: production manager of Lockheed Georgia.

Mr. HOPKINS. Are you suggesting, Mr. Keating, that the now Defense Secretary, Mr. Brown, took part in a coverup? Is that what you are saying?

Mr. KEATING. Yes.

Mr. HOPKINS. Can you document that?

Mr. KEATING. I think some of the documents here will help prove that. We will make further materials available to you.

Mr. HOPKINS. In what way did he cover up?

Ms. RASOR. I think I can answer that question.

It is in Mr. Mollenoff's new book, "The President That Failed." There is a whole chapter on Harold Brown. We have a couple of letters from Dr. Brown. One is a public letter to Mr. Proxmire in 1969 saying that Ernest Fitzgerald's job was not in any kind of jeopardy.

The other letter, which is a memorandum for the record, which just recently surfaced from 1969, says, one, that we have to try to end Mr. Fitzgerald's usefulness to the Air Force. It was very tough language. It was a letter from Harold Brown to incoming Secretary Seamans.

The letter also goes on to say even though the C-5 has cost overruns, there are no technical problems with the plane. According to several people we have talked to, including Mr. Fitzgerald, Secretary Brown sat in on the hearings where Mr. Fitzgerald brought up serious technical problems with the plane.

Mr. HOPKINS. Was Mr. Brown the superior of Mr. Fitzgerald at the time?

Ms. RASOR. He was the Secretary of the Air Force during this time.

Mr. HOPKINS. And Mr. Fitzgerald worked for the Air Force, is that correct?

Ms. RASOR. Yes. He was the civilian cost analysis person.

Mr. HOPKINS. What you are suggesting is Mr. Fitzgerald lost his position in the Air Force because he decided to check the credibility of some of the statements that Mr. Brown had made and may have in fact been putting Mr. Brown in a bad light.

Ms. RASOR. Well, what he did was to tell the Proxmire committee that there was a $2 billion cost overrun. As a result, I think we are all pretty much aware of what happened to Ernie Fitzgerald.

He is probably one of the most famous whistleblowers. He was fired. He sued, and got $8,000 with the legal fees and later he was reinstated. He now currently works in the Air Force.

Harold Brown was Secretary of the Air Force at the time. If you read his book here, he goes through all the briefings that he did, trying to tell them that there are things wrong with this plane.

There were two types of coverup by the Air Force. One was they covered up the cost overruns. But they also covered up the technical defects for a very long time, if you look at the back appendix.

But what I am trying to point out is Harold Brown reportedly knew that this plane had technical problems, and yet at the same time for a memorandum for the record he wrote to the incoming Secretary of the Army saying there are no technical problems with this plane.

That is what we are saying.

Mr. HOPKINS. Mr. Chairman, I don't suggest that our committee in any way be relegated for a trial. But it does seem to me—and I have not been here very long—that perhaps Lockheed, maybe Mr. Brown, ought to have an opportunity to defend themselves against these charges.

I don't have a position one way or the other. Let me make that very clear to you. But in the spirit of fairness, this is very strong language that you are using. In the spirit of fairness, it seems to me that the Secretary of Defense of this country ought to have an opportunity to express himself.

The CHAIRMAN. I would like to recognize the staff. This is not a new matter. This has been discussed many times. A lot of material is in the record on the matter.

I recognize Mr. Hogan.

Mr. HOGAN. That is right, Mr. Chairman. The record over the years is replete with testimony, classified and unclassified, of this committee's look at the C-5 problem, including up to the C-5 bailout situation.

Certainly there would be nothing, I would say, wrong with—if the Secretary wants to comment on the contents of this public record, certainly he could be invited to do that, I would think, sir.

The only thing I would like to make clear—this young lady talked about the reported coverup and you talked about a coverup. Now, which are we talking about? You make a direct allegation that Secretary Brown is involved in a coverup.

As our member has indicated, that is serious, and we would like to see the evidence. I think we ought to go beyond a book that has been written. I think we ought to see what documents you have to support what amounts to a criminal allegation, a felony.

Coming from the Taxpayer's Union, I wonder if your members support that allegation. Could you help me with that a little bit?

Mr. KEATING. We will have more materials to back this up—if the outline doesn't seem to be enough in the book, the appendix, which gives the history of the plane and the statements that were made concerning the plane.

Mr. HOGAN. We are not talking about that. We are talking about the Secretary. You accused the Secretary of a felony.

Mr. KEATING. Well, what we are pointing out is over and over again, on the public record, various committees have been told by the Secretary that the plane is proceeding, all is well, and that sort of thing.

It was also well documented that there were cost overruns at the time, that he had made public statements that the plane was proceeding correctly and without cost overruns.

The crux of our testimony is that Lockheed should not be paid further for their mistakes. We have not been able to find how much money they are getting over marginal cost for this wing modification program. We think that is serious. It is one of the serious questions.

The CHAIRMAN. Mr. Ford?

Mr. FORD. I am just not clear in my own mind. Would you testify as to whether or not you two personally have reviewed all of the documentation and not just a book by Mr. Fitzgerald?

Ms. RASOR. No, I have not even completely read Mr. Fitzgerald's book.

Mr. FORD. Then you have not reviewed the original documentation?

Ms. RASOR. I have gone through everything that is public and unclassified, plus these letters given to us. We are not just saying that Secretary Brown got up and made these statements.

What we are saying is people under him did, people that were in a position to know, and he was in a position to know about this. We are not saying he did it, we just say it is ironic that all this was going on when he was in a position to know.

Mr. FORD. I am sorry, but earlier you did say that he did it.

Ms. RASOR. I should probably retract that. Circumstantial evidence shows. We are just raising the question. We don't have the answers. We don't have access to classified documents.

Mr. FORD. Let me ask Mr. Keating, have you reviewed the documentation personally?

Mr. KEATING. I reviewed most of the documentation and Dina Rasor of our staff is responsible for collecting and compiling all the documentation and doing the research on this.

Mr. FORD. Are you specifically making a charge that Harold Brown covered up? Deliberately covered up?

Mr. KEATING. From what we can see——

Mr. FORD. Just answer my question, whether you are making that charge or whether as she said you would like to retract that.

Mr. KEATING. I am not going to try to say that criminal acts have been implied here or anything like that. What I am saying is generally from the public statements that we can say, the taxpayer has at least been misled, and that the costs have been covered up in the use of that term.

So, in the late sixties and early seventies, it is clear that the costs again and again have not been made public, even though they knew the costs were overrunning.

Mr. FORD. We are not arguing with your testimony on that point. It is quite a different thing to say that than to say one particular individual deliberately carried out a coverup.

I just want to be sure whether or not you are making that particular charge because if you are, it has to be pursued.

Mr. KEATING. We will just confine our remarks—what we are trying to point out today is that in the past the costs have not been fully explored and documented publicly, even though internally they knew the costs were far exceeding what they had claimed.

Mr. FORD. Thank you, Mr. Chairman.

Mr. HOPKINS. Mr. Chairman.

The CHAIRMAN. Mr. Hopkins.

Mr. HOPKINS. Mr. Keating, let me say to you that I appreciate your being here. I am not here to intimidate you in any way whatsoever. Believe it or not, I was your age once.

What I am suggesting to you is perhaps that things that you say before a committee of the U.S. Congress, you ought to be able to back up. If you cannot back them up, don't say them.

So let me just ask you, for your own good—and I think you ought to be brutally frank and honest—are you charging that the Secretary of Defense of the United States of America, Mr. Harold Brown, made a coverup? Yes or no.

Mr. KEATING. We suspect that that is the case, but we are not charging—we will be glad to go over with you personally all the materials that we have at your convenience, or anyone else's convenience.

Mr. HOPKINS. But for the record, you are not making that charge?

Mr. KEATING. No.

Mr. HOPKINS. OK, thank you.

The CHAIRMAN. Does the staff have any further questions?

Mr. KEATING. One final remark. Perhaps it has been misconstrued. We are not making a charge so much as just trying to raise questions concerning this. From what we have seen so far we think there are very serious questions.

The CHAIRMAN. Well, the Chair thanks the witnesses for their appearance here this morning.

The next witness will be Prof. William R. Van Cleave, director, defense and strategy studies program, University of Southern California.

STATEMENT OF PROF. WILLIAM R. VAN CLEAVE, U.S. STRATEGIC FORCE PROGRAMS AND OPTIONS, UNIVERSITY OF SOUTHERN CALIFORNIA

Mr. VAN CLEAVE. Mr. Chairman, members of the committee staff, it is my privilege and pleasure to be here before you to address a matter that I deem to be central to your hearings on the fiscal year 1981 defense budget and of very critical importance indeed.

The strategic nuclear force portion of the Department of Defense fiscal year 1981 budget request and 5-year defense plan describes programs that are too little and far too late in their scheduling to meet the threat facing us in the immediate future.

In recent years, a serious disconnect has grown between the developing threat and the ability of U.S. programs to keep pace with it and still accomplish those objectives specified by declaratory strategic policy.

Even if we rely on analyses provided by DOD—which I believe to understate our problems and to be questionably optimistic about the timing and effectiveness of current programs—we will see a serious trough of U.S. strategic inferiority facing us in the early to mideighties.

There is justifiable concern that if we allow this to occur it would present a window of opportunity to the Soviets where military advantage might be turned into political and economic gains detrimental to our interests.

This loss of essential equivalence is particularly threatening because it will be characterized by dangerous vulnerabilities in major components of our deterrent forces and by a substantial disparity in the ability to threaten—or to counter threats of—nuclear war.

This cannot help but reduce the effectiveness of all U.S. military forces, and also to influence negatively the determination to use these forces. The implications for American security interests are obvious.

Administration officials have acknowledged that Soviet strategic capabilities are more rapidly outgaining, and even surpassing, those of the United States than anticipated in program planning. But our own strategic force planning proceeds at a rather leisurely business-as-usual pace.

In the fiscal year 1980 DOD report Secretary Brown stated that "* * * our most serious concerns, which we need to act now to meet, are about the period of the early to mideighties."

The fiscal year 1981 report of the Joint Chiefs of Staff warns that we face "* * * a period of particular risk in the early 1980's * * * before U.S. initiatives now programed can take effect."

You have heard General Jones testify that the Soviets have "at least strategic equality" today; that their relative momentum will give them an advantage in most of the major strategic force comparisons in the early 1980's; and that "this progressive shift in the strategic balance will continue into the latter part of the 1980's."

General Ellis recently presented supporting analyses depicting this in the most somber terms.

This situation has developed as a result of a determined Soviet effort to achieve strategic superiority at the same time that U.S. strategic programs have been unilaterally delayed, constrained by SALT, or canceled outright.

While our strategic nuclear force spending has been declining during the SALT decade, that of the Soviet Union, which was already double our annual rate at the beginning of the decade, has been increasing.

The fiscal year 1981 defense report states that Soviet annual SNF outlays reached 3.3 times our own by 1978, and many believe that to be a conservative estimate. Secretary Brown warned last year that this gap between United States and Soviet efforts could not be allowed to continue without a dangerous weakening of the U.S. deterrent.

Yet; it does continue. Despite all evidence of the urgency of the problems we face, and despite what President Carter terms a "dramatic change in my own opinion of what the Soviets' ultimate goals are," the funding requested in the fiscal year 1981 budget for SNF programs remains low.

If the Soviet Union has outspent us on strategic force capabilities during the past decade by $150 to $200 billion and is continuing to put over three times the resources into strategic forces as we, how do we close the gap and avoid, in a timely fashion, this dangerous weakening of our deterrent?

The fiscal year 1980 and fiscal year 1981 DOD reports, under the rubric of a countervailing strategy—"the name is newer than the strategy," acknowledges the fiscal year 1981 report—set forth quite ambitious objectives and requirements for our SNF.

Given current programs and funding, I do not believe there to be much realistic likelihood that our forces will meet many of those criteria in the decade ahead. I am seriously concerned that they may not safely meet even more modest ones.

Strategic and crisis stability are not assured for the period of the early to mideighties. That period, at least, given the present business as usual approach, will be one of strategic inferiority and insecurity.

Is there nothing that can be done to avoid this? Current programs, supported by official statements, imply that we can do very little to change the situation until the late 1980's.

In his fiscal year 1980 report General Jones pointed out with apparent agreement that many now believe that regardless of U.S. actions, Soviet strategic capability will continue to increase relative to that of the United States through the mideighties.

I do not agree. There are options available to strengthen our SNF more rapidly than now planned, and to reduce significantly the disadvantages and risks we now face in the coming years.

These cannot be accomplished by miniscule increases in spending, but neither are the costs anywhere near economically prohibitive. Mostly it is a matter of determination.

In my view the highest national priority should be given to identifying and fixing the weaknesses in our strategic posture as rapidly as possible. Minor percentage increases in defense spend-

ing, even if real rather than fictional, and our normal approach to SNF modernization will not retrieve the situation in time; and if not in time, perhaps not at all.

At this point of time a new departure is called for, a more vigorous effort based upon a prudent appreciation of the urgency of the situation.

In the fall of 1977 a group of defense specialists, concerned that the disparity in the strategic programs of the Soviet Union and the United States would produce this period of insecurity more quickly than anticipated, formed the strategic alternatives team, under my chairmanship.

The team's principal concern was with meeting a Soviet threat that seemed very likely to reach unacceptable dimensions in the early to mideighties well before the United States could respond given ordinary programs, funding and lead times.

The task the team set for itself was to see whether options do exist to improve our SNF more rapidly than planned. Our initial focus was on options that might produce significant results within 1,000 days. These came to be called quick fixes.

Some of the team's work was presented early last year in a book published by the National Strategy Information Center: "Strategic Options for the Early Eighties: What Can Be Done?"

An update was presented in my October 1979 SALT testimony before the Senate Armed Services Committee, and I have appended to my statement today a summary of selected examples.

My major point, and that of the strategic alternatives team, is that whatever one's preferences among these options, we do have a variety of actions that could significantly improve our strategic posture effectively and in a much more timely fashion than the course upon which we are now embarked.

The strategic alternatives team's work has apparently had some success in arousing or reinforcing interest outside of the U.S. Government. Within the Government, however, there is little evidence that the work or its general message, which has not been refuted, have had any impact on policies or programs.

When officials have been moved to articulate some reaction, it has generally been to dismiss quick fixes as unnecessary, unreliable or simply uninteresting.

Nearly the 1,000 days that we initially adopted as a time frame have passed since the strategic alternatives team was initiated, and little has been done, while the threat has grown closer.

Despite a sea change in national awareness and public attitudes toward defense, administration restraint in the face of the continued Soviet buildup has persisted. Strategic programs have been characterized by low funding, delay, indecision, and an apparent concern for the 1990's, perhaps based upon mistaken resignation about the 1980's.

The time wasted has certainly reduced our ability to do much about the next 2 or 3 years. The trough or bathtub shown in analytical comparison charts will necessarily deepen during that time.

But I believe that we can more effectively, more rapidly, and more certainly pull out of it if we undertook a concerted program

of SNF quick fixes along the lines suggested by the strategic alternatives team.

Before turning to the strategic nuclear force problems and options, I should clarify the nature, purposes and limits of strategic force quick fixes.

Quick fixes to our SNF, simply stated, are worthwhile improvements that can be more rapidly achieved, compared to what are now regarded as normal program leadtimes. Such quick fixes are not necessarily easy, cheap or short lived in their effectiveness. In no way should they be disparaged by derogatory references to bandaid approaches.

Their emphasis, however, would be on what can be accomplished rapidly, to meet urgent problems rather than what may seem optimal in the longrun. That does not, however, mean that there need be an incompatibility between quick fixes and long-range considerations.

On the other hand, this approach does not imply strategic force requirements can be met and sustained by quick fixes alone. Quick fixes are not alternatives to sensible but more time consuming modernization programs. They would supplement, not supplant, less hasty approaches.

Their purpose is to enable a safer pursuit of long-range solutions, and to help hedge against the failure or delay of long-range programs, by helping us cross the dangerous period between now and the long term.

I need not remind this committee that our recent record of accomplishment based upon major long-term programs is not good. The larger, the more expensive and the more time-consuming the program, it seems, the higher the risk that it will not be successfully carried through as originally planned.

Equally important is the consideration that small force problems tend to be ignored, to grow and accumulate, to the extent that attention and funding are focused on a very few, favored major programs.

To protect major programs there is a tendency—encouraged, of course, by the stringent budget limitations forced upon the Soviets—to be parsimonious in the time, attention and funding devoted to other problems and programs.

It is time that we look with a sense of urgency to the problems at hand and to ways to alleviate as many of them as possible, as rapidly as possible.

More consideration should be given to a larger number of less costly and less time-consuming improvements or fixes, both to meet urgent threats and because these may turn out to be the most likely to survive budgetary, environmental and other political pressures.

I need not detail to this committee the pressing problems with our SNF. The extreme vulnerability of our ICBM force in the immediate future is clear and officially acknowledged.

General Allen's recent letter to Chairman Price states emphatically that "survivability of our ICBM force is our foremost objective." However, the United States has no program to meet the threat as it arises or for several years thereafter and, unfortunately, even the program currently designed to relieve the problem by

the end of the decade is the product of indecisiveness and is best with uncertainties.

It is quite possible that the racetrack or loading dock system would succeed operationally as the Air Force maintains it, but it does not stand the critical test of timeliness, its project costs are suspect, and I believe it faces severe, time-consuming political and environmental obstacles.

Some have even suggested that the administration expects it to self-destruct after the fate of SALT II and the Presidential election have been determined.

If that is the case and we have provided ourselves no hedges against it, we are set on the road to launch on warning, a reckless and uncertain course of action that no nation with our resources should ever need to resort to in desperation.

In my view, then, the money requested by the administration for the overall ICBM modernization program should be authorized; indeed, it should be increased.

I would like to see the M-X missile development proceed as planned, but I would also like to see a serious R. & D. effort this year devoted to canisterizing and upgrading Minuteman III and the beginning of a major concurrent development effort for a new, smaller ICBM, which might lend itself more readily to concealment and mobility measures.

On the basing, for this year, to hedge against a different political decision on basing—hardly unlikely given the number of changes over the past year—I believe that R. & D. should go roughly equally into the presently planned system and into keeping the vertical MPS system viable, while reducing the leadtime for both.

This, I believe, would provide a more prudent hedge than locking ourselves into the current system alone, while ignoring entirely the interim possibility of rebasing Minuteman III in vertical MPS around existing deployment sites.

For myself, and speaking for the strategic alternatives team, I continue to believe that the latter option is still the most timely, the most cost effective and the most likely to succeed as a program.

A year ago General Allen wrote this committee stating that:

> Modifying a Minuteman III for deployment in vertical shelters requires only about 2 years. Consequently, the pacing item in this case would be development and deployment of the basing mode, both for IOC and FOC.

Vertical MPS basing could probably be provided fairly shortly thereafter.

Focusing on the ICBM vulnerability problem tends to divert attention from other force problems, which are perhaps equally severe and urgent. The B-52 force has serious, commonly understated deficiencies that badly need a range of quick fixes if we are to maintain this force in a useful role.

The force is maldeployed for prelaunch survivability; real alert rates are far too low; reaction and escape times are inadequate; warning and communications systems are fragile; nuclear hardening is soft; and the prospects of penetration of Soviet air defenses without major fixes may be somewhere between very low and nil.

Penetration possibilities in the mid-1980's should not be evaluated on the basis of DOD and Air Force studies. It is instructive that in recent Senate testimony SAC Commander Ellis admitted that

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the majority of programs necessary to meet the penetration rates projected for 1985 are not even funded in the 5-year defense plan.

Bombers assumed to be capable of base escape are dependent upon tankers for refueling, and lack retainability over time. The fixes now planned for the force, essentially improved avionics and ALCMs, cannot correct these problems.

We need a new strategic bomber—a B-1 or B-1 derivative, in my view—but the B-52 G and H force could be a viable and potent force, both in the interim and, as dedicated cruise missile carriers, over a longer term if fixes are provided to those problems.

As for the third leg of the triad, the Fleet Ballistic Missile Force, the problems seem less pressing, except for shortcomings in command, control, and communications.

That may be, however, because information pertinent to SSBN vulnerability is too closely held and tightly compartmentalized to permit independent analyses, and our knowledge of Soviet ASW is not complete.

It may also be because we tend to evaluate threats in terms of near simultaneous destruction rather than attrition over time, despite the fact that we regard the SSBNs as a retainable reserve. The peacetime alert rate is low, C^3 improvements are urgently needed, and the force requires more flexible targeting capability.

There are other examples of major strategic deficiencies requiring immediate attention; particularly our warning, information, command and communications systems, continental air defense, and civil defense.

Serious shortcomings and vulnerabilities in our warning and C^3 systems have increasingly been acknowledged. Air defense acquires increased importance due to the Backfire threat.

Civil defense, in my view, is a serious national weakness meriting priority attention in any consideration of quick fixes. It is important both for its intrinsic value and in view of the enormous disparity between the Soviet Union and the United States in this capability. It magnifies other disparities and could take on critical dimensions in crisis decisionmaking and ultimately in deterrence.

Since we are addressing programs and funding in the current fiscal year 1981 defense budget and 5-year plan, the following suggestions include actions that are truly quick fixes—that is, measures that could be significantly effective in about 3 years—and programs that should be undertaken immediately, but that would not have significant payoffs until sometime after 3 years.

Some of these suggestions involve accelerating or redirecting existing programs. Others suggest different programs or priorities.

I would only close by reiterating that our problems are great, but that resignation to them or fatalistic acceptance of them is not necessary.

With funding and determination they might yet be met before time escapes us. I would remind you of a letter to the London Times, written by Churchill's principal scientific adviser in August 1934:

> To adopt a defeatist attitude in the face of such a threat is inexcusable until it has definitely been shown that all the resources of science and invention have been exhausted.

The problem is far too important and too urgent to be left to the casual endeavours of individuals or departments. The whole weight and influence of the Government should be thrown into the scale to endeavour to find a solution.

All decent men and all honourable Governments are equally concerned to obtain security * * * and to achieve it no effort and no sacrifice is too great.

Thank you.

[The following information was received for the record:]

SUMMARY OVERVIEW: FISCAL YEAR 1981–85

Development of the MX Missile with Concurrent Development of:
(a) Canisterized Minuteman III.
(b) Upgraded Minuteman III.
(c) New, smaller ICBM.
R&D on ICBM Rebasing (in Fiscal Year 1981):
(a) Areas common to Vertical and Horizontal MPS.
(b) Reduce lead time on both Vertical and Horizontal MPS.
Accelerate rebasing for Minuteman.
Upgrade Minuteman III accuracy, reopen production, deploy more.
Equip all Minuteman III with MK12–A.
Rebase, Re-engine, Harden, and Increase Alert B–52 force.
Accelerate and Increase production and deployment ALCM, SLCM, GLCM.
20–28 ALCM on all B–52 Gs.
Produce B–1A.
Accelerate Trident I missile for deployment entire Poseidon submarine force.
Retain Polaris submarines and equipment with SCLM.
C^3 redirected program, double budget.
Enhance Civil Defense program.
Continental and Expanded Theater Air Defense Program.
Accelerate ABM RDT&E, initial focus on an ICBM supplemental defense.

The CHAIRMAN. Thank you very much, Professor.

Mr. Hopkins, do you have any questions?

Mr. HOPKINS. No.

The CHAIRMAN. Does staff have any questions?

Mr. HOGAN. I think your statement speaks for itself, Doctor. Very lucid and clear and understandable. I certainly appreciate your coming.

Mr. VAN CLEAVE. Thank you. It has been my pleasure.

The CHAIRMAN. Thank you very much. I think you have given the committee some valuable information and raised some good points that we will consider as we go through our markup.

Thank you.

Mr. VAN CLEAVE. Yes, sir.

The CHAIRMAN. We have received a statement for the record from Congressman Norman F. Lent and it will be included in the record at this point.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., March 13, 1980.

Hon. MELVIN PRICE,
Chairman, Committee on Armed Services,
Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a statement for inclusion in the hearing record on H.R. 6495, the fiscal year 1981 Department of Defense Authorization Bill.

Thank you for your kind consideration in inserting these remarks in the hearing transcript.

Sincerely,

NORMAN F. LENT,
Member of Congress.

Enclosure.

Written Statement of Hon. Norman F. Lent, a Representative From New York

Mr. Chairman, I wish to commend and thank you and the Members of the Armed Services Committee for providing this opportunity to comment on the Administration's proposed Defense Department budget for fiscal year 1981. On September 21, 1979, I wrote a letter to the President to express my concern for Secretary of Defense Brown's announced decision to halt a number of Navy aircraft programs which I believe are vital to our national defense. Specifically, I urged restoration of the A-6 to production, increased procurement of the EA-6B aircraft, and increased procurement of the F-14 to a rate of 36 per year, up from 24.

I did so because I am convinced that any alleged "surplus" of A-6's has been artificially created by reducing squadron size, and that the EA-6B is a necessary electronic warfare aircraft as well. Furthermore, I believe that increased procurement of the F-14 is absolutely necessary to sustain the 18 squadrons needed by the Navy without depleting the inventory of these fighter aircraft on which our maritime superiority depends. Since that time, the Iranian hostage situation and the Soviet invasion of Afghanistan have underscored the importance of our national defense and I am disturbed that the Administration has responded with a proposed budget that does not meet our basic minimum needs, particularly insofar as aircraft acquisition is concerned.

My concerns are shared by many of our military experts. Testifying before this Committee on January 31, 1980, Secretary of the Navy Edward Hidalgo said that this budget does not even offset peacetime attrition of combat aircraft. "Only if we fully achieve planned future aircraft acquisition increases will we close the gap on both attrition and age in the strike force. Even then, we must continue to live with an inventory, in important segments of our aviation community, that does not support our insufficient forces, and as adequate maintenance pipeline." Also expressing these concerns was our Chief of Naval Operations, Admiral Thomas B. Hayward: "* * * I am personally disappointed with the procurement funding of the fiscal year 1981 budget, particularly the inadequate aircraft numbers * * *"

At the root of my immediate concern is our dependence on imported oil. Because the entire Middle East region is so important to the United States and our allies, American interests absolutely dictate that the region cannot be permitted to come under the domination of a hostile power. Middle East oil is, and will be for some time to come, necessary to the world economy and its continued availability must be assured. The present position of dependence on Middle East oil is one of dangerous vulnerability because decisions on both access and on price are not in allied hands.

A look at a map showing the worldwide oil flow printed in the Department of Defense Annual Report, fiscal year 1981, convincingly outlines the importance of maintaining open sea lanes. The Straits of Hormuz are a vital "choke point" through which about 60 percent of the oil destined for the western nations moves every day. Traffic is heavy—about 77 ships a day (roughly one ship every 19 minutes) negotiate the narrow strait, and most of them are oil tankers. Currently, Oman's tiny navy is charged with guarding this increasingly vulnerable waterway. It is increasingly vulnerable because of an increased Soviet presence in Ethiopia, Angola and Mozambique, the last two countries having airfields that can accommodate the Soviet Backfire Bomber—a supersonic jet equipped with anti-ship missles. This military threat also jeopardizees our access to South Africa, which has many of the strategic raw materials on which we depend—chrome ore, gold, manganese ore, fluorospan and platinum. As well, there are intelligence reports indicating that as many as a dozen Soviet nuclear submarines are docked in South Yemen, along with several surface warships and destroyers.

It is clear that steps must be taken to counter this growing Soviet presence and one way we can do that is add these items to the bill which will guarantee naval supremacy in the future. We need to add on 12 F-14's, 12 A-6E's, and 3 EA-6b's.

F-14

According to Secretary of Defense Brown's testimony of January 29, 1980, perhaps the greatest threat to keeping those vitally important sea lanes open is the Soviet Backfire Bomber—a threat which "will exceed the menace of submarines." He pointed out that "(w)e lack an adequate defense against massed bomber and missile attacks. How well we can now counter the threat with land-based and carrier based aircraft and Aegis-equipped ships remains to be seen." The Pentagon estimates that the Soviets already have built about 100 Backfire swing-wing bombers, and are building 30 new ones a year.

Had I had an opportunity to question Secretary Brown, my query would have been this: Why, when we have an aircraft equipped with the Phoenix missile system

which is now our only defense against the Soviet Backfire Bomber, and which is designed to insure maritime air superiority, is this Administration calling for funding for only 24 F-14's, rather than the procurement of 36?

I agree with Admiral McDonald who said "The F-14A Tomcat and its integral Phoenix missiles combine to form a fighting system that is without equal in the world today. * * * This system is the keystone of our naval presence in any confrontation with the Soviet Union. * * * This aircraft provides the Navy with a truly superior fleet defense aircraft, the only aircraft in our current inventory capable of successfully engaging the Soviet Backfire Bomber."

Recently, the Administration reduced the total F-14 production program from the previously established 509 aircraft to 479. Contrary to Congressional direction, procurement would be limited to 24 aircraft per year for fiscal year 1981-82, decreased to 12 in fiscal year 1983, and terminated in fiscal year 1984 with 6. Congress partially arrested that cut-back last year, but again this year, the Administration is seeking only 24 F-14's.

The implications of this move are grave. It precludes maintaining the approved F-14 force level beyond 1987. If current proposals are implemented, only 9 of the Navy's 12 airwings could be outfitted with F-14's, leaving 3 with only minimal capabilities to engage in maritime air superiority/sea control and power projection missions. What is even more disturbing is that there is no other available, under development, or even planned which matches the total weapon system performance of today's F-14. As I see it, our only viable fighter alternative during the next 20 years is increased F-14 procurement. To do otherwise only diminishes long-term Navy fighter capabilities, and increases per unit procurement costs, neither of which are prudent steps for this Congress to approve.

Although the F-14 aircraft armed with AIM-54A Phoenix missiles is the only effective weapon for fleet air defense, I further understand that the current inventory of AIM-54A Phoenix missiles is woefully inadequate—far below required levels, and projections show little change in the inventory posture over next five years. The fiscal year 1981 budget includes funding for only 60 Phoenix missiles. The Navy fires half that many each year just for training and test purpose. We need to increase the procurement of Phoenix missiles. Without adequate quantities of these missiles onhand, the F-14 cannot defend the carrier battle groups against air attack.

I believe the Naval experts are committed to increased F-14 procurement. Admiral McDonald has confirmed my fears for the Administration's budget request by testifying that "(t)his program will not provide the aircraft we perceive essential to meet the threats to the Battle Groups of the future." The word "essential" is important because it means vital and requisite, not merely nice to have. We cannot let our armed forces down and I urge this Committee to authorize an add-on of 12 F-14's to the fiscal year 1981 DOD procurement bill.

A-6E

For the past 15 years, the U.S. Navy and U.S. Marine Corps have been procuring and utilizing the A-6E tactical aircraft which can operate either carrier based or land based and is the only all-weather/night attack aircraft in production in the free world. This aircraft can deliver several tons of bombs with accuracy at a range of 600 miles regardless of the weather or visibility, and its capability has been demonstrated in combat conditions in Vietnam. Testimony of Navy and Marine Corps experts clearly indicates their desire to keep the production line open. General Robert H. Barrow, Commandant, U.S.M.C., stated "(t)he Marine Corps, due to aircraft inventory and budget constraints, has been forced to reduce its A-6E force structure by decrementing about 17 percent of its all-weather attack capability. The six A-6E aircraft provided by the fiscal year 1980 budget have helped but have not resolved the problem. I am concerned that adequate all-weather close air support be available to our Marines on the ground." General William J. White, Deputy Chief of Staff for Aviation, went one step further in his testimony saying "* * * that adequate close air support in periods of darkness and during inclement weather will not be available to our Marines on the ground" without continued procurement.

At a time when the Congress is looking into our rapid deployment forces and assessing the overall role of the Marine Corps in meeting our present and future military requirements, I find it impossible to understand the rationale behind the Administration's plan to eliminate this program entirely at this time.

If the production line is allowed to shut down for a year, it is estimated that the cost to restart it would be between $50,000,000 and $100,000,000. Furthermore, in that time frame, the people currently making this product would disband, and new people would have to be trained to fill the jobs which would result in an even higher cost of the end product.

Vice Admiral Wesley L. McDonald, U.S. Navy, Deputy Chief of Naval Operations (Air Warfare) is well aware of the fiscal realities, though I differ with his conclusion. With regard to cutting off production of the A-6E, he said "It is here that we have come under fire—but candor compels the observation that we cannot do more within our available resources. . . . The price we pay is high unit costs as a result of low rates of production. It is not the course of action we would prefer, but one which we must face due to hard fiscal realities."

Mr. Chairman, a look at the fiscal realities I have just mentioned underscores the importance of maintaining the production line for this aircraft, which is the only one of its kind in the western world, has virtually no competition, and has a solid record of effectiveness over the past 15 years. Even today, both the Navy and Marine Corps are operating at 10 aircraft per squadron vs. the 12 aircraft per squadron they need and want. There are no A-6 aircraft in the reserves and the Navy has indicated they would like to have some to modernize the reserves and make them combat capable. We need to keep the production line open so that the Navy can proceed with its intent to train its reserves for combat readiness. Keeping that line open is our only recourse.

EA-6B

Finally, I would like to add a word about my concern that this Committee authorize an additional 3 EA-6B's to the 3 which are budgeted by the Administration. This aircraft, the Prowler, is the only combat proven tactical electronics-jammer aircraft currently in production. Here again, Admiral McDonald spoke of this aircraft in glowing terms. "Its capabilities are impressive and its indispensibility in combat is a matter of record. * * * The EA-6B Prowler operates in one of the most complex, demanding and rapidly changing environments in modern operations: electronic warfare (EW). The Prowler is dedicated to airborne EW—I mean that the aircraft and its crews have no additional missions. They work solely in the EW scenario; and they become highly skilled in its disciplines—I believe they are the best in the world. * * * The quality of our EW support can be testified to by any Navy pilot who has flown in hostile areas with intense EW threats. * * * The successful suppression of opposing systems will provide an acceptable degree of survivability for both airborne strike forces and ships at sea. The EA-6B Prowler provides this essential service." Then why is the Administration proposing procurement of only 3 EA-6B's?

What is more convincing evidence testifying to the importance of this aircraft is the fact the administration's cutbacks on this program prompted the Chief of Naval Operations to send a handwritten letter to the Secretary to express his deep concern for the direction which the Navy-Marine Corps EA-6B program decision is going. In his eleventh hour plea, he wrote "I do not understand the lack of appreciation for the tactical importance of airborne jammers represented by the EA-6B. In my professional judgment, it would be a grave mistake to terminate the procurement at present levels. We will need this capability throughout this century, at least—in all probability the requirement will become more urgent, not less. I urge you to support continued production in fiscal year 1981 in keeping with your earlier APDM decision." Concurring in this position is General White: "Additional aircraft are needed to assure our ability to maintain this force level as normal attrition will require eventual reductions in the aircraft we operate with the concomitant degradation in electronic warfare support available to our Marine forces. In view of the growing Soviet SAM and fighter threat, I strongly support the continued procurement of the EA-6B. In my estimation the EA-6B in sufficient numbers represents the key to success on the modern battlefield."

The testimony of our naval experts with respect to these aircraft convinces me that this Committee should make these needed improvements in our aircraft procurement authorization. I appreciate this opportunity to submit my remarks on this legislation.

The CHAIRMAN. That concludes the hearing for the balance of this week. The committee will recess subject to call of the Chair.

[Whereupon, at 11:35 a.m. the subcommittee adjourned, subject to call of the Chair.]

THE PRESIDENT'S PROPOSED REVISIONS TO THE FISCAL YEAR 1981 DEFENSE BUDGET

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Tuesday, April 22, 1980.

The committee met, pursuant to notice, at 10:05 a.m., in room 2118, Rayburn House Office Building, Hon. Melvin Price (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order.

Good morning, Mr. Secretary.

Mr. CLAYTOR. Good morning, sir.

The CHAIRMAN. The members will recall that just before the recess, after completing most of our work on the markup of our authorization bill, we determined that we would delay final action on the bill until we had a chance to hear the administration's proposed budget amendment.

We begin that hearing today, and our first witness is Hon. W. Graham Claytor, Jr., the distinguished Deputy Secretary of Defense. This afternoon and tomorrow we have scheduled one witness from each of the services to talk about their specific program changes within the various service accounts.

It is my hope that we can complete the discussion of these proposed changes today and tomorrow and vote on finally reporting the bill on Thursday morning.

As mentioned in the weekly notice, there is important business on the floor this week, and we will be prepared to interrupt our hearings when Members need to be on the floor. Specifically, this afternoon the House takes up the very important vote on the appropriation to commence registration under the Selective Service Act. The committee will suspend its meeting while this matter is before the House. On Wednesday and Thursday the House is scheduled to take up the first concurrent budget resolution. The committee will not attempt to meet when the budget resolution is being considered under the 5-minute rule.

It is to be kept in mind that there are two parts to the President's budget revision. The first part, which we are principally concerned with in seeking to take final action on the authorization bill, is amendments to the fiscal year 1981 budget. The administration proposal includes both additions and reductions, but calls for a net increase of $2.9 billion.

As far as the authorization bill is concerned, most of the increases are the result of small increases in various programs for inflation. The reductions are reductions in specific programs or categories of programs. The proposal calls for a net increase in the request for authorization for title I of our bill of $93 million and a net decrease in title II of approximately $10 million.

The second part of the administration proposal is changes in the fiscal year 1980 budget. This involves proposals for deferrals and transfers of budget authority which are, under the Rules of the House and the Congressional Budget Act, referred to the Appropriations Committee.

We will want to know from the Secretary and from the service witnesses who follow him how these fiscal year 1980 proposed changes might affect the fiscal year 1981 program which we had previously approved for authorization.

Finally, we should remember that a significant part of the budget changes will involve military construction, which will be considered separately by Mr. Nedzi's subcommittee when his subcommittee completes its markup on the military construction authorization bill.

Now we will hear from Secretary Claytor.

Mr. Secretary, please.

STATEMENT OF HON. W. GRAHAM CLAYTOR, JR., DEPUTY SECRETARY OF DEFENSE

Mr. CLAYTOR. Thank you very much, Mr. Chairman.

It's always a pleasure and a privilege for me to appear before this committee. This morning I will discuss the fiscal year 1981 budget amendment recently submitted to the Congress.

I have with me on my right Dr. William Perry, Under Secretary of Defense for Research and Engineering, and on my left Mr. John Quetsch, our Acting Comptroller.

When Secretary Brown presented the administration's fiscal year 1981 Defense budget request, and five year defense program to this committee in late January, he described our fundamental policy and program objectives.

First, the preservation of essential equivalence between United States and Soviet strategic nuclear forces.

Second, the deterrence of either conventional or nuclear war between NATO and the Warsaw Pact through the preservation of the military balance on the continent of Europe.

Third, a clear and impressive ability to move substantial forces rapidly to aid our allies and other friends anywhere in the world; and

Finally, maintaining the most powerful Navy afloat.

The fiscal year 1981 budget, as submitted, provided for real growth in the fiscal year 1981 program of 5.4 percent in total obligational authority over fiscal year 1980. Over the next 5 years, the increased defense program the administration proposed corresponds to a real growth rate—as we calculated it when the budget was prepared—of just over 4.5 percent annually. This accelerated rate of growth was, and is, necessary to assure that the four major objectives just mentioned are accomplished.

In this connection I want to emphasize that the only true long-term measure of real growth in a complex operation such as Defense is TOA—not outlays. In a given year, outlays necessarily vary with many factors, including spending rates under a wide variety of contracts, production delays or lack thereof, and the like. It is accordingly impossible to predict in advance with any precision what outlays will be for any given period, and this variation

from year to year can give a very distorted short-term picture. Accordingly, we intend hereafter to emphasize TOA in determining our real growth from year to year.

In the January hearing Secretary Brown cautioned that, although the program was based on a somber and realistic national security appraisal, it was neither risk free nor immutable and would remain under constant review. He noted that the program may well have to be changed as world events continued to unfold—and that we would have to act to preserve the program if inflation were greater than forecast.

I am here this morning to share with you our conclusions arising from the administration's continuing defense budget and program review, which has been conducted against the backdrop of three major developments—one international and two domestic—that have occurred since the budget proposal was prepared and presented to you in midwinter.

The Soviet invasion of Afghanistan. The U.S.S.R.'s willingness to commit substantial Soviet military forces outside the Warsaw Pact area, and their apparent intention to sustain a large presence in Southwest Asia, has lent new urgency to some of our programs, such as those associated with Rapid Deployment Forces. It has also required us to expand our operations and presence in the Indian Ocean for the foreseeable future. These changes require additional resources.

Second, adjustments for inflation. Recent cost experience and realistic economic assumptions compel us to revise some figures in the fiscal year 1981 budget proposal, to preserve programs in the face of inflation.

Finally, the anti-inflation program. This includes a balanced 1981 budget, with program reductions throughout the Government. Defense is no exception to this reduction policy, though the dollar reductions from program are only a fraction of the real increases over fiscal year 1980. We are preserving real growth.

Accordingly, the administration has submitted an amendment to the fiscal year 1981 defense budget request. For the same reasons, we have also submitted an additional supplemental to the fiscal year 1980 budget.

The fiscal year 1981 amendment seeks an additional $2.9 billion to pay for increased fuel costs. We also need to adjust programs already in the budget to finance approximately $1 billion in purchase inflation and some $619 million for increased Indian Ocean operations and Rapid Deployment Forces-associated actions that changed events have made prudent.

We all recognize that inflation, if allowed to proceed unchecked, would profoundly distort the program and could fatally impair our ability to achieve our defense objectives. Recognizing the importance of early and successful control of inflation, the Department will share in the President's program to increase Federal budget discipline by absorbing $1 billion of inflation's effects through general belt tightening and reductions in fiscal year 1981 and prior year programs. Moreover, we will offset the $619 million program increase with other program decreases. Hence, the net additional budget authority requested is $2.9 billion.

I will briefly discuss each of the component parts of the amendment.

FUEL AND NONFUEL INFLATION

Excluding higher fuel prices, which we will consider separately, the Defense program for fiscal year 1981 will experience about $1 billion more of inflation than was projected in January when the fiscal year 1981 budget was presented. This applies only to the portion of our budget that is spent directly in the private sector for purchases of goods and services. Based on revised economic assumptions, our current estimate of the inflation rate for DOD nonfuel purchases in fiscal year 1981 is 9.9 percent as compared to the 8.9 percent estimated in the January budget. This means that it will now cost us $1 billion more to purchase the same goods and services, excluding fuel, which is so important that it will be considered separately.

Defense fuel purchases are approximately 90 percent of the Federal Government total. Defense is, and will remain, the most fuel-intensive Federal Department, despite our increasingly successful efforts to reduce consumption where that can be done without affecting our capability.

Late last fall, as the final 1981 budget decisions were being made, the price of fuel began to climb at a very rapid rate. In December, about the time we were making our final budget decisions, the OPEC countries were holding a meeting which ultimately resulted in a sizable increase in the posted prices for crude oil. It was then apparent that our estimated fiscal year 1981 cost of $26 per barrel for refined products was inadequate, but the unsettled condition of the world market made it impossible to arrive at a reasonable prediction of fiscal year 1981 fuel costs. The world market appears to have stabilized in recent weeks. Although any prediction of fuel prices in the midst of the unsettled Middle East situation is subject to significant change, we now believe that the fiscal year 1981 budget should be priced at approximately $41.50 a barrel of finished product. This will require an additional $2.9 billion in fiscal year 1981 for the approximately 182 million barrels of fuel consumed annually by the Department of Defense.

INDIAN OCEAN OPERATIONS AND RDF INITIATIVES

Due to the situation in Southwest Asia, we must plan to maintain an increased naval presence in the Indian Ocean in fiscal year 1981. This significant deployment was not reflected in the fiscal year 1981 President's budget. The budget amendment, therefore, includes about $215 million for this operation. These funds will finance incremental ship transit costs, a higher tempo of operation for deployed forces, and certain logistic support functions at Diego Garcia.

In order to enhance our Rapid Deployment Forces capability we are establishing during fiscal year 1980 an intheater logistic presence in the Indian Ocean. The amendment includes funds—about $85.3 million—to support this initiative in fiscal year 1981. These funds will finance the charter and operating cost of a seven-ship pre-positioned force afloat in the Indian Ocean, available to deploy to a designated point to provision combat troops who would have

been deployed by airlift. This afloat force would provide for in-theater unit equipment and supplies to support a Marine brigade, now estimated at about 12,000 men, and several Air Force fighter squadrons. For the Air Force, $113.5 million is requested for construction of operational facilities—aprons, runway barriers, hangars and the like—and additional storage facilities for fuel and ammunition. For the Navy, we are requesting $35 million for construction of storage facilities and operational facilities—runway markings, tiedowns, navigation aids, pier-side huts, small boat landings, storage facilities for POL and open cargo, and a covered cargo terminal. For facilities at Diego Garcia, we are requesting $104 million for Navy and $23.7 million for Air Force for operational facilities consisting of site preparation, a wharf and support building, including storage facilities for ammunition and hazardous/inflammable materials, and a cargo terminal. Also included is $11.9 million of which $5.9 million is Army and $6.0 million is Navy for planning and design of these types of facilities. All of this and several other minor items add up to an addition to our fiscal year 1981 budget of about $619 million, as mentioned above.

I might also add that we are actively investigating the possibility of insuring the availability to the Department of Defense of modern, high-speed SL-7 class container ships.

OFFSETTING ACTIONS

All of these unbudgeted increases that I have just discussed—including inflation—total $4.5 billion. However, the severe economic climate requires that we examine the Defense budget to find those areas where general belt tightening is possible without too much damage to the real muscle of Defense or hindering our projected buildup of combat capability. As a result of that examination, we are taking action to curtail $1.6 billion of other Defense programs. For example, we will take the following actions:

CIVILIAN HIRING LIMITATION

Beginning March 1 of this year, along with the rest of the executive branch, we instituted a one-for-two hiring restriction on civilian personnel. Based on a monthly attrition rate of one-half of 1 percent, this restriction will result in a fiscal year 1980 end strength reduction for DOD of about 15,000. Allowing this fiscal year 1980 end strength reduction to continue through fiscal year 1981 would result in savings of some $223 million.

TRAVEL

A reduction of almost $40 million in travel costs has also been reflected in our amended budget. We will attempt to achieve this reduction in nonoperational areas.

BASE OPERATING SUPPORT

In base operating support, our original fiscal year 1981 budget included over $200 million in program growth in the base operating support area. The proposed funding reduction of $93 million will preclude about 50 percent of the improvements originally

planned in fiscal year 1981. It will result in a deferral of some of the restationing plans and could require some base realinements and consolidations.

WEAPONS SYSTEMS

In weapon systems, the DIVAD gun system will be reduced in fiscal year 1981 by $100 million, thereby delaying initial procurement until fiscal year 1982 with a concurrent delay in fielding this system. Our guided missile frigate, FFG-7 type, has been deleted from the U.S. Navy 1980 shipbuilding program, but this construction will be taken over by the Australian Navy. We had previously addressed some decreases to HARM missile procurement funding in fiscal year 1981, to reflect the latest program schedule and support requirements. In view of the additional amounts required for offsets, we have now restructured the procurement program to eliminate, as much as possible, any concurrency while still maintaining our IOC. Passenger carrying vehicles, various ADP equipment and other support programs have been reduced by postponement of procurement.

REAL PROPERTY MAINTENANCE

In real estate maintenance we are proposing a reduction of $105 million in real property maintenance. Removal of these funds will preclude any significant decreases in the backlog of maintenance of real property facilities in fiscal year 1981 and delay at least until fiscal year 1982 further reductions in the backlog.

STUDIES AND ANALYSES

We are proposing, finally, a $90 million reduction in the area of studies and analyses. Lower priority studies and support will be deferred or curtailed.

CONCLUSION

In summary, therefore, we are proposing to increase the fiscal year 1981 program to provide $619 million additional for Indian Ocean operations, $2.9 billion for increased fuel costs, and $1.0 billion for the impact of inflation in purchase of materials for Defense programs. We plan to offset some of these by program reductions of $1.619 billion, for a net TOA increase of $2.9 billion in fiscal year 1981—the amount of the amendment request.

The amendment submitted to the Congress is designed to make our Defense budget and program conform realistically to the events that have occurred since these documents were prepared. Our challenge has been to sustain our fiscal year 1981-85 program, and even to improve our military capability in some areas, participating in the Government-wide effort to arrest inflation and restore health to the economy.

This challenge—one which the Congress shares with us—is a trying one: More military capability normally requires, among other things, more resources; controlling inflation necessitates austere Federal budgets, including defense budgets. I believe that this amendment strikes the correct balance between these two conflicting and important requirements. The additional resources—for fuel and nonfuel purchases, for improved RDF capabilities, and for

expanded operations in the Indian Ocean—permit us to respond appropriately to events in Southwest Asia and elsewhere which profoundly affect our vital national interests. At the same time, the amounts the Department is taking out of programs contributes in an important way to balancing the Federal budget. Without increased discipline in the Federal budget we cannot succeed in breaking the inflation cycle. Our security and that of our allies is threatened by inflation, as much as it is by unrest in Iran and Soviet tanks in Kabul.

I am confident that after you have had time to examine the fiscal year 1981 budget amendment, you will recognize it as a responsible and timely measure which merits your support.

Thank you very much, Mr. Chairman.

Mr. BENNETT. We'll proceed with questions now.

Mr. Secretary, I notice you propose to cancel the $15.5 million that was appropriated in 1980 to modify the A–7E aircraft so that it can employ high speed antiradiation missiles. I am advised that the Navy's A–7E aircraft are now being modified to incorporate a forward looking infrared, or FLIR, capability and the HARM missile modification could be done at the same time, thereby saving 1,000 man-hours. This economy would be lost if your proposal is adopted and, at the same time, the Navy's readiness will suffer due to delays.

Are these concerns of so little consequence that you do not wish to add this $15.5 million?

Dr. PERRY. Mr. Bennett, we're not quite sure whether the question related to A–7 or HARM. Could you clarify it, please?

Mr. BENNETT. I think I probably should have started off talking about the HARM. I notice that you propose to delete $12.3 million to modify the flight control system on the S–3A aircraft.

Since this is a safety-in-flight modification which if not done would risk the loss of expensive aircraft, is this a prudent economy? With that I mention the $15.5 million that was appropriated in 1980 to modify the A–7E aircraft so it could employ the HARM missile, and I'm advised that the A–7E aircraft are now being modified to incorporate a forward looking infrared capability, and I just question whether these are good economies to make in view of the fact that they have to do with safety and they also will save man-hours. I don't want to be picayune about it, but you're only saving $15.5 million.

Dr. PERRY. Yes, I think your point is well taken, Mr. Bennett. That program we regard as a desirable program, and we are not proposing never to do it, but only to defer it for this year.

Mr. BENNETT. I don't think I have any further questions at this time.

I'm distressed that you're going to take out a frigate, since we added more frigates this year and we are so short on ships. That worries me too.

What is your feeling about those frigates?

Mr. CLAYTOR. Mr. Bennett, two things there. First, the shipbuilding program, as far as the shipbuilding industry is concerned, is not affected by this. The Australians came in and asked us to take over one of the Navy contracts, in order to save time. They want another frigate. They already have three. They wanted a fourth, an

FFG–7 frigate, and we have given them a place in the shipbuilding line for that.

We feel that this is a ship that we can easily, under the circumstances, do without in view of the fact both that the Australians are getting one and we are all going to have the ship in our allied fleet configuration. Also, we have been reducing the original number of FFG–7's that we thought we would have to get because our allies are building extremely capable frigates, not just the Australians, who are taking ours, but the Belgians, the Dutch, and the Germans as well, and to the extent that we can devote more of our shipbuilding money to the sophisticated ships that our allies cannot build and persuade them to build more of the frigate escort-type ships that they can build we think that's a good division of labor.

Mr. EMERY. Would the gentleman yield?

Mr. BENNETT. Not right here.

I have another point to make before my time runs out, and that is I believe I heard the President say that some of the Iranian military contracts were going to be taken over by us.

To what extent is that going to change our budget?

Mr. CLAYTOR. I don't think at all. In the first place, if you're talking about attempting to take over part of the Iranian Trust Fund, that could not be done. That is, the money in the Iranian Trust Fund, that is frozen all right, and the Iranians are not going to get it, but we cannot touch it without both legislation by the Congress which would vest this, and then going through claims procedures for the right to have it against other claims we have against Iran. So this is a long, complex operation. While we may get some of the missiles that are in storage here, we would have to pay for them, put the money into the claims pot, and then try to get it back through rather complex procedures. So it's not going to have any effect at all on our budget or on money for the foreseeable future.

The CHAIRMAN. The time of the gentleman has expired.

Mr. Whitehurst.

Mr. WHITEHURST. I yield my time to the gentleman from Maine.

Mr. EMERY. I thank the gentleman.

I just wanted to make the comment that although you might argue that the reduction of one of the FFG–7 class patrol frigates is not a change in the number of ships originally authorized there certainly is a very great difference if one of those ships is being built for Australia instead of the United States. I suppose by that reasoning we could build ships for all the other nations in the world and still have no meaningful increase in our own. But it just seems to me that our priorities in this country ought to be in strengthening our own Navy, rather than allowing our shipbuilding capabilities to be used for the allies. I think that's important, of course, but I think our priority ought to be our own Navy, especially with some of the challenges that we're seeing in the Persian Gulf and in other areas.

The other question I would like to mention, as far as encouraging the allies to use the opportunity to build slower capability military equipment and allow us to use our shipbuilding capabilities in higher class vessels, I don't know as we get any guarantee that the

allies are going to be using their $250 million, or whatever else, to beef up equipment that's going to be useful to us. If we had some kind of a guarantee that they were actually going to spend that money and put it into systems and capabilities that we need, that would be one thing. But I don't see that simply building a frigate for Australia is going to strengthen the U.S. Navy that much.

I would like your comments on that.

Mr. CLAYTOR. You understand that the Australians are paying for this frigate. We're not paying for it.

Mr. EMERY. I know that.

Mr. CLAYTOR. They are buying four of these ships, our design, designed particularly with all of our weapons systems on it, so that they can work interchangeably with ours. This is an extremely helpful thing for us as well as for them.

Mr. EMERY. May I ask you where is that ship going to be deployed?

Mr. CLAYTOR. It will be deployed in the Pacific. It will be deployed in the Southwest Pacific, where we would, if there were a difficulty, have to send forces to work with them. It is a very helpful thing to have allies taking care of certain parts of the world for us because we can't take care of it all at the same time in any way, and that's why I think this is an extremely helpful addition to our overall capability.

Mr. EMERY. I might also ask where would you anticipate that an American-built frigate would be deployed?

Mr. CLAYTOR. It might be deployed wherever we would have to escort ships, and it could well be, if the war was in the Pacific, used as an escort there. It would be available wherever the need occurs. If our NATO allies have a number of these ships in Europe, which would be useful in a North Atlantic convoy operation, to have the Australians and, I would hope in due course the Japanese, have a significant capability to do this in the Pacific, would be a great help there too. That's what we're working toward.

Mr. EMERY. Do you anticipate the Japanese are going to be buying frigates built in the United States?

Mr. CLAYTOR. I'm not interested in whether they're built in the United States so much as whether or not they are useful, capable ships that can work with us. The European frigates were not built in the United States, but they're very usable. They use many common weapon systems. The Australians have built four frigates in the United States, which we welcome, but which is not essential to have the necessary power.

Mr. EMERY. It just seems to me, however, getting back to the original point that I was making, that our first priority ought to be building up the inventory of ships in our own Navy. I certainly agree that assisting the allies in their shipbuilding programs is desirable, but I think our own Navy ought to come first.

Mr. CLAYTOR. I agree with you, sir. But the priorities are the question. If we can get our allies to produce more of these ships we can devote the money to building the more expensive and more capable ships that we need. That's what we're doing building ships like the CG-47, the Aegis ships, which we need for the protection of our battle groups.

Mr. EMERY. If I could believe that the administration would come before this committee and ask for a construction program that would provide us with significant numbers of those vessels I would be considerably more encouraged by that.

Mr. CLAYTOR. Mr. Emery, we have 17 of them that are already in the budget now.

Mr. EMERY. I think that this committee also added a couple, too, because we didn't think the program was adequate.

I am very much opposed to cutting that frigate out, and I just want to go on record as saying that.

The CHAIRMAN. Mr. Brinkley.

Mr. BRINKLEY. Thank you, Mr. Chairman.

Only a comment or two.

First, the acronym, TOA, Mr. Secretary, what does that stand for?

Mr. CLAYTOR. Total obligational authority; that's the total amount of budget authority that Congress authorizes us to spend in a given year plus unused budget authority from previous years which will be spent during a given year.

Mr. BRINKLEY. I think you're right on target because to have the hills and the valleys in anything is not all that good, and if there could be long-term predictability and consistency in any program I think we'll all be better served.

Mr. CLAYTOR. Yes, sir.

Mr. BRINKLEY. Really, that's one of the problems that some of us have with reference to the M-X missile system, the fact that we would conceive of the possibility of a startup, and going far down the line, and then later on abandoning that approach and that goal.

But I wish to compliment you on the approach that you have outlined in your statement, and I think you can depend upon this committee for its solid support.

Mr. CLAYTOR. Thank you, sir.

Mr. LLOYD. Would the gentleman yield?

Mr. BRINKLEY. Yes.

Mr. LLOYD. I thank the gentleman for yielding.

I would ask the distinguished Secretary with regard to the DIVAD gun system, in this cut what kind of costs would be incurred by holding this off for a year?

Mr. CLAYTOR. I'll ask Dr. Perry to answer that.

Mr. LLOYD. Dr. Perry.

Dr. PERRY. Yes. The whole program in this proposal would be delayed 1 year, and the 1 year's——

Mr. LLOYD. I understand what it's going to be doing, and I'm very short of time. The question is what kind of costs are incurred?

Dr. PERRY. There should be no increase in cost in real dollars. By delaying it a year, though, you will be doing more of the program in inflated dollars, and so it would be whatever the inflation is.

Mr. LLOYD. I have a figure of $400 million.

I have another question, Dr. Perry. When you testified in front of the Research and Development Subcommittee, you indicated that the program was on track; everything was ready to go; you were ready for source selection; things were coming down the line; it was

really a very simple program; you had no great problems. And now you're proposing to extend it for a year.

Does that seem really logical to you?

Dr. PERRY. I still have no problems with the program, Mr. Lloyd. This is simply a matter of deferring the funding for this year to support other higher priority programs.

Mr. LLOYD. I understand. But at that time when you came to Research and Development you indicated this was a priority program.

Has the priority now changed, and if so how are we going to pick it up? For instance, when do you intend to make the source selection on the DIVAD?

Dr. PERRY. This year, late this year.

Mr. LLOYD. Late this year. And at that point, if you had not made this change would we be going into production and when would we receive the system itself?

Dr. PERRY. At that point if we had not made this change we would be beginning initial, low rate production.

Mr. LLOYD. So that the first unit would arrive approximately when?

Dr. PERRY. Approximately late 1983.

Mr. LLOYD. 1983. We're now up to 1984.

Dr. PERRY. Correct.

Mr. LLOYD. Would you perceive that these priorities then would change again and we could go to 1985?

Dr. PERRY. I don't perceive that, no.

Mr. LLOYD. But you didn't perceive this a month ago, is that correct, Dr. Perry?

Dr. PERRY. That is correct.

Mr. LLOYD. So apparently it is possible that those perceptions could change as you move down the line?

Dr. PERRY. Correct.

Mr. LLOYD. That is correct. And would you say that my figure is completely wrong, partially wrong, maybe in the ball park, the $400 million?

Dr. PERRY. I think that's in the ball park for an assumed 10 percent inflation rate or thereabouts.

Mr. LLOYD. I think the inflation rate is going to be a mite higher than that, don't you?

Dr. PERRY. I'm not a good judge of what the inflation rate is going to be in 1983 and 1984.

Mr. LLOYD. I know how the judgment has been as far as the inflation rate is concerned with regards to DOD. I do know that, yes. But I think it will be a mite higher than 10 percent.

I thank the gentleman for yielding.

Mr. BRINKLEY. I yield to the gentleman from Virginia.

Mr. DAN DANIEL. Thank you for yielding.

My figures indicate that it will cost a half a billion dollars to delay it for 1 year, and this is the program that I believe, Dr. Perry, you brought before the committee and that you indicated that this was the program where we could get some real savings because of concurrence.

Is that not correct?

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Dr. PERRY. That is correct. Still, in the program as proposed, there will be a relatively high degree of concurrency, but 1 year less concurrency than the program I proposed to you during the R. & D. hearings.

Mr. DAN DANIEL. I thank the gentleman for yielding.

The CHAIRMAN. Mr. Dan Daniel, you're recognized now on your own time.

Mr. DAN DANIEL. Thank you, Mr. Chairman.

Why this particular program, Mr. Secretary, in view of what Dr. Perry testified to? It seems to me that one of the big problems we are having now is we are not producing at the most efficient rate, and when we delay these programs it has the obvious effect of escalating the costs astronomically.

Dr. PERRY. That is true in some programs, Mr. Daniel. In this particular program it's not a question of stretching the procurement; it's starting it a year later, which has a different effect. The rate of production would still be the same in this plan, but it's delaying starting a year.

Mr. DAN DANIEL. And delaying it a year is costing half a billion dollars more to produce.

What is your personal feeling about this, Dr. Perry? Would you recommend this be deferred if you had to make the decision?

Dr. PERRY. I think this program is a reasonable choice for deferral for the reasons I have described here, namely, there is some risk in the high concurrency of the program and it does reduce that risk. It is a program which has a high priority on my list. I would not be in favor of any deferral beyond this 1-year deferral, but I think we could stand this 1-year deferral.

Mr. DAN DANIEL. I yield to the gentleman from Alabama.

Mr. NICHOLS. I thank the gentleman for yielding.

Dr. Perry, isn't a fact that it stretches this program out through the 1988 year, the 1988 fiscal year, before you complete this program?

Dr. PERRY. It delays it 1 year longer than what was originally planned.

Mr. NICHOLS. You stretch it out into the 1988 year. That's my understanding.

Dr. PERRY. The program as now proposed would end in 1987, which is very close to what you said. I would state again though that it is not a stretch. It is a delay in starting 1 year.

Mr. NICHOLS. My figures indicate the last 66 DIVAD's would be delivered in the 1988 fiscal year.

Dr. PERRY. That is probably correct.

Mr. NICHOLS. There will be no production in 1981; there will be no production in 1982; in 1983 you'll have the first one beginning to roll.

Dr. PERRY. The last procurement funding is in fiscal 1987, and that probably would result in delivery in 1988.

Mr. NICHOLS. The program has been dropped, according to my figures, Dr. Perry, from 1982 through 1986. Each one of those, years there has been a cut in this program. We don't pick up really, the program until the 1987 year. My gosh, that's 6 years down the road. Anything can happen in those 6 years.

Mr. LLOYD. Would the gentleman yield?

Dr. PERRY. On the amended program, the IOC would be achieved, in 1984.

Mr. DAN DANIEL. I yield to the gentleman for 1 minute. I have another question.

Mr. LLOYD. I thank the gentleman for yielding.

I would point out to Dr. Perry that if you stretch it this year something that this committee ought to be clearly aware of is the fact that the cut of extension this year will affect next year to the tune of $300 million, and that isn't even talking about the $400 million that I just talked about.

Would Dr. Perry comment on that?

Dr. PERRY. The program plan that we are proposing involves a $600 million request in fiscal year 1982.

Mr. LLOYD. I thank the gentleman.

Mr. DAN DANIEL. Mr. Secretary, Mr. Claytor, did you see the editorial in the April 16 edition of The Wall Street Journal entitled "The Three Percent Fraud"?

Mr. CLAYTOR. Yes.

Mr. DAN DANIEL. Is that editorial correct? Has the administration advocated reducing 1980 spending in order to make the 3-percent increase which the President proposed for 1981? If it does it brings to mind this old slogan that I haven't heard for a long time: Don't raise the bridge; lower the water.

Is this a correct statement?

Mr. CLAYTOR. No; that rose out of the kind of controversy that one gets into when one is dealing highly detailed computations. The difference between 3.0 percent and 3.1 percent, as a practical matter, is a negligible difference.

What the problem really was here was that the OMB computed it at 3.1 percent and froze the figure and published it. Some fine tuning of numbers by our people indicated that there were some $80 million needed to be changed in one of the estimates of outlays, or it would be 3.0 instead of 3.1. The whole thing, since this is outlays, not TOA, is all based on estimates. We don't know what the outlays are going to be because they're going to be whatever the final results show. We don't know precisely what the purchase inflation rate is going to be. That's an estimate. So there are estimates that go into this, and because OMB had computed and published the figure they wanted to maintain it. It's an understandable thing. It was so close when I saw it I said, "It couldn't possibly make any difference."

But the memorandum that pointed out that you needed to adjust one or two estimates in a rather small way in order to make the one-tenth of 1 percentage point come out appeared in The Wall Street Journal and they made something of it that I don't think was there. That's the story.

The CHAIRMAN. Mr. Spence.

Mr. SPENCE. Thank you, Mr. Chairman.

Mr. Secretary, on the surface the proposed amendments for fiscal 1981 and the supplemental that you have for fiscal 1980 show increases, but the increases, as the chairman pointed out, are mostly for fuel costs—I think about $2.9 billion are for that—and for inflation.

Mr. CLAYTOR. That is right.

Mr. SPENCE. They are not for procurement or for readiness, where the muscle of our weapons shortfall is located. On the other hand, the reductions for 1980 cut the procurement in readiness program and also appear to affect our fiscal 1981 program.

The problem I have is that the trends have not been looking good for a long time now, and we ought to be having real increases, rather than a cutback. For instance, this cutback of that one ship. We only had 12 ships in the 1980 budget. Six of them were FFG's. We're cutting it one less so we'll have 11.

I understand your point about our allies being able to provide more of these types of ships and our shipyards will still have the business, and all of that, and we need to put more money into sophisticated ships. But the point remains we're coming up with one less ship. That money we're going to save that you're talking about, I don't see it added into a new sophisticated ship that we need.

Can you kind of expand a little bit on that?

Mr. CLAYTOR. As I mentioned in my statement, Mr. Spence, we are faced with the problem of having to balance the budget and at the same time maintain real growth. No, we obviously, in order to help in that problem, the Defense Department, less than any other department of the Government, had to do some belt-tightening and do some program reductions. We did relatively little. Our real growth dropped from 5.4 percent, which was the original in TOA, to 5.2 percent. Actually, I believe in fiscal year 1980 our reductions totaled about $500 million and in fiscal year 1981 our reductions in programs totaled about $1 billion and that still maintains a significant real growth.

Now, all cuts are painful. But what we tried to do was to find things to cut to meet those goals that would do the least damage. We do not claim that no damage was done. Obviously, the more money we can put into programs the better off we are. But we think this is a reasonable position, and we are maintaining better than 5 percent real growth in 1981, and we are maintaining the original proposed percentages for the rest of the 5-year program, that is, an average of about 4½ in each of the out-years. That's the situation.

Mr. SPENCE. From the standpoint of the Navy, the Navy is being cut overall about a billion dollars, and most people agree this is the one area where we need to do more.

Mr. CLAYTOR. I'm sorry, sir. The Navy actually is getting most of the increase that is being balanced by other forces. The Navy, if you will look at the cuts, actually is cut less in proportion than any of the other services. For instance, all of the rapid deployment ships are additions to Navy. The Navy gets more of the additions and does not take as much of the cuts as the other services do.

Mr. SPENCE. That $2.9 billion for fuel is where the whole thing lies. That's where most of the increase looks to be.

Mr. CLAYTOR. That's an inflation increase. That's right. That's pure inflation, fuel inflation, and purchase inflation. They're both inflation.

Mr. SPENCE. But it doesn't increase the Navy otherwise in places where we need to have increases, and we need more increases in

the Navy right now than anywhere else. We are cutting back on ships when we ought to be building ships.

At the beginning of this year our committee recommended that the first budget resolution for defense be increased by $13.5 billion. We understand about inflation. We understand about balancing the budget. I've been in favor of balancing the budget ever since I've been here, but not at the expense of our national defense and our survival as a nation, and somebody has their eyes closed. We need to be doing more, not less.

If you ask the average person on the street in this country where we should cut back and where we should spend more I don't think you will find anybody saying we should cut back in defense; we should spend more; they would cut in every other area; and we are heading in the wrong direction, Mr. Secretary.

Mr. CLAYTOR. I understand your position, Mr. Spence.

Mr. SPENCE. I appreciate that.

Mr. DAN DANIEL. Would the gentleman yield?

The CHAIRMAN. I yield.

The CHAIRMAN. The gentleman's time has expired.

Mr. Stump.

Mr. STUMP. I yield to the gentleman from Virigina.

Mr. DAN DANIEL. Thank you, Mr. Stump.

Mr. Secretary, were you required to take the fuel escalation costs that had to do with the Indian Ocean exercise out of your hide, or did you get additional funds?

Mr. CLAYTOR. Oh, no. The fuel escalation covers all of our fuel, all of our projected fuel use. It's the largest amount.

You see, one of the things that we were treated uniquely in was that we had a separate escalation allowance for fuel. For the rest of the Government it was just a total allowance for everything, including fuel. But that made sense because, as I mentioned, 90 percent of the Federal Government's fuel is used by the Defense Department, and, for example, the escalation allowed for fuel from 1979 to 1980 was, I believe, 69 percent. That's a tremendous figure. The figure we have for 1980 to 1981 I think is of the order of 11 percent. The prices have stabilized. But you have to treat fuel separately from purchase inflation with those kinds of figures, and the Defense Department was given an allowance on that 69 percent inflation figure for all of the fuel we intended to use, including the extra fuel in the Indian Ocean.

Part of this some $428 million, in fiscal year 1980 and $619 million, in 1980 is extra costs of operating in the Indian Ocean, and that's additional money that we are including in the budget.

Mr. DAN DANIEL. Were you required to take any of the funds allocated to the Indian Ocean operation out of your hide?

Mr. CLAYTOR. What we've done is to take all of the increase for the Rapid Deployment Force and the Indian Ocean operation and balance that with additional offsets in other areas. They were not all in the same service. They were across the board.

Mr. DAN DANIEL. But they did come out of your hide?

Mr. CLAYTOR. Oh, yes. We balanced, we offset, all the increases with reductions in other programs of less priority.

Mr. DAN DANIEL. So you asked for no additional funds to pay for the Indian Ocean operation?

Mr. CLAYTOR. We put that into the equation. That's right, we don't ask for any specifically.

Mr. DAN DANIEL. The bottom line is you didn't get any more and you didn't ask for any more money for the Indian Ocean operation. Is that correct?

Mr. CLAYTOR. If you want to put it that way. You can add it in and then say we took it out of the inflation allowance, or you can say we balanced it out with the other. But if you put the whole thing together in one pot—and that's what you ought to do—you can't say what's balanced against what. In fiscal year 1981 we're taking out of our program a billion and one-half dollars across the board, and taking that, if you will, we're eating that much inflation. We are eating part inflation and part Indian Ocean additions, any way you want to put it. But the total figure that's coming out of the programs is a billion and a half.

Mr. DAN DANIEL. Mr. Secretary, I believe it's safe to say that you don't have a realistic inflation factor in your 1981 budget either.

Mr. CLAYTOR. As happened this year, if we don't have a realistic factor, if it turns out not to be realistic I think we'll be back for an additional appropriation, a supplemental, as we have this year.

Mr. DAN DANIEL. I thank the gentleman for yielding.

Mr. DICKINSON. Would the gentleman yield to me, Mr. Stump?

Mr. STUMP. Yes, I yield.

Mr. DICKINSON. What inflation factor are you using? You say if it turns out to be wrong. Tell me what year you've been right.

Mr. CLAYTOR. It's 9.5 for purchase inflation for 1979 to 1980, and 9.9 purchase inflation for 1980 to 1981. Now, the oil inflation, fuel inflation, is separate.

Mr. DICKINSON. I understand. But, as you know, Mr. Secretary, this gets us in trouble every year because every year you come in here with a fantasized fictional inflation factor that has always been wrong.

When have you ever been right on inflation in the last 10 years?

Mr. CLAYTOR. If inflation turns down we may have too much this time.

Mr. DICKINSON. If it does we would save some money and you would look good. As it turns out, though, with an inflation rate at 18 percent and you're using 9.5 we're going to be right back in the same position next year that we're in now.

Mr. CLAYTOR. Mr. Dickinson, one has to estimate. We didn't estimate it. This is a Government-wide estimation.

Mr. DICKINSON. Who did it?

Mr. CLAYTOR. OMB. It's for the Government entirely. It's not a defense estimate. The purchase inflation is computed by OMB. You have to guess the——

Mr. DICKINSON. Have they ever been right?

Mr. CLAYTOR. Sure.

Mr. DICKINSON. When?

Mr. CLAYTOR. Before we had——

Mr. DICKINSON. Not since you've been on board.

Mr. CLAYTOR. No, not since I've been on board.

Mr. DICKINSON. Not since I've been on board.

Mr. CLAYTOR. Neither has anyone else that I know of.

Mr. DICKINSON. Don't you think it's about time we started being realistic about inflation?

Mr. CLAYTOR. I think one doesn't know what is realistic at this particular time. If the anti-inflation fight works I think the inflation could easily be down.

Mr. DICKINSON. 9.5 is not realistic, and I know it, and you know it.

Mr. CLAYTOR. Very well.

Mr. DICKINSON. I'll get to that in just a minute.

Mr. LLOYD. Will the gentleman yield for just a second?

Mr. DICKINSON. My time has expired, but if the Chair will let it run on I will.

The CHAIRMAN. Mr. Dickinson is now recognized on his own time.

Mr. DICKINSON. Thank you, Mr. Chairman.

Mr. LLOYD. Would the gentleman yield for a second?

Mr. DICKINSON. Yes, I'll yield.

Mr. LLOYD. I thank the gentleman for yielding.

I have some figures for the gentleman that I thought he might find rather interesting with regard to inflation.

The Army's budget this year increased by $31 million, the Navy's budget on inflation increased by $54 million, the Air Force's inflation budget was $63 million, and the Defense Agency's was a total of about $14 million, quite considerable sums, which might be in some support of the gentleman's statement.

Mr. DICKINSON. Thank you.

You're using the 9.5 figure as purchase inflation, right?

Mr. CLAYTOR. That's the 1980 inflation. The 1981 inflation figure is 9.9, nearly 10 percent.

Mr. DICKINSON. 9.9. All right.

If the inflation continues as it presently is though then we'll be just about 50 percent short in our projection.

Mr. CLAYTOR. You can't use the CPI for this, the Consumer Price Index.

Mr. DICKINSON. I understand that.

Mr. CLAYTOR. This is a special inflation figure that is computed on purchases of the type that we make.

Mr. DICKINSON. Last year we used 8.5, and what was it in fact?

Mr. CLAYTOR. You mean the previous year?

Mr. DICKINSON. Yes.

Mr. CLAYTOR. I don't know.

Do you know?

Mr. QUETSCH. No.

Mr. CLAYTOR. I don't keep these figures in my mind.

Mr. DICKINSON. I wrestle with them almost daily, and that's the reason we get into so much trouble. Let me give you a for instance, Mr. Secretary, and of course you're aware of this.

Last week on military construction the Secretary of the Air Force came in, and he wants, instead of a supplemental, they wanted to delete a whole list of programs, that they needed the money because they had underestimated the inflation rate to the tune of some $30 million, or whatever it was, just in this one program.

But we on the committee, whether it be research and development, military construction, ships, whatever, we sit here day after day trying to make some kind of rational decision and prioritize what we need, and the Department of Defense is using a fictitious inflation figure, a figure mandated to them by OMB. I understand that. But at the end of the year or the beginning of the next year DOD comes in and says, "Well, look, fellows, all the work you've done, that's out the window because we have come up short on our inflation factor. We're running short on money. So we're going to have to postpone these programs. We're going to have to postpone military construction here. We're going to have to stretch out these programs."

Let me give you an example.

You say we have a real growth of 5.5. Is this mostly in the nontactical area?

Mr. CLAYTOR. No. This is total obligational authority across the board.

Mr. DICKINSON. I understand, but that's siphoned over. Most of it is in the strategic area and in fuel. Isn't that right?

Mr. CLAYTOR. It includes, for instance, for last year it would include our $2 billion carrier. It includes ships. It includes guns. It includes weapon systems.

Mr. DICKINSON. We put the money in for the carrier.

Last year you projected you were going to buy 106 A-10's. In this year's budget you have 60 A-10's. You had a projected cost of 5.8 per bird last year, but now it comes in with a stretchout of 8.2, which is $2½ million per airplane more. This is true with the F-15. You were projecting a buy this year of 60. Instead you're buying 30. Instead of it costing 17.9, by your figures, it's costing 24.5, which is $6½ million per airplane more for the stretchout. Going down the list, A-10's, F-15's, E-3's, TR-1's.

Take, for instance, the Sidewinder missile, where we have a very serious shortage. We projected a buy this year of 800. In fact, the budget came over with 260 in it. There's an increase of 234 percent just to buy them.

Now, where is the economy here if we are paying this much more for what we get simply by stretching out the program? I understand there's a dollar shortage. But we're not saving money. We're spending extra money, and we're getting less capability in the meantime.

Tell me where my figures are wrong.

Mr. CLAYTOR. I can't. I have no objection to your figures.

Mr. DICKINSON. Dr. Perry knows the figures. We've gone over this time and time again.

Mr. CLAYTOR. I can neither affirm nor deny them.

Mr. DICKINSON. It's so spurious to project to the American people that we're buying more capability by 5 percent when, in fact, in the tactical area we're buying less. In almost any system you can name we have less capability this year that was projected last year, and I think it's going to be worse next year.

Mr. CLAYTOR. I understand.

Mr. DICKINSON. You understand, but it doesn't help anybody.

The CHAIRMAN. Mr. Hutto.

Mr. HUTTO. Mr. Secretary, regarding the oil, did I understand you to say that you changed your figure from $26 per barrel to $41.5, or something like that?

Mr. CLAYTOR. That is not crude. That's finished product. Yes, $41.50.

Mr. QUETSCH. In 1980 it was first assumed to be $24.36 and then revised to $38.03; for 1981 it was assumed at $26.46, but revised to $42.41 based on OMB assumptions.

Mr. HUTTO. What rationale did you use for those figures?

Mr. CLAYTOR. Do you want to answer that, Mr. Quetsch?

Mr. QUETSCH. We used past trends and assumed a fairly level or much more moderated growth in price for the balance of this year, and then about 11 percent increase in 1981. Most of the growth for 1980 has already happened.

Mr. HUTTO. Was it projected on the increases by the OPEC countries, or does it also include the possibility that we may have a cutoff from some of the OPEC countries?

Mr. QUETSCH. It was not based specifically on a cutoff. On the contrary, the leveling off is based on the assumption that there is a surplus of crude. However, we did a number of different estimates. We did estimates on where crude prices were going, and then what refinery margin and transportation would be. We also did separate projections of where our purchases of refined product went.

Now, we buy refined product, we do not buy crude, and we buy it worldwide. So we have to put together a composite picture, and it isn't directly related, of course, to the figures that you'll see for fuel price trends in the U.S. economy because we buy a third of our fuel overseas and then half of what we buy in the United States comes from overseas. So it's a rather complex problem. We used a sort of composite estimate, if you will, to come up with the revised estimates.

Mr. HUTTO. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Won Pat.

Mr. WON PAT. Thank you, Mr. Chairman.

Greetings, Mr. Secretary.

Your statement indicates that part of the offsets in the fiscal year 1981 budget amendment will come from a reduction of 15,000 civilian personnel end strength, a savings of $223 million in fiscal year 1981.

The committee has received a lot of testimony from DOD witnesses about the importance of the requested civilian personnel strength to the defense program.

Will this proposal result in a lower end strength requirement for civilian personnel in fiscal year 1981?

Mr. CLAYTOR. About 15,000 lower at the end of fiscal year 1980. We will be reviewing our fiscal year requirement in the months ahead.

Mr. WON PAT. Exactly which programs will be affected by this reduction; do you know at this time?

Mr. CLAYTOR. This is a Government-wide reduction that is being taken, Mr. Won Pat—Government-wide, not just Defense Department.

Mr. WON PAT. Oh, Government-wide.

Mr. CLAYTOR. Yes.

Mr. WON PAT. You're asking an additional $619 million for increased Indian Ocean operations and RDF-associated actions that changed events have been prudent.

In fact, how much of that is going to Diego Garcia?

Mr. CLAYTOR. There are a number of relatively small items that go to Diego Garcia in that.

Mr. QUETSCH. If you will, you're talking 1981, out of the $619 million?

Mr. WON PAT. Yes.

Mr. QUETSCH. About 8.3 is going for upgrading the antisubmarine warfare capability, data processing, and that sort of thing. There is $6 million for planning and design for ship berthing and fleet support facilities.

Mr. WON PAT. What is that $104 million?

Mr. QUETSCH. The $104 million is for a wharf and a cargo terminal, funded out of Military Construction, Navy. It's for site preparation, for the wharf itself, and for support building in the area. There will also be storage facilities for ammunition, hazardous and flammable materials, and a cargo terminal.

Mr. WON PAT. What about the $23.7 million?

Mr. QUETSCH. I'm sorry. How did we have that labeled, Mr. Won Pat, the 23.7?

Mr. WON PAT. You have it in your statement.

Mr. QUETSCH. Yes, sir. I'm looking at a more detailed backup.

Mr. WON PAT. $104 million for Air Force facilities.

Mr. QUETSCH. There are some revetment kits for protection of Air Force aircraft. That's a 1980 figure. There is POL storage, ammo, and general storage for the Air Force in 1981. Again you're talking Diego Garcia?

Mr. WON PAT. Yes; I'm talking about Diego Garcia.

Mr. QUETSCH. There's aprons and extension of the aprons and the runways, hangars, and so forth, also for a total of $23.7 million for Air Force in fiscal year 1981 at Diego Garcia.

Mr. WON PAT. Presently you have a pier construction there and you also have ammo storage facilities there almost completed, and also barrier and other construction.

With our subcommittee I took the opportunity to visit Diego Garcia with one of the staff and also one of the military escorts.

The CHAIRMAN. The gentleman's time has expired.

Mr. WON PAT. My time is up. I will pose that question after.

The CHAIRMAN. Mr. Courter.

Mr. COURTER. Thank you, Mr. Chairman.

Mr. Secretary, I think you indicated before that the OMB was the one that determined the rate of inflation that you would factor in. Is that correct?

Mr. CLAYTOR. That is right. They do that on a Government-wide basis.

Mr. COURTER. Do you make any independent analysis of that? Do you make any judgment yourself as to whether it's on line? Do you agree with it or not agree with it, or do you accept it as fact?

Mr. CLAYTOR. Do you want to answer that?

Mr. QUETSCH. The U.S. Department of Commerce collects data which tells us how inflation has actually affected the kinds of

things we buy. We can plot a variance between, let's say, the Wholesale Price Index and the inflation as measured by Commerce in defense factors of the economy.

Now, in projections we use the general purchase deflator provided us by OMB. We do not attempt to project differently, except that as time goes on we check to see if our experience agrees with the OMB projections.

This year for the first time we have been given in this request a separate allowance based on the extraordinary fuel costs, and that produces, if you throw the two together, a higher composite purchase inflator than OMB's.

Mr. COURTER. Also, the fuel cost as you project it for 1981 on a finished barrel is $41.50, I think. Is that correct?

Mr. QUETSCH. That is a composite of all the products we buy. That is correct.

Mr. COURTER. What is the raw product per crude barrel of oil?

Mr. QUETSCH. I haven't the foggiest. We don't buy it. It is provided from a lot of different sources, from a lot of different types of crude, and we don't know generally when we buy it where it came from.

Mr. COURTER. Directing your attention to another cut that has to do with maintenance, I think there was $100 million there. I'm not sure exactly what that figure was.

I have a facility in my congressional district, the RADCOM buildings at Picatinny Arsenal. I suppose one of the main concerns of many of the people in that area is the fact that the buildings are in a horrible state of disrepair and unless money is spent now three times as much will be required to put them back into proper condition a year, or 2 years, or 3 years from now.

It disturbs me very greatly when you start trying to save money by not doing the necessary repairs to keep equipment and to keep real property in the type of condition that is necessary.

Mr. CLAYTOR. Sir, what we cut out was for decreasing the backlog. In other words, we are holding. We are not dropping further back. We are doing the maintenance in this budget that would keep us where we are. But we had originally included some $95 million for reducing the backlog. Now, we are not reducing the backlog. We are holding even. We are not increasing the backlog either. Again, it's not a desirable thing to do. None of these are desirable. I wouldn't vote for any of them. If it were just a matter of there's plenty of money, should we do this? The problem is if we're going to balance the budget we've got to find the things that we can take out that will do the least damage, and we felt that this was one that fell into that category. Not that we wouldn't like to do it, but one has to draw a judgment line as to where one can go.

Mr. COURTER. Directing your attention to the cut in base operating support, I wonder if you could amplify on what is not going to happen that would affect that type of reduction?

Mr. QUETSCH. Generally that, as opposed to the backlog of maintenance, refers to services provided to tenants on the bases.

Mr. COURTER. What type of services?

Mr. QUETSCH. It might be calls for breakdown-type maintenance, that you might have to wait longer to get a leak fixed in your

plumbing, or you might have to wait longer for a car from the motor pool or a truck.

Mr. COURTER. Waiting longer is going to save all that type of money?

Mr. QUETSCH. Yes, sir.

Mr. CLAYTOR. Because there will be fewer cars in the motor pool. Therefore, they will be utilized more extensively, and that means that when the load is heavy somebody will have to wait; you won't get it when you want it.

Mr. COURTER. In other words, what you're saying now is there is wastage in the sense that if you talk in terms of moving people from one area to another the cars are going half-empty? Is that what you're saying?

Mr. CLAYTOR. No, I'm not. I'm saying that what we would like to do—because this is sometimes quite important—is to be able to provide good service, which means that it's not cost-effective to keep expensive people waiting around to get transportation. We don't want to have so much that we have a bunch of cars sitting there empty. At the same time, we don't want to have people waiting a longer time. We are tightening the screw on that. It means that they'll have to wait longer than they have. I don't know that that's a cost-effective thing to do, but it's a means of saving money when we have to that is better than cutting out some other things.

Mr. COURTER. My time is up.

The CHAIRMAN. Mr. Mollohan.

Mr. MOLLOHAN. I have no questions, Mr. Chairman.

The CHAIRMAN. Mr. Stratton.

Mr. STRATTON. Thank you, Mr. Chairman.

Mr. Secretary, I am well aware that you as the Deputy Secretary of Defense do not set the high policy in this administration, but you are the messenger and, as you know from history, messengers are sometimes treated somewhat rough when the message is unpleasant.

Mr. CLAYTOR. Yes, sir, and that's all right.

Mr. STRATTON. You are aware, because we had a little breakfast the other day, that this committee took an extensive trip through the area of confrontation in the Indian Ocean and in the Persian Gulf over the Easter recess, and you are aware of the fact that we discovered that in almost every single country that we visited the United States was charged with being weak, indecisive, lacking a coherent foreign policy; we were on-again and off-again, and we were told that it was difficult for anybody to ally themselves with us because they couldn't tell from one minute to the next which way we were going.

Last January, when the Soviet Union moved into Afghanistan, the President announced that this was the gravest security challenge to the United States since World War II, and I support that analysis. On the basis of that situation, the administration came to us with a revised defense budget. It was most urgent that in view of the serious challenge we had to get cracking as quickly as possible on closing the gap between ourselves and the Soviet Union in the area of our national security, and we had to go to at least 5.4

percent, not only in 1981, but in the ensuing years, in an effort to try to close that gap.

Now a couple of months later, with nothing changed, with the situation in the Indian Ocean even more serious today than it was then, how in heaven's name can the administration, the Department of Defense, bring to this committee in all seriousness a budget that reduces what you suggested we have to have in order to catch up with the Soviet Union 2 months ago?

This is the reason that we don't have any credibility around the world. If the military situation in preserving our national security is the most important consideration, which it certainly should be, because if we don't have a country we're not going to have any social programs either, and if we have to act promptly, and quickly, and decisively to take care of it, how can you conceivably come up here and say, "Cut $1.6 billion out of the request that we made earlier, and somehow we'll catch up with them later on"? We're shooting ourselves in the foot, aren't we? And how can you expect anybody to have credibility in our seriousness about taking on the Soviet challenge, about presenting any kind of a deterrent to the Soviet Union, when we decide that, in an effort that everybody agrees will have no immediate impact on inflation, to knock a $1½ billion out of the defense budget?

You're asking this committee, I think, to take on something that, if we are true to our commitment, we simply can't do.

Mr. CLAYTOR. My answer is that the amount that we are taking out is extraordinarily small when we look at the situation, and we're maintaining almost the same growth we had.

Mr. STRATTON. Why should we take out any?

Mr. CLAYTOR. Because I feel that we have other problems in this country than defense. I think defense is the most important, but we do have other problems that we can't ignore, and I think balancing the budget is as important for the long-range defense and security of the country as almost anything else. By making a modest contribution—and a very modest one, when we look at what happened to the rest of the Government—I think this is desirable, and we support it.

I can understand that there is a difference of opinion on this. This is a matter on which I think reasonable men can differ.

Mr. STRATTON. Mr. Secretary, back on December 18, Secretary Brown testified before this committee on the subject that Mr. Dickinson was raising a little while ago. He said:

> If our assumptions as to future inflation, on which the program is based, later prove to have been underestimates the administration will take appropriate action to preserve the integrity of the program. The administration will consider submission of a supplemental request, as necessary, to assure a program of equivalent capability.

He didn't say we're going to take it out of the hides of the Armed Forces. He said, "These are signs that we mean to see that this program is carried out." He said that on the 18th of December.

Mr. CLAYTOR. That's right. And I think we have.

Mr. STRATTON. Let me just conclude.

In his posture statement on the 29th of January he also responded by saying: "If those estimates for inflation turn out to be misestimates we would come back and we would readjust the budget in order to preserve the program."

He didn't say we're going to kill the program in order to readjust the budget. He said we're going to readjust the budget to preserve the program. And now we are doing exactly the opposite, and I can understand why Pakistan, and Oman, and Somalia, and Saudi Arabia think that we're unreliable and don't know where the hell we're going.

Mr. CLAYTOR. Mr. Stratton, I agree. If we had not come in with, I think it's $2.9 billion of additional money for inflation. That's what Dr. Brown was talking about. He said, "We must preserve the integrity of the program." I think we have preserved the integrity of the program, with a very modest cut. He did not say we would preserve every single item in the program. We have preserved it. We are preserving basically the increase that we asked for, and all of the increases in the out years are preserved in the far-seeing budget.

Mr. STRATTON. You preserved the DIVAD and the frigate very nicely.

The CHAIRMAN. The time of the gentleman has expired.

Mr. Emery.

Mr. EMERY. Thank you very much, Mr. Chairman.

I suppose I could take another 5 minutes of my time talking about the frigate. I just want to make a few comments and move on to something else.

First of all, I wonder if you could tell me how many of our allies presently have deployed ships in the Persian Gulf area in our assistance?

Mr. CLAYTOR. I didn't hear the last of that. Have deployed ships where?

Mr. EMERY. How many of our allies have deployed vessels in the Persian Gulf area to assist in our military efforts at the present time?

Mr. CLAYTOR. In the Persian Gulf, you mean?

Mr. EMERY. Yes.

Mr. CLAYTOR. We have not asked them to. What we've asked our allies to do is to pick up more of the burden in their own areas, and we have drawn down our capability in both the Mediterranean and the Far East, and we have asked them to pick it up, and they are doing that.

Mr. EMERY. Have any of our allies indicated that they would or would not send military vessels to the Persian Gulf area?

Mr. CLAYTOR. No, they have not indicated that because we haven't asked that they send them. We don't want them to do that. We want them to pick up more of the load in their own areas. That's the most effective way to handle this.

Mr. EMERY. You mentioned in your answers to my questions earlier and also to those of Mr. Spence that you saw an advantage in saving $250 million, or some such figure, for the procurement of more expensive, more highly capable vessels and allowing the allies to pick up the cost of less capable vessels.

If I might ask, which ships are you recommending in this budget or the next budget to which that $250 million may be transferred?

Mr. CLAYTOR. Not any. That's a straight reduction.

Mr. EMERY. That's exactly the point I'm making. You see, you tell the committee that you're interested in encouraging the con-

struction of more expensive and more capable vessels, and this committee I think agrees with that. We might like to build another submarine. We have a need of CG-47's and other things. But I think that we're seeing a paper tiger here, a red herring. It's another case where the administration is saying that it's in favor of building ships, but when it actually comes with a reduction of a ship for the Navy, we don't see that money going into any place else.

I don't expect you to answer that. It's just an observation that I wanted the committee to know about.

Mr. CLAYTOR. Very well.

Mr. EMERY. I do want to move on to a couple of other things which I think are quite important.

First of all, do you see any possibility of transferring some of the frozen Iranian assets in this country to help us with the procurement of fuel oil necessary for our operations in the Persian Gulf area or for picking up some of the other costs associated with the tensions in the Middle East? Has that been discussed?

Mr. CLAYTOR. Iranian assets, which are mostly money, in this country have not been vested, and could not be vested without additional legislation. Once vested, they would have to be held against claims against Iran by both the Government and private individuals.

Mr. EMERY. Has there been discussion in the Department of Defense of the possibility of diverting some of that fund, however it can be done, to help us?

Mr. CLAYTOR. We have naturally thought about it. But we have no power to do anything about that.

Mr. EMERY. I notice that you quote a price of $41.50 a barrel of finished product as being a very difficult fuel problem, and I agree with you.

Has the administration changed its mind on the construction of nuclear aircraft carriers and nuclear surface vessels to cut down dependence on expensive oil?

Mr. CLAYTOR. The amount of oil that that would save in the overall picture is lost in the noise.

Mr. EMERY. I think I remember when we were having discussions of various aircraft carriers the fact that the *Kennedy* class would consume something like 540 gallons per mile, or some such figure. That adds up pretty fast. So it would seem to me that if we are more aggressive about use of nuclear energy in our ships we would be able not only to cut down on significant purchases of oil, but we might find that the overall fuel costs, especially when prorated over a period of time, are far less.

That's an observation.

Mr. CLAYTOR. Yes, sir.

Mr. EMERY. On page 7 of your testimony you refer to $104 million for the Navy and $23.7 million for the Air Force for operational facilities, and so forth, at Diego Garcia. But back on page 6 you mention $113.5 million is requested for construction of operational facilities—aprons, runway barriers, et cetera.

I assume that that is not at Diego Garcia.

Mr. CLAYTOR. That's right.

Mr. EMERY. Where are those located?

Mr. CLAYTOR. That would be for Air Force facilities in other areas in which we have been conducting negotiations for the joint use of facilities.

Mr. EMERY. May I ask you where those are?

Mr. CLAYTOR. Lajes, Oman, Somalia.

Mr. EMERY. How far along are those negotiations? Do we have any guarantees of sites in those areas?

Mr. CLAYTOR. Yes.

Mr. EMERY. We do have guarantees?

Mr. CLAYTOR. They will not be U.S. bases. They will be facilities which we would have the right to use in an emergency.

Mr. EMERY. I have further questions, but my time has expired. Thank you very much, Mr. Chairman.

The CHAIRMAN. Mr. Nichols.

Mr. NICHOLS. Thank you, Mr. Chairman.

Mr. Secretary, Mr. Lloyd has brought up the DIVAD program. I'm very much concerned about the cuts that came in this program. I believe I'm correct in saying that the Army made a request last year of $333 million for 1981. When the President submitted his budget in January he cut it to $104 million. That's a $128.7 million cut. Then you lop another $100 million off of it. You wind up with not what the Army asked for, $333 million, but $104 million. You've cut it about 70 percent, if my figure is correct.

Mr. Secretary, the Army has told this committee repeatedly that we need some type of protection for these M-60's, for the new XM-1 that comes off at $1 million a copy, for your mechanized infantry, and as I see it we have effectively gutted that program. I believe it's a wounded duck, and I believe it's wounded so bad I don't see how we're ever going to resurrect it.

My question is simply this: Is the requirement for the DIVAD gun still as urgent as Congress has been told and this committee has been told repeatedly?

Dr. PERRY. Yes, it is, Mr. Nichols.

Mr. NICHOLS. If that's the case, why in the name of heaven have you cut it by 70 percent? How do you expect to protect those folks out there?

Dr. PERRY. What has been done in the program is actually making a slight increase in the R. & D. phase of it and take the procurement funds and devote them only to long-lead procurement, and start the interim production facility but delaying the start of production until 1982. Thus, the major funds begin in 1982. I could show you, Mr. Nichols, a chart of how that program is going to phase in under this plan. It might help.

Mr. NICHOLS. I have a chart on it, and that's what disturbs me so much, Dr. Perry. I see it as being extremely vulnerable to being entirely eliminated somewhere along the line, and I see no effective mobile air protection that you have for your mechanized infantry, your people up there on the front line, your tankers. They've come up here time and time again and told us that this is a must program. I just can't understand how we have permitted this to be gutted, and I can't understand this in light of the fact that it seems to me that the potential threat continues to escalate.

Dr. PERRY. I share your belief in the importance of the requirement of the program. I do not believe this change, as you say, guts

the program. I think it simply delays the start of the full-scale production for 1 year. It would be better, in my judgment, to start full-scale production this coming year, as we originally proposed, and it is a loss to slow this up. I would not want to minimize that fact. We are making some painful decisions, and this is one of them.

Mr. NICHOLS. I don't believe this committee is going to let that $100 million stand, Mr. Secretary. I can't say what the Appropriations Committee is going to do. But this is one member of this committee who is going to try to give the Army the protection they say is necessary for the troops out there in the field.

I yield to Mr. Daniel.

Mr. DAN DANIEL. Thank you, Mr. Nichols.

Mr. Secretary, would you tell the committee about the Department of Defense's attitude toward people programs now? Do any of these cuts impact people programs?

Let me tell you what I am concerned about, Mr. Secretary. I am concerned about the narrow economic base from which most of our military personnel derive today. I think history reveals that a military force not typical or representative of the general population is not necessarily the best military force. Today we have some very critical shortages in some specialties. Most of the young men and women are failing the skill qualification test. At some time in ancient history—and I think it still applies—a British general said that any nation that draws a broad line of demarcation between its fighting men and its thinking men will likely find its thinking done by cowards and its fighting done by fools.

Now, certainly we haven't reached that stage, but it seems to me that we are trending in that direction.

What is the attitude of DOD now toward people programs, and are we cutting anything out of people programs?

Mr. CLAYTOR. We are not cutting people programs, and I think, as I have said many times, that the problem of retaining the good trained people that we have in all of the services is probably the most severe problem that we face in the years ahead. I think that has an extremely high priority with me and with the Defense Department.

Mr. DAN DANIEL. I want to commend you on it because there's nothing, it seems to me, any more important than that.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Lloyd.

Mr. LLOYD. Thank you very much, Mr. Chairman.

I would like to go to two subjects, and, Dr. Perry, I presume you're the one who would deal with them: the high energy laser and I would like to conclude on the DIVAD's. I'll start with the DIVAD's.

I would like to point out to you that at the end of fiscal year 1982 you will be down to roughly a per month delivery of 140 units, and then we came down from there—and this is in conclusion of what Mr. Nichols said—we went down to 110. In the April revision you now reduce the deliveries to 50. In other words, in fiscal year 1984 we will have about—I just want the committee to clearly understand this—one-third, and we've done this in just the last year.

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I would like to point out that this program is about 10 years old, that it was to address the Quad-23 menace, and that menace still exists, and, last but not least, we are operating Vulcan which is totally inferior to the Quad-23.

If I have made any misstatements, would you correct me?

Dr. PERRY. I think your statement is correct, Mr. Lloyd.

Mr. LLOYD. I thank you very much, Dr. Perry.

I would like to talk about the high energy laser. I note that you were talking about a reduction in the high energy laser. You're going to take about $20 million out of the Navy program and $20 million out of the Air Force program. The Navy program is called the high energy laser, and the Air Force program is called—and folks might be interested in why we changed the name—advanced radiation technology. But they're essentially the same thing, are they not, Dr. Perry.

Dr. PERRY. Yes.

Mr. LLOYD. And that amounts to about $40 million, is that correct?

Dr. PERRY. That is correct.

Mr. LLOYD. Would you make any recommendation personally with regard to this program? Would you recommend that to be cut, sir? Personally I'm asking you now, not what the Department tells you to say, but I want to know what you want to do.

Dr. PERRY. I recommend that if a cut were to be made in this program it should be made in the endoatmospheric program.

Mr. LLOYD. That was one of the questions that I have.

Do you personnally believe that we should terminate the endoatmospheric related experiments?

Dr. PERRY. No, I do not believe we should terminate them. I believe we should maintain the emphasis we have in the space-based laser program.

Mr. LLOYD. We have about $2 billion into that program. Is that figure right, $2 billion?

Dr. PERRY. About $2 billion is correct.

Mr. LLOYD. About $2 billion?

Dr. PERRY. Yes.

Mr. LLOYD. In other words, it seems to me that again we are doing exactly the same thing that we did with the B-1, exactly the same thing we're doing with the DIVAD's, exactly the same thing that we have done with program after program.

I do understand, Mr. Claytor has clearly said, hey, I have to make decisions, and the problem that we are running into is a philosophical one with this body here, and that is we are having great troubles in reconciling, as Mr. Nichols has indicated and certainly as my friend Mr. Dickinson has indicated, and as all along the line everyone has indicated, that you are not really dealing in a real growth. The thing that is killing you—and I think it's important that people like Mr. Browning and people like, I guess, OMB, whoever that may be at this point, I think it's time that you people—and I would ask both you and Mr. Claytor and Mr. Browning: Do you go back to OMB, or, better yet, do you to the President and say, "Mr. President, you are absolutely unrealistic in what you are doing to us. You are handing us a situation that is a dead-end situation. There is no way," just on the basis of maybe

some irritating forces such as not only myself—there may be, there just may be a couple more on this committee—who pound the same issue over and over again.

We do our homework over here. We're not as capable as you are. We don't have the staffs that you do. But I put lots of hours into this situation, and I find you are cutting programs, and I find it terribly frustrating, and somehow I get the feeling that I am the enemy, and I would like to tell you that I am not the enemy. I am really on the side, I like to believe, of the American public, on the side of what I believe, and, you see, the funny part of this whole thing is I think you are, too. I have great admiration and respect for you, Dr. Perry. You know that. And I think that you are being forced into a box in this situation whereby you are not giving the opinions, you are not given the opportunity to give the opinions that you need to give to approach a research and development program that is realistic, and I am overwhelmed in a situation, a world situation, which seems to be tumbling about our ears that we can sit and do these things.

You're more than welcome to comment. My time is up, and I guess I have expressed my frustration.

Mr. ICHORD. Would the gentleman yield?

Mr. LLOYD. I don't have any more time, but I would yield.

Mr. ICHORD. The fact is, Dr. Perry, you recommended with regards to the high energy laser against the cut, did you not?

Dr. PERRY. As you know, Mr. Ichord, I have supported the high energy laser program to this committee and in my recommendations to the administration. I have offered, though, the opinion that if a cut was to be made in the program it should be made in the endoatmospheric rather than in the space-based laser, and the reason I made that recommendation is I believe that the potential for a really revolutionary impact in our program lies more with the space-based laser than it does with the endoatmospheric. That's a technical judgment, choosing between the two. Both programs, I believe, are desirable programs, and both programs have a place in our R. & D. program.

The CHAIRMAN. Mr. Beard?

Mr. BEARD. Thank you, Mr. Chairman.

Mr. Secretary, in you statement you stated that one of the fundamental policy and program objectives was maintaining the most powerful Navy afloat.

Mr. CLAYTOR. Yes.

Mr. BEARD. At this particular time what is the ratio as to attack submarines maintained by the Soviet Union versus the United States?

Mr. CLAYTOR. The Soviets have many more. We think we have better ones. I don't have the figures, but I would be glad to get them for you. I don't carry those figures around in my head.

Mr. BEARD. You don't know the figure?

Mr. CLAYTOR. No, I don't know. But I know the Soviets have many more.

Mr. BEARD. Three to one?

Mr. CLAYTOR. I'm not sure what the ratio is, but it's perhaps 2 to 1.

Mr. BEARD. It's 3 to 1.

Mr. CLAYTOR. Is it 3 to 1? All right.

Mr. BEARD. As far as surface combatants do you have any ideas as to what the ratio is?

Mr. CLAYTOR. No; but I'm quite clear that we have superior surface capability to the Soviets. We have 12 capable aircraft carriers, 13 capable aircraft carriers when we get the other one built and they have none really worthy of the name.

Mr. BEARD. They're not building aircraft carriers at the time? Are they building aircraft carriers at the time?

Mr. CLAYTOR. We think they probably have one under construction, but we have not seen it. I don't count the helicopters, the V/STOL carriers, that they have as capable carriers. They're not in the same league with ours.

Mr. BEARD. I see.

We have one major surface combatant ship under construction now, is that not correct, the Aegis, or whatever it is?

Mr. CLAYTOR. Our 5-year program calls for 17. We have several of them under construction.

Mr. BEARD. Which 5-year program is this?

Mr. CLAYTOR. Our 5-year program, the one that's now in effect.

Mr. BEARD. Because there's been four 5-year programs in the past 3 years.

Mr. CLAYTOR. The current figure in the current 5-year program. We have enough Aegis ships to protect all of our battle groups.

Mr. BEARD. What does the intelligence report show as to the construction aspects? How many new classes does the U.S.S.R. have now under construction, how many new classes of ships?

Mr. CLAYTOR. I haven't any idea just offhand.

Mr. BEARD. It's four.

Mr. CLAYTOR. OK.

Mr. BEARD. Have you seen the intelligence reports as to their building projections of how many new class ships?

Mr. CLAYTOR. I've seen them, but I'm not in a position to testify about it because I don't remember.

Mr. BEARD. What we've been told is the Soviet Union's capabilities as to the four classes, they'll make more new ships in each of those four classes than we will make altogether in our 4- or 5-year shipbuilding program in 3 years.

Mr. CLAYTOR. That doesn't bother me, frankly. It doesn't bother me in the sense that I think our ships are more capable than theirs.

Mr. BEARD. It doesn't bother you?

Mr. CLAYTOR. No.

Mr. BEARD. Why?

Mr. CLAYTOR. Because I think our ships are more capable than theirs. I think our net capability is still superior. Now, if we don't keep the growth up that we have projected, which is a true growth of 4½ percent for the next 5 years, we'll be in trouble there, as we will in other places. But I think if our growth——

Mr. BEARD. Do we get briefed by the same intelligence community?

Mr. CLAYTOR. Yes.

Mr. BEARD. We do? Because I remember 7 years ago when we were talking about this, under a different administation, I heard

the word "quality," how much superior in quality our pieces of equipment were. I heard how superior we were in the strategic area.

But now aren't the intelligence people reporting back to you too that the quality difference is really coming much closer together?

Mr. CLAYTOR. It's not as great as it was, certainly.

Mr. BEARD. To the point that, like on submarines, has there not been a great deal of activity in submarines as to their capabilities in submarines?

Mr. CLAYTOR. I think you'll have to get a submarine man to talk about that. You're talking about the *Alfa* class. But it's a very noisy submarine, and I question whether one could say that their submarines, for the purposes for which we use our submarines, are not as good as ours.

Mr. BEARD. I could have sworn they told us that it's not that noisy, and its speed is much greater, and it's really more effective than anything we have.

While I'm still talking and continuing my line of questions I would like to point out when you say you're not concerned——

Mr. CLAYTOR. I didn't say I'm not concerned. I don't believe that we are in trouble.

Mr. BEARD. You don't believe we're in trouble?

Mr. CLAYTOR. I would be concerned if we do not keep our building program up.

Mr. BEARD. How can you say you don't believe we're in trouble when your own Chief of Naval Operations comes over and says, "We have a three ocean requirement and a one-and-a-half ocean navy," and we're starting to dock ships, the few ships that we have, because of lack of manpower, not to mention just the numbers.

Mr. CLAYTOR. All of those things concern me. I am not concerned about the balance with the Soviets if we can keep going. I'm concerned about a lot of other things.

Mr. BEARD. All right.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Leach.

Mr. LEACH. Mr. Secretary, we appreciate your appearance here, and I understand your posture before you came and from the line of questioning by various members of the committee.

I have no questions. I only have one observation, and I doubt seriously that you'll remember it or be concerned about it, but I would like to share it with you.

Certainly reasonable men and women throughout the Nation will differ on how we should go about at this time in our country's history trying to balance the budget. But I would like for you to know that I am unreasonable, and I represent many unreasonable people, who hold this administration accountable for the condition of our national defense. The people in the district that I represent do not believe that this administration, and perhaps this Congress, has been reasonable in keeping the American defense as strong as this country deserves and can afford to have.

For what it is worth, that is an observation that I would like for you to take back and let others know while you're discussing it with your staff members there that reasonable men throughout this Nation do, in fact, differ, and differ quite strongly, with the so-

called defense budget increase that is being offered by you here this morning.

I appreciate your listening to those remarks.

Mr. BEARD. Would the gentleman yield?

Mr. LEACH. Yes, I yield.

Mr. BEARD. I appreciate those remarks, especially hearing you say it from that side of the aisle, because the last time I expressed my concern I was accused of being political.

If I may just take this opportunity, one quick time to clear up because I'm still a little confused on one of your answers.

You stated in the 5-year shipbuilding program, when I mentioned the fact that the Soviet Union had four new classes under construction versus our one, that we have many more classes than that in our 5-year shipbuilding program.

Mr. CLAYTOR. No, I didn't say that.

Mr. BEARD. I'm sorry. What did you say?

Mr. CLAYTOR. I don't recall that I addressed the question. I certainly didn't say that we had more classes of ships under construction than the Soviets, no.

Mr. BEARD. How many classes do we have under construction?

Mr. CLAYTOR. We're building 963 destroyers.

Mr. BEARD. How many new classes do we have under construction? The Soviet Union has four new classes under construction. How many new classes does the United States have under construction?

Mr. CLAYTOR. I'm not sure what you mean by new class. One we've never built before?

Mr. BEARD. Yes, exactly.

Mr. CLAYTOR. We have none. We have no new classes under construction, classes of ships that we haven't built before.

Mr. BEARD. How many does the Soviet Union have?

Mr. CLAYTOR. I don't know.

Mr. BEARD. The Soviet Union has four new classes.

Mr. CLAYTOR. OK.

Mr. BEARD. OK. Mr. Chairman.

The CHAIRMAN. Mr. Bailey.

Mr. BAILEY. Thank you, Mr. Chairman.

Mr. Secretary, correct me if I'm wrong. The Defense Production Act, I believe, and I was one who voted for it, the Congress passed a piece of legislation—Congressman Moorhead was the original sponsor—which would have led to, I believe, Department of Defense purchases of synthetic fuel products.

Dr. Perry, do you have any knowledge of that legislation? I honestly cannot remember if it went to conference and came back to us or not. I remember that the legislation was designed to provide for Defense purchases of the synthetic fuel produced in this country. Obviously, that synthetic fuel, at least at the time, was much more expensive than derivatives of products—and you say you don't purchase crude—but products derived from foreign or domestically produced petroleum.

If you have any information on that I would very much appreciate having it. If you don't have any off the top of your head I wonder if you could get it for me.

The reason I asked the question is I wonder whether or not it adds to this fuel cost problem that we have, whether or not it plays a significant role.

Second, I'm a little concerned because obviously it adds again, it's one more piece out of that Defense budget that maybe should not be coming out of the Defense budget, but be taken out for Federal purchases across-the-board.

Do any of you have knowledge at all of the Moorhead legislation?

Mr. CLAYTOR. I don't, not offhand, no, sir.

Mr. BAILEY. How about one of your good friends here, Mr. Secretary?

Mr. QUETSCH. So far as I know, there is no impact on this budget. Regarding our having to purchase synthetics at premium prices, that does not enter in these fuel prices. We are negotiating with the Department of Energy regarding the cost of synthetic fuels for our test program.

Mr. BAILEY. It's not?

How about finding out if it's going to be?

Again, I may be mistaken, and maybe one of the staff here can correct me, but that legislation—Mr. Hutto informs me it's still in conference.

Could one of you find out what kind of impact it's going to have?

I may be mistaken, but I think it might add significantly to the Defense fuel costs, and I don't want to see that thing hidden. We have enough of a problem as it is.

Would you check that out for me, please?

Mr. QUETSCH. We will check it out.

There is a proposal to test those fuels through our system.

Mr. BAILEY. I don't think it's to test them. These are high naphtha, hydrocarbons, synthetic fuel products that are quite a good deal more expensive than those purchased abroad or wherever you purchase them. You say you purchase them on the world market. You probably purchase some from domestic sources also. You just go out in the marketplace and buy them like anyone else.

Mr. QUETSCH. Finished product.

Mr. BAILEY. Pardon me?

Mr. QUETSCH. Finished product.

Mr. BAILEY. Yes, the finished product.

What this legislation does—and the reason I would like you to check on it—is it provides for, again, defense purposes. I think it modifies the Defense Production Act, I'm not sure, the original piece of legislation, which controls or had to do with purchases for national security items.

I really wish you would check into it because I think it's something we shouldn't let be hidden. You may find your prices going up even more than what you've found here.

Mr. QUETSCH. We'll check it.

Mr. BAILEY. Thank you.

Thank you, Mr. Chairman.

[The following information was received for the record:]

FISCAL YEAR 1981 BUDGET AMENDMENT

The legislation referred to is H.R. 3930, 96th Congress, a bill "To amend the Defense Production Act of 1950 to extend the authority granted by such Act and to provide for the purchase of synthetic fuels and synthetic chemical feedstocks, and

for other purposes." This legislation and S. 932, 96th Congress, a bill "To extend the Defense Production Act of 1950, as amended," are the subject of a House-Senate conference committee effort to develop a national program for synthetic fuels and alternative energy sources. We expect the resulting legislation will call for the creation of a synthetic fuels corporation that would promote the commercialization of synthetic fuels through a number of incentives including: purchase agreements, loans, and loan guarantees. The Department of Defense intends to be an informed customer for synthetic fuels as they become available from industry in the mid-1980s. To assure this, we are conducting a program to test domestically-produced shale oil derived mobility fuels. Our synthetic fuel test requirements for fiscal year 1981 through fiscal year 1984 total 268,650 barrels and for which the Department will budget $36.27 million in 1980 dollars. The fiscal year 1981 Defense research, development, test, and evaluation request includes $6.9 million for synthetic fuel procurement and testing.

The impact of the cost of the synfuels for the RDT&E program is not expected to have any significant impact on the total DoD fuel bill. The program is designed to give DoD experience with synfuels and the effect that synfuels may have on the functioning of DoD mobility equipment. Industry may obtain early process experience.

Ultimately, it is hoped that with the experience and incentives provided by the bills under consideration before Congress that synfuels will become available on a commercial scale at costs competitive with conventional petroleum fuels. Indeed, it can be expected that in some parts of the United States, because of inflation and rising transportation costs, not to mention politically-motivated petroleum price increases, these synfuels may become more economical than fuels based upon imported stocks.

The guaranteed purchase and provisions in the bills under consideration will enable DoD to gain valuable near-term experience with the fuels that will become available in the next decade (long-term) without major impact on the DoD near-term fuel budget.

The CHAIRMAN. Mrs. Byron.

Mrs. BYRON. Thank you, Mr. Chairman.

Mr. Secretary, you mentioned a few minutes ago when you were discussing the fact that we have been negotiating for bases in Oman, Somalia, and Kenya we are talking about a fairly substantial expenditure in those areas. One of the things that you stated that concerns me is that you said these would be available for us in an emergency.

Is that our concept of an emergency, or the Somalians', Kenyans' and Omani's concept of an emergency, or what is going to give us that answer?

Mr. CLAYTOR. These are not bases. We are not creating any base in any foreign country. We will have no combat troops there. The flag will not be there.

Mrs. BYRON. I realize that.

Mr. CLAYTOR. These are their facilities, which under an agreement being negotiated will be available for our use when we require it in an emergency in the area.

Mrs. BYRON. In what type of an emergency?

Mr. CLAYTOR. These agreements are in the process of being negotiated. I do not have the text in front of me. But it is a joint thing. When our two nations have a problem we can use the base to solve that problem, and almost surely any problem with the Soviet Union would automatically be a problem that we would be jointly interested in handling.

Mrs. BYRON. I understand that the situation at Diego Garcia is farther along and consequently we have some actual cost figures of the involvement there as far as upgrading the port facilities and upgrading the landing facilities, but we have not gotten to that stage in the other three areas.

Mr. CLAYTOR. Diego Garcia is quite a different category than the others. In Diego Garcia, we have an agreement with the British of some years' standing and we have our flag there. That is a United States base, operated jointly with the British, for all practical purposes. The British are there, and we are there.

Mrs. BYRON. It's your estimation, then, that any confrontation with the Soviets would be an emergency?

Mr. CLAYTOR. Oh, yes, without question.

Mrs. BYRON. One other question I would like to ask.

We've been talking about the budget this morning, and we've been talking about outlays, budget authority, and other formulas of dividing, and how we're going to get to the final bottom line, so to speak, on the savings.

Could you give me an estimate or a concrete figure on what the proposed program cuts will result in a savings in the 1981 budget?

Mr. CLAYTOR. The dollar figure, the bottom line figure, is something like $2.9 billion more than was in there before because it's a net increase to the 1981 budget as a result of adding the inflation.

Mrs. BYRON. 2.9?

Mr. CLAYTOR. Mr. Quetsch will get the figure.

Mr. QUETSCH. To clarify that figure, we will be adding a total of $4,519 million in 1981 to cover the Indian Ocean costs, the RDF costs, fuel inflation, and general purchase inflation other than fuel, and we will be offsetting that by $1,619 million in program reductions.

Mrs. BYRON. That's budget authority. I'm talking about the outlay savings.

Mr. QUETSCH. The outlay savings include reestimates independent of these changes as well, and I'll have to provide that for the record, a breakdown on the effect of these changes on outlays, as distinct from the changes in the rate of outlay.

Mrs. BYRON. Thank you.

Mr. CLAYTOR. You understand that the outlays are pure estimates, whereas the TOA is a definite figure.

Mrs. BYRON. Thank you.

The CHAIRMAN. Mr. Ichord.

Mr. ICHORD. Thank you, Mr. Chairman.

Mr. Secretary, of course you know my position—we've discussed it both privately and publicly—and of my concern that this budget does not meet our military requirements, and, as you say, it is a matter upon which reasonable minds can differ. I don't think we would gain anything by going over the percentage increases because that depends upon a lot of assumptions that you have to make and a lot of variables.

My staff does advise me that if we have inflation in excess of 12 percent that we'll actually have a net decrease in defense spending for the 1981 timeframe. But that, again, is based upon outlays, rather than TOA, and I know we can get into an interminable argument as to whether you should use total obligational authority or outlays. Personally, I happen to think that outlays are more significant than total obligational authority because total obligational authority, some of these military purchase accounts are just 1 year, while your shipbuilding program will go over a 7-year period. So we can get into a lot of irrelevant arguments, I'm sure

you will agree, when we talk about what percentage this budget is an increase over the past budget.

But what I am concerned about is that your cuts in the HARM program and the DIVAD program might be pennywise and pound foolish. I'm sure that you know, and I know that Dr. Perry knows, that the R. & D. Subcommittee has been concerned for a great many years about the time that elapses between the concept and the development of a weapon system and the time we actually get it into the hands of the troops.

We often talk about our technological superiority. I fear that that superiority may exist in the laboratory and we might be repeating the same mistake that the Germans did. I think the Germans were technologically superior to the allies, and I ask the question: Who won the war? This technology in the laboratory doesn't mean very much.

For that reason the R. & D. Subcommittee has been doing something they really do not like to do, and that is to actually legislate an earlier IOC, with the idea of trying to instill a greater sense of urgency in getting these weapon systems into the hands of the troops.

Now, whenever we stretch out these programs we incur two kinds of cost. Personally, the escalated dollar cost doesn't mean very much to me because we don't have any control over that. But that constant dollar increase in cost, because you do not acquire the weapon system at the most economical rate, is very significant to me, and we are not acquiring at the most economical rate. I think there are just about one two weapon systems that we are acquiring at the most economical rate.

I don't know how this DIVAD system is structured. It depends on how it's structured. I think Mr. Lloyd established that we would have an increase in escalated dollars we're increasing the period over which the weapon system is built, and naturally as you have inflation it's going to cost you more in escalated dollars.

But can you and Dr. Perry assure me that there will be no increase in constant dollars because of the stretch-out on the DIVAD, and can you give me the same assurance on the HARM program?

Dr. PERRY. I think you have quite correctly differentiated between the two different kinds of increases. Both HARM and DIVAD will have an increase in apparent cost because of the inflationary effect of doing the program when the dollars are inflated. The reason these two programs were selected as opposed to other programs for the cut is because they had not yet started into production. Therefore, we could effect the budget savings without stretching a program in the sense that we would have to change the production rate. The production rate would cause an increase in constant dollars, as you point out.

What we are proposing to do with both of these programs, is simply delay the start of production 1 year, and maintain the same production rate as we had originally planned once we start it. That's exactly why these two programs were selected, because they had not yet started into production.

Mr. ICHORD. When you do start acquiring them will you acquire them at the most economical rate? As you well know, you have this

overhead that goes on, and you have to use those production facilities at the most economical rate if you're going to really be wise in your procurement.

Dr. PERRY. The amended 5-year budget for DIVAD and HARM shows the same production rate and the same constant dollar cost per year as in the original submission.

Mr. ICHORD. Mr. Secretary, it was pointed out to me that last year we sent to the graveyard 119 naval airplanes. This year we're acquiring 107.

Is that still the same situation? Are we still acquiring planes at a smaller rate than we're sending to the graveyard in the case of the Navy?

Dr. PERRY. I believe that's still true in 1981, Mr. Ichord. That won't turn around until the F-18 is into full production.

Mr. ICHORD. My concern, Mr. Secretary—and I don't care about percentage or what the amount is—and I am concerned about balancing the budget. I think where we perhaps differ is in priorities. I would put higher priority perhaps on the military spending than you would, at least as a member of the team.

I know I've asked Dr. Perry, and I've asked the members of the Joint Chiefs, and I have yet to ask a personal opinion where they said in their personal opinion that this budget meets the military requirements of the United States, and that's the significant thing.

I know you're a member of the team and these figures come to you as a fait accompli, and you're that messenger that Mr. Stratton talked about, and you have to defend them. But in your personal opinion, as the Deputy Secretary of Defense, does this budget meet the military requirements of the United States?

Mr. CLAYTOR. I think it meets them. I'd like to see it meet them better. But it meets them, and if I didn't think it would meet them I'd resign and not support it. I do support it. In fact, I was responsible for most of these cuts, and I think that, looking at the pros and cons of the whole situation we face, this is the decision I would come to.

Mr. ICHORD. But you can't tell me that this rate of spending, regardless of what it is or what's increased, is going to close the gap in fact.

Mr. CLAYTOR. If we continue with the increase each year that's projected, which is 5.2 percent in 1981 and 4½ percent in the outyears, we will be closing the gap.

Mr. ICHORD. Are you making the assumption there that the Soviet Union is going to cut back on its spending?

Mr. CLAYTOR. No. I'm making the assumption so far on that basis that they are going to continue to do exactly what they've been doing for the last 15 years, which is to grow at about 3½ or 4 percent a year.

Mr. ICHORD. And that is in military hardware and in R. & D. and in military construction. Over a 10-year period they've spent $140 billion more than we did, and are now spending twice as much in R. & D.

How do your mathematics get that we're going to close the gap?

Mr. CLAYTOR. I don't think we have a gap now. I think we'll not let the gap open with this program. I'm not trying to close a gap.

I'm trying to keep a gap from forming. I want to see a turnaround in the difference between their program momentum and ours.

The CHAIRMAN. Mr. Evans.

Mr. EVANS. Thank you, Mr. Chairman.

Mr. Secretary, first of all, I would like to associate myself with many of the remarks made. I am convinced that our military defense posture is not as strong as it should be, and I think the country as a whole is convinced, and I think this goes beyond a question of reasonable men differing.

I would like to mention a few things that concern me in the discussion this morning.

The question of inflation, when I hear figures bandied around of 10-percent inflation, 11-percent inflation, and so forth, I have a feeling this is done in order to fit a pattern, to justify a decision already made. I hope I'm wrong, but I have a nagging feeling.

The second point I would like to make is I am concerned when we try to explain how powerful our Navy is by starting out by talking about the aircraft carriers we have. As you know, aircraft carriers are controversial, but even if they weren't we are assuming, or we are neglecting to realize that the logistics of the thing might mean that we are fighting far away from our home, where the potential adversary can use land-based aircraft for cover. Right now the trouble spots in the Persian Gulf certainly make the need for Soviet aircraft carriers much less necessary than ours, operating thousands of miles away. So I'm a little disturbed that that's used as a basis to show how powerful our Navy is and to downgrade the fact that they have far more attack submarines than we do.

I am also concerned over the answer you gave about the facilities which we are now getting ready to use by agreement.

The countries, the nations, that own these facilities, do they reserve their veto power over our use in case of an emergency, when a chance of retaliation by an adversary might make them a target? I think I would like that point clarified before you finish talking because we might end up having another Cam Ranh Bay, where we spend $2 billion on the now beautiful Soviet base and for other purposes.

Finally, is there not some truth in the fact that the unpredictability of the military purchasing and procurement has been the main factor in the limitation of the production capacity which we now have, which is making it very difficult to respond to an emergency because the production facilities can't expand or contract willy-nilly as we give orders out?

I would like you to address yourself to those questions for me, please.

Mr. CLAYTOR. The facilities that we may be able to use are the only facilities, the land facilities, in the area that could be used by us. If the countries involved are not on our side we obviously couldn't use them. We are satisfied they will be on our side in any conceivable problem.

Mr. EVANS. The question is do they have veto power.

Mr. CLAYTOR. You couldn't have a veto power. They are not giving up their sovereignty. Of course not.

Mr. EVANS. That answers the question.

Mr. CLAYTOR. Of course not. These are sovereign nations that are friends of ours and are working in a common cause. If those facilities don't exist, regardless of their desire for us to use them, they would be of no use to us. It's important that the facilities be there because there are no other areas in which such facilities could be built.

Mr. EVANS. I quite understand that.

Mr. CLAYTOR. That's the problem.

Mr. EVANS. The only thing is, I think we should take that in the proper perspective.

Mr. CLAYTOR. Yes.

Mr. EVANS. I understand what you're saying, and I knew that would be the answer. But we just have to recognize the limitations of these facilities there.

Mr. CLAYTOR. Of course. Yes, sir, I agree.

I would like to ask Dr. Perry to talk about the production base. He's been working on this problem for some years.

Dr. PERRY. Mr. Evans, I believe we have the capacity in our major aerospace contractors for rapid expansion if we care to make that expansion. The limiting factor is not with the major contractors, but the so-called first tier and second tier subcontractors. Those subcontractors are substantially overloaded today, not primarily with defense work but primarily with commercial work, and, therefore, if we wanted to have a major expansion we would have to do it at the expense of the commercial work which is going on at those subcontractors.

Mr. EVANS. A chain is as strong as its weakest link.

Wouldn't they just as successfully and effectively curtail the program as the major contractors?

Dr. PERRY. They would curtail the program unless we consider the requirement for the defense expansion to be a national emergency, in which case we would invoke the Defense Production Act to put our requirements at the head of the line.

Mr. EVANS. Thank you, Mr. Chairman.

I would just like to ask one last question, which you may answer in secret session, if you think it's necessary.

Is our Navy really the most powerful in the world?

Mr. CLAYTOR. I think so. But, you know, I rely primarily on the experience I had when I was Secretary of the Navy, and that was the view of Admiral Hayward and Admiral Holloway and the Joint Chiefs, that we have a narrow margin of superiority which we will lose if we do not continue the growth that's now been projected. But as of now, yes.

Mr. EVANS. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Nedzi.

Mr. NEDZI. I have no questions, Mr. Chairman.

The CHAIRMAN. Mr. Wyatt.

Mr. WYATT. Thank you, Mr. Chairman.

Mr. Claytor, I have some concern over our manpower situation, and from what we have repeatedly heard in this committee we are increasingly losing our skilled technicians in the military. Part of their problem, of course, is the fact that their pay is beginning to slide behind and not keep up with inflation to a rather dramatic

degree. We are not providing probably the reenlistment bonuses, et cetera, that we should, the incentives to remain in the military, and it's of some concern that—and I believe this is correct—you did not have any increases in this budget to retain personnel in terms of dollars, for instance, in the Nunn-Warner legislation.

Could you tell us why?

Mr. CLAYTOR. In this budget amendment we don't. There are substantial bonus increases and other initiatives in the basic fiscal year 1981 budget that are aimed at improving retention. We haven't increased anything in this amendment in that area.

Mr. WYATT. What you're saying, then, is you plan to provide for increases in personnel and retention?

Mr. CLAYTOR. Yes. In addition to the program we have in the fiscal year 1981 budget, the Congress has before it the Nunn-Warner amendment and if that passes that would be helpful.

Mr. WYATT. Would that increase the dollar amount of the budget?

Mr. CLAYTOR. There will most likely be additional budget costs if Nunn-Warner passes, though the exact magnitude of that increase has not been determined.

Mr. WYATT. Would that have to come out of what you're recommending here if we're going to maintain this program?

Mr. CLAYTOR. Most likely an additional appropriation would be required, though it is possible that at least some of the cost would be absorbed in the present budget.

Mr. WYATT. And you wouldn't foresee, then, some sort of a supplement to make reductions in other areas?

Mr. CLAYTOR. That decision has not been addressed. The act hasn't been passed.

Mr. WYATT. Does the administration support that act?

Mr. CLAYTOR. We are attempting to work out with the OMB, the Defense staff, and the staffs of the various committees on the Hill an arrangement so that the bill, as passed, can be accepted. If amended in certain ways, it obviously would not be acceptable. Otherwise, if it's pretty much as it is I think it would be acceptable. That's a problem of detail that is now being worked out.

Mr. WYATT. Do you know of any initiative of the Department of Defense that will be sent to the Hill enumerating all that you are desirous of in terms of retention?

Mr. CLAYTOR. No. We have no proposal pending.

Mr. WYATT. You have no proposed bill?

Mr. CLAYTOR. No.

Mr. WYATT. Legislation?

Mr. CLAYTOR. No.

Mr. WYATT. That answers my question. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Hopkins.

Mr. HOPKINS. Thank you, Mr. Chairman.

Mr. Secretary, is the security of the United States in your opinion being threatened today?

Mr. CLAYTOR. I don't think it's threatened. I think that we're living in a difficult world and that there are threats in certain areas of the world which we are very well aware of and are taking action to protect against, the Middle East in particular.

Mr. HOPKINS. Some of the finest minds of our time are convinced that the Soviet Union will never have to use its armed might in a global conflict. They believe that when the odds are sufficiently overpowering that the free world will surrender through fear.

Mr. CLAYTOR. I think if the odds are sufficiently overpowering that's right.

Mr. HOPKINS. And through perhaps inadequate defense and because perhaps we might have lost our will to resist. Do you subscribe to that theory?

Mr. CLAYTOR. I don't think that that's ever going to happen. But I think it could happen if we're not careful to make sure that we maintain a strategic nuclear equivalence, which is the key factor there, superiority at sea, and sufficient strength to deter a conventional war, all three.

Mr. HOPKINS. The President seems to think that our security is being threatened.

Mr. CLAYTOR. Of course, in the context in which the President spoke, it's being threatened. I don't think that we are about to lose our freedom, but I think we are living in dangerous times.

Mr. HOPKINS. Given the threat to our security in this country, today Congress is going to vote on consideration of registration for the draft. Given the past posture of this administration on the B-1 bomber, the M-X missile, the Trident submarine, the neutron bomb, the aircraft carriers, do you believe that we are being threatened to the extent that the administration should reconsider those issues?

Mr. CLAYTOR. No. I think that the budget that we have here now, and the 5-year plan that we have, is adequate to take care of our security. If I didn't, I wouldn't be here.

Mr. HOPKINS. Do you believe in your own personal view that the 19- and 20-year old males of this country should be asked to register?

Mr. CLAYTOR. Yes, sir. I advocated draft registration when I was Secretary of the Navy, before the issue ever came up.

Mr. HOPKINS. That's all I have, Mr. Chairman. Thank you.

The CHAIRMAN. Mr. Secretary, in fiscal years 1979 and 1980 the Congress appropriated funds for 12 A-7K aircraft, a total of 24 of them, that were not requested by the administration. Last Friday, April 18, the committee received justification books from the Department of Defense stating that the 1980 program for procurement of 12 aircraft will be canceled to make these funds available for transfer to other Department of Defense higher priority requirements.

On Monday, April 21 of this week, the committee received a letter from you in which you say that we should forget all about the Department's previous statements about the A-7K funds, but that these funds should now be used to keep the A-7D production line open to respond to possible foreign military sales requests.

The Active Air Force is phasing out the A-7 aircraft and has less than 90 of these planes left in its inventory. The Air Guard, on the other hand, has 287 of the A-7's in its inventory.

The question I want to raise is: In what way would the procurement of more A-7D's more readily meet our overall force level and mix requirements?

Mr. CLAYTOR. Two ways, Mr. Chairman. These planes are of great interest for foreign military sales, that is, for aid to our allies.

I had a problem just recently where an early version of the A-7 was urgently needed for one of our allies, and we had 28 of them taken out of storage to be refurbished.

I think that we could get 13 of these A-7D's for the same price as 12 two-seaters, and it will keep the A-7D line open in case we have another requirement abroad, which we may well have.

They are good fighting planes. They are not training planes. We think that the 13 A-7D's would be a better purchase than 12 A-7K's, which is the two-seater version.

The CHAIRMAN. But since you propose to cancel the A-7K procurement because of higher priorities, are you now telling the committee that possible foreign military sales are of a higher priority than our own national defense?

Mr. CLAYTOR. Yes; and I think it's fair to say that—I reviewed this personally—the dates, actually the earlier decision was made some time ago. It was not just made on the 19th, or the 18th, or the 20th, or when that document was dated. The April 18th document was prepared and printed some weeks ago, and we, in the meantime, had looked at the situation once more. We do not feel that the two-seater A-7K is a useful plane as the A-7D would be useful. I think we also concluded that in the light of history, which I went back and reviewed, the Congress is going to keep the A-7 plane one way or the other in the budget anyway, and we would like to see the A-7D, which we think is the more useful plane.

The CHAIRMAN. Did you take about 25 of these out of the inventory?

Mr. CLAYTOR. Sir?

The CHAIRMAN. Did you take about 25 of these aircraft out of the inventory?

Mr. CLAYTOR. We did take some 28. We took them out of the storage inventory.

The CHAIRMAN. How are they affected by this?

Mr. FORD. What were they replaced with in the Active Force?

Mr. CLAYTOR. Why were they?

Mr. FORD. I said what were they replaced with in the Active Force?

Mr. CLAYTOR. They were not replaced. These were early models we had in the inventory. We didn't have any others to replace them with at the time.

The CHAIRMAN. Are there any other questions?

[No response.]

The CHAIRMAN. If not, that concludes the hearing for this morning.

[The following questions were submitted to the witness to be answered for the record:]

F-15 MODIFICATIONS

The CHAIRMAN. How can the Department of Defense possibly justify risking expensive aircraft and air crews through the delays in making safety-of-flight modifications?

ANSWER. The Department of Defense does not risk expensive aircraft and air crews through delays in making safety-of-flight modifications. The $35.1 million dollars of Fiscal Year 1980 F-15 funds that the Administration has recommended be

diverted to higher priority requirements were part of the $73.4 million F-15 fiscal year 1980 Update Modification Program. This program addresses two categories of modifications: safety-of-flight fixes and reliability/durability improvements. The cut of $35.1 million has necessitated a reprioritization of tasks within the Update Program. Critical safety-of-flight modifications will be funded; the impact will be felt primarily in the deferral of several F-15 aircraft and engine reliability/durability retrofit improvements.

HARM PRODUCTION

The CHAIRMAN. Can you tell me why this program, of all programs, was singled out for a delay rather than submitting a request for additional appropriation?

ANSWER. When the fiscal year 1981 Budget Amendment was developed, we were unsure about the status of the program. Technical problems which surfaced last October caused a cessation of testing, deletion of fiscal year 1980 production funds and a restructuring of the program. Uncertainty about the status of solutions to technical problems and the resumption of testing led to our decision to finance urgent Navy operating requirements with a portion of the HARM procurement funds and also to convert a portion of the procurement funds to additional RDT&E. Because it appeared that production funds would not be needed until near the end of the fiscal year, the Navy expected the reduction in funding would only delay the IOC by three to four months.

Subsequent to submission of the fiscal year 1981 amendment, we find the program has improved technical progress. A more refined analysis of the impact of funding adjustments indicates program delays would be much longer than first estimated, and program cost increases would be larger than anticipated, especially to the Air Force. Thus, we are no longer recommending reducing HARM funding.

The CHAIRMAN. Is this program of a lower priority than additional A-7s for the National Guard?

ANSWER. HARM production is of a higher priority than additional A-7s for the National Guard.

The CHAIRMAN. The committee will adjourn until tomorrow morning at 10 o'clock.

[Whereupon, at 12:20 p.m., the committee adjourned, to reconvene on Wednesday, April 23, 1980, at 10 a.m.]

60-362 O - 80 - 17

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Wednesday, April 23, 1980.

The full committee met, pursuant to notice, at 10 a.m., in room 2118, Rayburn House Office Building, Hon. Melvin Price (chairman of the committee) presiding.

The CHAIRMAN. The committee will be in order.

The first matter on the agenda this morning will be the hearings on the President's proposed revisions to the fiscal year 1981 Defense budget. The chief witness is Maj. Gen. George M. Browning, Jr., Director of the Budget.

General Browning, do you have any preliminary statements that you would like to make?

General BROWNING. I do have a preliminary statement. Then I would request that the entire statement be put into the record.

The CHAIRMAN. Without objection that will be done.

You may proceed any way you desire.

STATEMENT OF MAJ. GEN. GEORGE M. BROWNING, JR., DIRECTOR OF THE BUDGET, HEADQUARTERS, USAF

General BROWNING. Good morning, Mr. Chairman and members of the committee. I am pleased to appear before you and present the Air Force's fiscal year 1981 budget amendment, which addresses changes required due to fuel price increases, inflation, Rapid Deployment Forces requirements, and operations in the Indian Ocean area.

This amendment in TOA terms identifies an increase of $1.8 billion with offsets of $309 million, for an increase of $1.5 billion. However, only $1.4 billion is required in budget authority as we propose to finance $111 million of the increase through transfer of prior year unobligated balances.

The amendment to the fiscal year 1981 budget is necessitated by three things. It is the requirement for rapid deployment of forces, the sharp increase in fuel prices and higher than expected purchase prices from inflation. The additional $137 million for RDF includes resources for construction of facilities to permit bare-based operations in lesser developed areas.

Fuel in the 1981 budget is priced at September 1979 levels. We were aware at that time that fuel prices would probably increase. However, we thought it too early for any reasonable forecast. As we now see the situation, fuel prices will average over $42 a barrel throughout 1981, rather than the $26 price included in the budget. Our fuel costs will increase by approximately $1.4 billion over the budgeted amount. We see no alternative but to continue flying operations and to bear the increased costs.

Operational requirements preclude any force draw-down at this time.

The recently revised economic assumptions increased the estimated rate of price inflation included in the 1981 budget. That change cost us $328 million. Failure to recognize these increases would disrupt the programed operations, increase costs and adversely impact force readiness.

Because we must improve the readiness of our Rapid Deployment Forces and yet face the realities of national economic environment, there has been the necessity to reassess our priorities and our role in sharing limited national assets. Notwithstanding the importance of many readiness and modernization initiatives, the Air Force plans to offset a portion of the requested increases.

The fiscal year 1981 amendment budget reflects a commitment to significant real growth in the Defense program.

On my left is General Russ from Air Force R.D. & A. On my right is General Chain from Air Force Operations. All of us and our backup witnesses are ready to answer questions.

WRITTEN STATEMENT OF MAJ. GEN. GEORGE M. BROWNING, JR.

Mr. Chairman and members of the Committee: I am pleased to appear before this committee and present the Fiscal Year 1981 Budget Amendment which addresses changes required due to fuel price increases, inflation, Rapid Deployment Forces' requirements and operations in the Indian Ocean area.

This amendment (in TOA terms) identifies an increase of $1,871.6 million with offsets of $309.7 million for an increase of $1,561.9 million. However, only $1,450.4 million is required in budget authority as we propose to finance $111.5 million of the increase through the transfer of prior year unobligated balances.

The amendment to the FY 1981 Budget is necessitated by three things: the requirement for the Rapid Deployment Force (RDF), the sharp increase in fuel prices, and higher-than-expected purchase price inflation.

The additional $137 million for RDF includes resources for construction of facilities to permit bare-based operations in lesser developed areas.

Fuel in the FY 1981 Budget is priced at September 1979 levels. We were, of course, aware at that time that fuel prices would probably increase; however, OSD thought it too early for any reasonable forecast. As we now see the situation, fuel prices will average over $42 per barrel throughout FY 1981 rather than the $26.46 price included in the budget for FY 1981. Our fuel costs will increase by approximately $1.4 billion over the budgeted amount. We see no alternative but to continue flying operations and bear these increased costs. Operational requirements preclude any force drawdown at this time.

The recently revised economic assumptions increase the estimated rate of price inflation included in the FY 1981 Budget. That change costs us $328 million. Failure to recognize these increases would disrupt programmed operations, increase costs, and adversely impact force readiness.

Because we must improve the readiness of our rapid deploy-

ment forces and yet face the realities of the national economic environment, it has been necessary to reassess our priorities and our role in sharing limited national assets. Notwithstanding the importance of many readiness and modernization initiatives, the Air Force plans to offset a portion of the requested increases.

The FY 81 amended budget reflects a commitment to significant real growth in the defense program. Details relating to increases and offsets follow.

DETAILS OF AIR FORCE PORTION OF THE FY 1981 BUDGET AMENDMENT

II. FY 1981 BUDGET AMENDMENT

BUDGET REQUEST CHANGE	FY 1981	
Aircraft Procurement, AF	$+ 99.1M	
Missile Procurement, AF	+ 35.3	
Other Procurement, AF	+ 24.2	
Military Construction, AF	+ 103.5	
Military Construction, ANG	- 7.0	
Military Construction, AFR	- 1.0	
Operation and Maintenance, AF	+1,108.8	
Operation and Maintenance, ANG	+ 161.0	
Operation and Maintenance, AFR	+ 62.2	
Military Personnel, AF	+ 27.7	
Research, Development, Test, & Evaluation, AF	- 51.9	
Budget Request Change		$+1,561.9M
FINANCING NET CHANGE*		
Aircraft Procurement, AF	$- 71.9	
Research, Development, Test & Evaluation, AF	- 39.6	
Financing Net Change		$- 111.5
NEW BUDGET AUTHORITY		$+1,450.4

* Source of funds from FY 80. Application of funds is shown on the following detail pages.

AIRCRAFT PROCUREMENT, AF

FY 1981 Budget Request Change: $+99.1M

Financing Net Change: $0

Program Increases: Economic assumptions were revised in March 1980 to reflect higher than anticipated inflation rates. This resulted in program increases for:

Combat Aircraft	$ 41.6M
Other Aircraft	1.2
Modification of In-Service Aircraft	20.8
Aircraft Spares and Repair Parts	17.9
Aircraft Support Equipment & Facilities	17.6
TOTAL	$ 99.1M

MISSILE PROCUREMENT, AF

FY 1981 Budget Request Change: $+35.3M

Financing Net Change: $0

Program Increases: Economic assumptions were revised in March 1980 to reflect higher than anticipated inflation rates. This resulted in program increases for:

Ballistic Missiles	$ 2.1M
Other Missiles	12.0
Modification of In-Service Missiles	1.5
Spares and Repair Parts	2.1
Other Support	17.6
TOTAL	$ 35.3M

OTHER PROCUREMENT, AF

FY 1981 Budget Request Change: $+24.2M

Financing Net Change: $0

Program Increases: Economic assumptions were revised in March 1980 to reflect higher than anticipated inflation rates. This resulted in program increases for:

Munitions and Associated Equipment	$ 6.5M
Vehicular Equipment	3.5
Electronics & Telecommunications Equip	15.6
Other Base Maintenance & Support Equip	8.0
TOTAL	$ 33.6M

Offsets: $9.4M was deleted from passenger carrying vehicles to cover higher priority DOD requirements.

MILITARY CONSTRUCTION, AF

FY 1981 Budget Request Change: $+103.5

Financing Net Change: $0

Program Increases: $137.2M is required for the construction of airfield facilities in the West Indian Ocean area to support Rapid Deployment Forces. The projects include facilities to allow the U.S. Air Force to support contingency presence and operations in addition to those of the host nation and liquid fuel storage and dispensing facilities and necessary utilities at both Indian Ocean locations and enroute bases.

Offsets: $33.7M was deleted from planning and design and 13 construction projects as follows:

Planning and Design	$ 14.5M
Construction	$ 19.2M

MacDill AFB, FL	Data Processing Facility	1200
Chanute AFB, IL	Energy Conservation Investment Program	3090
Kirtland AFB, NM	Aircraft Fuel Systems Maintenance Dock	1200
Grand Forks AFB, ND	Data Processing Facility	1250
Minot AFB, ND	Data Processing Facility	1250
Bergstrom AFB, TX	Data Processing Facility	1200
Carswell AFB, TX	Data Processing Facility	1100
McChord AFB, WA	Data Processing Facility	1050
F.E. Warren AFB, WY	Data Processing Facility	1050

CP New Amsterdam, Netherlands	Gymnasium	3650
Lakenheath RAF, UK	Control Tower	1850
Woodbridge RAF, UK	Avionics Shop	720
Osan AB, ROK	Dangerous Cargo Pad	590

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

FY 1981 Budget Request Change: $-7.0M

Financing Net Change: $0

Offsets:

1. Projects to be deleted from the FY 81 ANG MCP:

STATE	INSTALLATION and PROJECT	AMOUNT ($000)
California	Ontario IAP to March AFB	
	Alter Hanger #2307	$- 647
	Munitions Maintenance/Storage Fac	- 755
	Aircraft Arresting System	- 300
	Power Check Pad w/suppressor	- 415
	Composite Squadron Operations	-1,400
	Base Supply and Equipment Warehouse	-1,775
Illinois	Capital MAP	
	Add to Jet Fuel Storage	- 275
Massachusetts	Barnes MAP	
	Munitions Maintenance Facility	- 645
Missouri	Rosecrans Memorial Airport	- 910
South Dakota	Joe Foss Field	
	POL Operations	- 140
	TOTAL	$-7,262

2. Project to be added back in to bring the reduction to $7 million

Kentucky	Standiford Field	
	Add to Jet Field Storage	+ 262
	NET DECREASE	$-7,000

MILITARY CONSTRUCTION, AIR FORCE RESERVE

FY 1981 Budget Request Change: $-1.0M

Financing Net Change: $0

Program Increases: $.15M is required to adjust the Barksdale AFB, LA., Power Check Pad project to reflect the most recent pricing based on project design submissions. The cost increase is due to accelerated inflation effects on labor and construction materials, particularly paving material.

Offsets: $1.15M for the Andrews AFB, MD, Squadron Operations Project is to be deferred to a future year.

OPERATION AND MAINTENANCE, AF

FY 1981 Budget Request Change: $+1,108.8

Financing Net Change: $-111.5M

Program Increases: Increases are in two areas. Fuel ($1,146.8M) prices for FY 1981 were based on September 1979 levels. Although we were aware that a further increase was likely, we felt it prudent to delay a repricing until after the December 1979 OPEC meeting. Based on the best current data, we have revised our FY 1981 cost per barrel estimate from $26.46 to $42.41, an increase of $15.95 per barrel. Inflation ($88.7M) increase is because economic assumptions were revised in March 1980 to reflect the higher than anticipated inflation rate.

Offsets: $126.7M was identified in the following areas: Civilian personnel hiring freeze ($57.7M), travel reduction ($15.0), base operations ($25.0M), real property maintenance ($29.0M).

OPERATION AND MAINTENANCE, AIR NATIONAL GUARD

FY 1981 Budget Request Change: $+161.0

Financing Net Change: $0

Program Increases: Increases are in two areas. Fuel ($154.3M) prices for FY 1981 were based on September 1979 levels. Although we were aware that a further increase was likely, we felt it prudent to delay a repricing until after the December 1979 OPEC meeting. Based on the best current data, we have revised our FY 1981 cost per barrel estimate from $26.46 to $42.41, an increase of $15.95 per barrel. Inflation ($6.7M) increase is because economic assumptions were revised in March 1980 to reflect the higher than anticipated inflation rate.

OPERATION AND MAINTENANCE, AIR FORCE RESERVE

FY 1981 Budget Request Change: $+62.2M

Financing Net Change: $0

Program Increases: Increases are in two areas. Fuel ($60.8M) prices for FY 1981 were based on September 1979 levels. Although we were aware that a further increase was likely, we felt it prudent to delay a repricing until after the December 1979 OPEC meeting. Based on the best current data, we have revised our FY 1981 cost per barrel estimate from $26.46 to $42.41, an increase of $15.95 per barrel. Inflation ($1.4M) increase is because economic assumptions were revised in March 1980 to reflect the higher than anticipated inflation rate.

MILITARY PERSONNEL, AF

FY 1981 Budget Request Change: $+27.7

Financing Net Change: $0

Program Increases: Fuel price increases affect the permanent change of station (PCS) program, Military Personnel, AF Appropriation ($27.7M) in that the Industrial Funds (Military Airlift Command (MAC) and Military Sealift Command (MSC)) charge the PCS account for services rendered (transportation of

personnel, household goods, and privately-owned vehicles). Based upon the latest fuel costs, MAC and MSC transportation rates have been increased effective March 1, 1980 to accommodate the higher cost of fuel.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION, AF

FY 1981 Budget Request Change: $-51.9M

Financing Net Change: $0

Program Increases: Increases are in two areas. Fuel ($17.0M) prices for FY 1981 were based on September 1979 levels. Although we were aware that a further increase was likely, we felt it prudent to delay a repricing until after the December 1979 OPEC meeting. Based on the best current data, we have revised our FY 1981 cost per barrel estimate from $26.46 to $42.41, an increase of $15.95 per barrel. Inflation ($63.0M) increase is because economic assumptions were revised in March 1980 to reflect the higher than anticipated inflation rate.

Offsets: $131.9M was identified in the following areas: Air Force studies and analysis ($26.5M), B-52 EMP subsystem testing and analysis ($25.0M), Cruise Missile Carrier Aircraft flight demonstration slip ($15.0M), slow down the advanced radiation technology program ($20.0M), reduction in travel ($3.4M), reduction in basic research ($10.0M), and a reduction in Precision Location Strike System ($32.0M).

The CHAIRMAN. Thank you very much.

Are there any questions?

Mr. DAN DANIEL. General, talk to us a little more about fuel costs. How much have you been required to take out of your hide?

General BROWNING. The total amount that will come out is $309 million in offsets in 1981. Then from 1980 we are bringing forward $111 million for offsets.

Mr. DAN DANIEL. You do not intend to reduce your flying hours; is that correct?

General BROWNING. We do not, sir.

Mr. DAN DANIEL. That is encouraging.

General BROWNING. At this time, we are right on line.

Mr. DAN DANIEL. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Stump, have you any questions?

Mr. STUMP. Nothing, thank you.

The CHAIRMAN. Mr. Robert Daniel.

Mr. ROBERT DANIEL. I have no questions.

Mr. BADHAM. I have no questions.

Mr. DAVIS. I have no questions.

The CHAIRMAN. It looks like you are in free, but Mr. Montgomery does have a question.

Mr. MONTGOMERY. I was going to ask the Deputy Secretary this yesterday. It pertains to the C-130. Are you prepared to talk about the deleting of the C-130 in 1980 which will be authorized by this committee and the Congress?

General BROWNING. Yes, sir.

Mr. MONTGOMERY. I am concerned about it. As I understand it, this committee would not get a vote on the rescission of whatever orders might come or request that would come from the Defense Department because I believe it was the appropriations for 1980. I think some of us feel very strongly that the best way for the taxpayers is to move toward giving the National Guard and Reserves more equipment, not taking equipment away from them.

Now, this committee each year for the last several years has authorized A-7's and also C-130's in a limited number to go to the Guard and to the Reserve. As I understand it, you put the A-7's back in and you will not knock those out. You might give me a clear answer on this.

The C-130's have been knocked out. It did not make any sense. The most excitement I have seen in the Air Force in the last year, like we were doing something, was I went to Oklahoma City when four brand new C-130H's were flown from Marietta, Ga., to Oklahoma City to the Air National Guard. They had the Governor and they had bands playing. They had two Senators, and a large number of people came out from the community. It was a really wonderful situation. People were proud to get the planes.

Now you are knocking them out. I will agree when you say you do not need any more tactical airlift. I will accept that, but I understand that is not the situation.

General BROWNING. The A-7's are being put back. At this point in time, the C-130H's are offered as offsets.

Mr. MONTGOMERY. Why is this.

General BROWNING. There are over $400 million in offsets that are offered. Basically, there are three criteria that were used: The zero based budget approach to establish priorities; the impact on the mission of the U.S. Air Force if we lost the particular offsets; and the amount of funds unobligated at the time of offer.

The C-130's were not on contract. They came as a candidate and, among all the other priorities, they were the ones that were selected.

Mr. DAVIS. Will you yield?

Mr. MONTGOMERY. Yes.

Mr. DAVIS. Explain one other thing, please. Several weeks ago we had a general up here begging for the C-X. He explained the great need for this, and the C-X is oversized. He said we still had the basic need for more airlift. It seems contradictory.

You say you can cut out this type of airlift aircraft at a time when you have a great need. You do not have the same story, do you?

General BROWNING. The need is still there.

Mr. DAVIS. So you do away with it?

General BROWNING. The need is for the strategic airlift. The wide-body airlift that travels long distances.

Mr. DAVIS. But now you have some tremendous need for airlift in the theater that the C-130's are used for.

General BROWNING. General Chain will discuss this.

General CHAIN. There is no doubt that we need more airlift. In the order of priorities, C-X's are No. 1. We have them to be able to deploy to the European region and other worldwide contingencies.

Mr. DAVIS. Let me ask one question. We have a quorum call. Let me ask this.

If you have the need and you are not getting the C-X, does that do away with the need?

General CHAIN. No, it remains.

Mr. DAVIS. Then there is still a need for the C-130's?

General CHAIN. And a need for lots of other things, but we have to go by priority. There is no doubt we need them.

Mr. DAVIS. We need the Space Shuttle, you mean, and other things where you pay the bill for NASA?

General CHAIN. We do not enjoy paying the bill for NASA.

Mr. DAVIS. You are doing it. They were up for reprograming the other day on the MilCon funds to pay bills that NASA ought to be paying.

General CHAIN. There are lots of other items that we have in our budget that we think are more dear to us than the C-130's.

Mr. DAVIS. Such as what?

General CHAIN. Such as conformal tanks for the F-15 and more missiles for the fighters.

Mr. DAVIS. When are you going to stop looking at MAC as a stepchild?

General CHAIN. I do not think we do.

Mr. DAVIS. They have not been in the budget since the C-5A except the stretching of the C-141.

General CHAIN. They are coming into the budget very strongly with the C-X. The Air Force has not written off the C-X.

The CHAIRMAN. We are on the second bell of a live quorum call. I suggest that the members at this time respond to the quorum call. Then they will return immediately and we can continue the hearing.

General BROWNING. Yes, sir.

General CHAIN. Yes, sir.

The CHAIRMAN. The committee will recess and return subject to the call.

[Whereupon, a short recess was taken.]

The CHAIRMAN. The committee is back in order.

General, we will resume where we left off. Do you have any further comments on the C-130 schedule or anything in that category?

General BROWNING. We do not at this time.

Mr. BRINKLEY. I have a question. May I be heard?

The CHAIRMAN. Yes.

Mr. BRINKLEY. I would like to address the witness with reference to proficiency flying. Can you tell me if we still have a minimum level on the number of hours that must be flown by your pilots and navigators and others in order to qualify for flight pay?

General BROWNING. Yes, sir.

I will have General Chain answer that.

General CHAIN. Was the question about flying pay?

Mr. BRINKLEY. Yes, it was about proficiency flying that you do, such as what level must one meet in order to qualify? It used to be a long time ago that we had 4 hours a month.

General CHAIN. That has gone by the wayside. A pilot or navigator has to meet a series of gates to continue to receive flight pay. There are three key points, the 6-year point, the 12-year point and the 18-year point. To receive flight pay when in a nonflying job, an officer has to have been assigned to a flying position a given length of time during each of those time periods. When they do that, they continue to draw their flying pay whether they are in a flying billet or whether they are in a staff billet.

This is to reduce the requirement for proficiency airplanes like we used to have. You recall the T-33's. This was for proficiency flying so people could get their 4 hours a month. Now proficiency flying is no longer a requirement.

Mr. BRINKLEY. Say that you have a captain that is an aircraft commander. What would his requirements be?

General CHAIN. If he were in an operational unit, then his requirement would be whatever the operational unit's requirements are for him to maintain his standard of proficiency.

Mr. BRINKLEY. What would it be in Korea?

General CHAIN. In Korea if he were an F-4 pilot, we would like him to have 21 hours a month. Currently they are getting about 15 hours a month. That qualifies him for pay, but it does not qualify him for the degree of combat proficiency that we want him to have.

Mr. BRINKLEY. Thank you.

General CHAIN. Yes, sir.

General BROWNING. Yes, sir.

The CHAIRMAN. Have you concluded?

Mr. BRINKLEY. Yes.

The CHAIRMAN. Mr. Montgomery.

Mr. MONTGOMERY. Let me get back to the C-130. Then I have a couple of questions pertaining to personnel.

The CHAIRMAN. You may proceed, Mr. Montgomery.

Mr. MONTGOMERY. I feel like Mr. Davis. I think the C-X program is out this year. It seems like the Israelis did a pretty good job with the C-130's and some of the National Guard C-130's had cracks in their wings and cracks in their propellers. I wish you had knocked out something else.

Sometimes I think you are in a dream world pertaining to the National Guard and the Reserves. However, the Air Force has done a pretty good job with the Air Guard. I think you have got some Air Guard units that are better trained than Regulars. I appreciate that.

General BROWNING. Thank you.

Mr. MONTGOMERY. I get overenthusiastic about the Guard.

General BROWNING. They are in good shape. I have seen them exercise in Europe. I was the IG for 2 years, and I can attest to that.

Mr. MONTGOMERY. I am concerned that the C-130's—well, they mean a lot to the Air Guard and the Air Reserve, and the units should be at full strength. It costs about half as much money to

have a Reserve Guard unit as far as personnel is concerned than it does the Regulars.

Now, so much for that. Let me ask you about the impact of last year's congressional reduction in travel funds.

General BROWNING. Yes, sir.

Mr. MONTGOMERY. How will the reductions now proposed by the administration impact on your program? Also, do you assess the impact of the proposed reductions on number of civilian personnel for fiscal year 1981, and in doing so, what programs will be affected?

I am asking this on behalf of our Personnel Subcommittee which handles this particular legislation.

General BROWNING. We feel that we have fully justified this in the 1981 budget for the travel. The reduction would be $15 million, which will be taken out in the amendment. This will adversely impact our capability to do our mission, but like other priorities, it is something that has to be given up.

If that is the $15 million you are talking about—or were you talking about the limitation given by Congress last year?

Mr. MONTGOMERY. I think I am talking about the $15 million that you had recommended.

General BROWNING. Yes, that will have an adverse impact across the Air Force because it will be distributed to all of the operating major commands and within the air staff.

Mr. MONTGOMERY. What about the second part, the civilian personnel for fiscal year 1981?

General BROWNING. I do not think there is a reduction of civilian personnel. Just a moment, sir.

Was that the one-for-two hiring freeze?

Mr. MONTGOMERY. Yes. Have you any comment on that?

Mr. HOGAN. Have you any comment, or will that impact?

General BROWNING. There is a factoring out of the Presidential decision on the one-for-two hiring freeze. This is not anticipated to continue into fiscal year 1981. This is the amount of money we would anticipate saving by the one-for-two. That would be applied as an offset for the fuel.

Mr. HOGAN. Thank you.

Mr. FORD. I have a question.

The CHAIRMAN. Go ahead.

Mr. FORD. Now, I think to clarify this, the savings would have you end up with an end strength considerably below what you originally projected for 1980. The question is: Does that reduction in your end strength in 1980 change what you project for your desired end strength for 1981?

General BROWNING. Have you an answer for that?

General MURRAY. Could you repeat the question?

Mr. FORD. You have requested x end strength for 1980, and in the budget submission, you had y for 1981. Now, with the budget revision, the strength of 1980 will be x minus 20,000 or whatever. There have been no submission changes for 1981. Since you have come to the end of fiscal 1980 with 15,000 or 20,000 below what you expected, does this change your projection of what you want or need in 1981?

General MURRAY. No, sir. Our fiscal year 1981 request does not change. We feel that we will save $57 million in 1981 because of the one-for-two hiring freeze. It amounts to about 4,430 work years in fiscal year 1981 that we will save for all appropriations.

We project savings of $57 million due to a lower utilization in 1981, and also going into 1981 with a lesser amount of people on board.

Mr. FORD. You are saying that in 1981 you will have a lower end strength than you had projected in the budget as originally submitted?

General BROWNING. It looks like 4,486 as the estimate of the 1980 on board shortfall. We have not programed any reduction in total Air Force fiscal year 1981 authorizations because of the freeze.

Mr. FORD. The revision submitted by the administration does not address itself to end strength change.

General BROWNING. I understand that. I recognize that.

Mr. FORD. Would you put in the record what you project the end strength would be for 1981 and what you are now, in effect, asking for.

General BROWNING. Yes, sir.

[The following information was received for the record:]

END STRENGTH PROJECTION

The present hiring limitation is not expected to extend beyond 30 September 1980. Therefore for fiscal year 1981 both the projected and requested end strength remain at the fiscal year 1981 President's Budget level of 240,600.

The CHAIRMAN. There is a possible oversight which I think should be cleared up for the record.

General BROWNING. Yes, sir.

The CHAIRMAN. It involves the amended request for inflation for Air Force aircraft, particularly the NATO AWACS. There was a legislative request for an increase of $99.1 million for authorization contained in section 101, totaling $99.1 million for the authorization contained in section 101 of the original bill. There was a legislative request for the NATO AWACS which is in section 102 of the bill.

In examining the justification for the budget amendment, the staff has noted that $4.3 million of the inflation request is applied to the NATO AWACS. The question is this: Was the intent by the Air Force to distribute $4.3 million because of the $99.1 million requested for inflation to section 102 for the NATO AWACS and to distribute the remainder of that amount among the various programs which would be authorized by section 101? What was the intent?

General BROWNING. Because the Appropriations Act funded NATO AWACS in section 101 in fiscal year 1980, the Air Force included NATO AWACS as a part of the Aircraft Procurement, Air Force Authorization request for fiscal year 1981. Therefore, the portion of the $99.1 million inflation that applies to NATO AWACS would be properly included in section 101, as NATO AWACS is.

The CHAIRMAN. If the Air Force is to use the $112 million to procure the A-7D's or A-7K's in fiscal 1980, what happens to the $112 million that was to go to other higher priority programs? For what other program or programs will the $112 million be taken from?

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General BROWNING. I have a response which is due to the Secretary of Defense, Office of the Comptroller today as to where that money is going to come from. Whether I will get it today or tomorrow I do not know. We have yet to decide, within the Air Force, where the money will come from, but we will be offsetting the $112 million.

[The following information was received for the record:]

OFFSETS FOR A-7s

The Air Force plans to continue fiscal year 1980 production of the A-7 aircraft. An alternate funding source to support the fiscal year 1980 Supplemental, in lieu of the originally proposed A-7 source, was proposed by the Deputy Secretary of Defense on April 24, 1980. This alternate source was the deferral of the fiscal year 1980 E-4A to E-4B retrofit modification for $105.5 million. An additional $7.4 million has been identified from Alternate Mission Equipment in Other Production Charges.

The CHAIRMAN. Thank you.

General BROWNING. Yes, sir.

The CHAIRMAN. Any other questions on that point?

Mr. DAN DANIEL. Yes, Mr. Chairman.

The CHAIRMAN. Go ahead.

Mr. DAN DANIEL. I would like to make one observation and ask one question.

I want to underscore what Mr. Montgonery said a moment ago. The weekend before last I was at Whiting Field. When I indicated to the personnel that there was some strong support for additional trainer aircraft, these young people lit up like fireflies.

I think if we were really interested in retention, we ought to give a lot more attention to providing these people with some real challenges. I think that is one of our major problems.

The question I wanted to ask is this. General, does the high interest rate affect you in any sort of special way in your budgetary considerations?

General BROWNING. I am more geared to talk about high inflation rates.

Mr. DAN DANIEL. I am sorry. I meant interest rates. I know about the inflation impact.

For example, in the private sector, it would have a tremendous impact.

General BROWNING. I know General Slay, the Commander of Systems Command, has said that the companies that they are doing business with are having considerable difficulty in getting funds so they can fulfill contracts. He is looking to the Air Staff for assistance.

We are now looking into that area.

Mr. DAN DANIEL. I am thinking about inventories, for examples.

General BROWNING. The inability of many subcontractors to get raw materials has been caused by high interest rates. I heard the other day that of 91 long-lead items we have in the Air Force inventory, 50 percent, in the last year, have been extended a year in availability.

Maybe General Russ could talk to this further.

General RUSS. I think another area where it impacts would be the manufacturers putting money into their plants to improve

facilities to get better productivity. Because of high interest rates on loans, they have deferred some of this.

Mr. DAN DANIEL. The question is: How does this impact your budget and your mission? That is the question I wanted to ask you to respond to.

General BROWNING. It adversely impacts us. The major effect is the added long lead time before we get the products. As we extend the lead time the costs rise. It also impacts because, when we don't get the parts on time, we end up having to order more parts to keep the pipeline full. That also increases the cost. Sir, this added cost and the longer lead times make our mission much more difficult to accomplish.

Mr. DAN DANIEL. Are there any areas where it appears you will not be able to get the equipment or the weapons system that you need, where you can direct that money in some other area? Have you run into this yet?

General BROWNING. I have not seen it. The closest that we can come—we have some unobligated balances. I do not know that I can directly relate this to high interest rates.

Mr. DAN DANIEL. Would you provide something for the record on this?

General BROWNING. Yes.

[The following information was received for the record:]

IMPACT OF HIGH INTEREST RATES

The current high interest rates create problems for all manufacturers but defense contractors are particularly vulnerable since, on DOD contracts, interest is an unallowable expense and contractors must satisfy the cost of borrowing out of their profits. Increases in the cost of money such as have been experienced, have the impact, therefore, of eroding the effective rate of profit earned on DOD contracts. The immediate result of this situation is to force firms to cut inventories to a minimum and for them to become more reluctant to make heavy up-front inventory investments, including investments in critical materials. We expect that this situation will create greater reluctance on the part of contractors to expand capacity or to undertake investments to improve productivity.

In the long run, this profit erosion could lead to further reduction of the number of contractors needed to ensure an adequate base of competition and the capability to meet surge requirements.

Mr. HUTTO. I think Mr. Daniel has touched on the contracting out issue. His question was not directly related to it. Could you tell us how—and I know I have just been on this committee a short time, but there is a great concern about the contracting out—could you tell us how this is affecting your budget or the move to contract?

General BROWNING. How it affects it?

Mr. HUTTO. Yes.

General BROWNING. Could you expand a little more?

Mr. HUTTO. Under OMB Circular A-76, you are required to look at all services and so on with regard to contracting out. Whether or not you can do it better in-house or outside, you have to look at this. We have had some difficulties. I am just wondering if you have any figures to tell us whether the mandate to contract out is causing great concern or it is costing more or costing less.

General BROWNING. Under Circular A-76 I can. We have a very positive approach to A-76. We review these contracts periodically and find that some have gone from contract to in-house and we have also identified savings where we have turned to contracts. We

can provide the details for you for the record. It is well documented.

[The following information was received for the record:]

CONTRACTING OUT

The Air Force periodically reviews OMB Circular A-76 Commercial Industrial-type contracts for continued cost effectiveness. The following are examples of activities in which the Air Force determined the effort could be performed in-house more economically than by contract:

Base	Function	Date of conversion to in-house
CONUS:		
McGuire AFB, N.J	Central heating plant	July 1976.
McGuire AFB, N.J	Laundry/dry cleaning	July 1976.
Scott AFB, Ill	Refuse collection	January 1979.
Lackland AFB, Tex	Trainee name tags	August 1977.
Randolph AFB, Tex	Computer programing	January 1978.
Maxwell AFB, Ala	Protective coating	October 1979.
Overseas:		
Lajes, Azores	Intrabase radio maintenance	July 1975.
Clark AB, RP	Office equipment repair	July 1975.
Yokota AB, Japan	Bus service	October 1976.
San Vito, Italy	do	February 1976.
Greenham Common, United Kingdom	Food service	October 1978.
Torrejon AB, Spain	School maintenance	October 1978.

During fiscal year 1979, the Air Force, using pre-June 30, 1976 policies and procedures legislated by Section 814 of the fiscal year 1979 DOD Authorization Appropriation Act (Public Law 95-458), conducted 60 in-house versus contract cost-comparison studies. Forty-five studies resulted in contract performance being more cost effective by approximately $29 million. The following are some examples of studies of various functions which determined contracting to be less expensive than an in-house operation:

Base	Function	3-year cost advantage
Tinker AFB, Okla	Refuse collection	$535,000
Keesler AFB, Miss	Food service	3,734,000
Travis AFB, Calif	Audiovisual	52,000
Hill AFB, Utah	Family housing maintenance	188,000
Fairchild AFB, Wash	Laundry/dry cleaning	247,000
Vandenberg AFB, Calif	Commissary shelf stocking	425,000

Mr. HUTTO. Do you have any problems with contractors who might not have done the job correctly; then when it comes time to rebid, the same contractors are allowed to bid again? Have you had much of a problem with that?

General BROWNING. Not to my knowledge.

General Murray might wish to comment.

General MURRAY. Yes, sir, we have had experience with this during the fiscal year. Due to nonperformance by the contractor, we have immediately done something. In eight of our commissaries we ran into trouble where the contractor could not perform services. We go back to in-house. We hire the people in-house. Then that individual is not allowed to renegotiate on the other contracts

that we have out on the streets. We are getting another bid on those contracts.

Mr. HUTTO. You are telling me if they do not perform properly, they are precluded from bidding again?

General MURRAY. That is my understanding. Once he withdraws from the contract and due to nonperformance by the contractor within the next fiscal year or the next time we rebid, then in the review process he would not have that opportunity.

Mr. HUTTO. You are talking about somebody who voluntarily withdraws from the contract?

General MURRAY. That is correct.

Mr. HUTTO. How about a firm that might have completed the contract, but had done a lousy job and had not performed the tasks or the services as they should have been; say, they had completed the contract, but they had not performed it satisfactorily? This firm would be allowed to bid again, would they not?

General MURRAY. They would, sir. That would be our failure to properly document it to show that he did not perform in accordance with the contract. He would be able to bid again.

Mr. HUTTO. But if you documented it and if you showed the performance was not exactly as it should have been, even though the contractor had completed the agreement or went through to the termination of the contract, then would you be able to preclude his bidding again?

General MURRAY. I cannot answer that. I would have to get somebody from contracting to answer it.

Mr. HUTTO. It is my understanding there is a real problem in some of the services and with some of the contracts where people who do not perform properly are allowed to go in and bid again and get the contract again.

General MURRAY. Yes, sir, that is when we fail to properly document what he has done in his nonperformance. If we did, we would get a different contractor.

[The following information was received for the record:]

CONTRACTOR PERFORMANCE

Contractors cannot be precluded from bidding on contracts unless they have been placed on the DOD Joint Consolidated List of Debarred, Ineligible, and Suspended Contractors. Failure to perform satisfactorily in the past is not normally sufficient reason to place contractors on this list.

Contractors that have a record of poor past performance can be denied award of new contracts if the contracting officer finds them to be nonresponsible. Before award of any contract, the contracting officer must make a determination that the contractor is responsible. One of the key factors in this determination is the contractor's record of past performance.

The judgment of individual contracting officers prevails in determining if performance deficiencies in the past are serious enough to warrant denying the award of any specific succeeding contracts.

Mr. HUTTO. What about in the middle of a contract, say, after 6 months or a year, say, if you have determined that the contractor is not performing properly? What recourse do you have at that point?

General MURRAY. As I stated, during the fiscal year, we had eight instances in which the contractor has voluntarily quit because of his inability to perform in accordance with the contract.

Mr. HUTTO. But if he does not voluntarily quit, what about that?

General MURRAY. We apply pressure. In those cases where there is fraud or illegal contract procedures, we will press charges against him.

Mr. HUTTO. Thank you.

The CHAIRMAN. I understand you have another engagement, General, at 11 o'clock, and the Chair promised you you would be out of here by that time. I do not think there are any further questions—well, Mr. McDonald does have a question.

Mr. MCDONALD. Thank you, Mr. Chairman.

General, I just wanted to reiterate the statement by the gentleman from Mississippi, Mr. Montgomery, and the statement by Mr. Davis of South Carolina regarding the proposed revisions of the C-130 for the Guard. My understanding is that you are anticipating that will be handled by the oncoming C-X program or the gap or cancellation of the C-130 would be made up by a possible C-X; is that correct?

General CHAIN. In the long term, we are looking toward the C-X. In the short term, when we talk about the C-130H's which are specifically for the Guard and the Reserves, we are saying that we have all of the aircraft programed for in our force structure. The extra C-130H's in question are above what our base line force structure calls for.

Mr. MCDONALD. That is the problem. Who is doing that particular planning? Who sets that particular level of readiness or training for the Guard?

General CHAIN. The Guard and the Air Force does this together.

Mr. MCDONALD. Is that subject to the consideration of budget restraint?

General CHAIN. Absolutely.

Mr. MCDONALD. It comes back to that again?

General CHAIN. Absolutely.

Mr. MCDONALD. We are not canceling anything out of a $11 or $12 million CETA program to flush out this need?

General CHAIN. No, sir.

Mr. MCDONALD. That offsets your statements. If you are going to revise everything according to budget restraints and not according to the threat or the training needs, then in that case we still may come up with a deficiency, is that correct, in terms of the threat facing us?

General CHAIN. In terms of the threat, yes. However, when we line up our priorities, the extra C-130H's end up in a higher level than other things.

Mr. MCDONALD. In terms of the threat and in terms of the need, we are not coming up to snuff. It is only in terms of the budget restraints.

Are we up to snuff? On that basis, we could, in fact, appropriate nothing for the military and be up to snuff and conceivably under certain formulas of the budget restraint, you could take it all the way down to zero if you want to and say we are up to snuff in planning when you do the budget restraints.

General CHAIN. That is not true, sir.

Mr. MCDONALD. You could cut more of what you are doing. You could continue on the same path and give the public the impression that we are up to our planning and up to what we have said,

and so forth, but the public has not been told that we are meeting the budget constraints but not considering the threat that we face.

General CHAIN. Every speech I give I tell them that.

Mr. MCDONALD. Do your speeches go to Pennsylvania Avenue and to DOD? That is where the problem is. I do not see any cutbacks in the ballooning CETA type programs or in the transfer payment programs. They are ballooned up to 60 percent of the budget.

I do not know where your speeches are going, but they are not going out into the districts. Maybe they are going to the Defense areas, but they are not going to the American public because the American public is getting the other opinion.

If you are relying on the C-X to bail you out down the line, you may be leaning on an incredibily weak reed. I voted for the C-X before the committee, but that was because I question whether the coming budget rescissions would be as deep and as real as they have been. In view of what is happening, I think we may wind up just canceling the C-X all together. We will lose a lot more support than we will gain in the future for it.

Thank you, Mr. Chairman.

The CHAIRMAN. You may be excused, General.

We will proceed with the next witness.

General BROWING. Thank you, sir.

General CHAIN. Thank you.

General RUSS. Thank you.

The CHAIRMAN. The next witness is Vice Admiral Holcomb, Director of the Navy Program Planning.

You may proceed, Admiral, with your statement.

STATEMENT OF VICE ADM. M. S. HOLCOMB, DIRECTOR, NAVY PROGRAM PLANNING

Admiral HOLCOMB. Good morning, Mr. Chairman.

The statement prepared for this appearance was circulated, and rather than go through this word-for-word, I would propose to highlight a couple of points, and I will be ready to answer questions.

The CHAIRMAN. Your statement may be included in the record without objection.

Admiral HOLCOMB. I am here to discuss Navy programs and their direction in the context of the fiscal 1980 supplemental and the amendment that you are considering to the fiscal year 1981 budget.

In general, it is the changes that have been offered since the 31st of March that are of the greatest interest to the committee, as I sense it. As far as the Department of the Navy is concerned, those changes include the addition of $1.3 billion in 1980 and $1.9 billion in 1981 to cover the unbudgeted and unforecast Indian Ocean operations costs, fuel costs, and inflation costs.

Decreases to that budget are on the order of $1 billion over the 2-year period, and actually $1 million starting with fiscal 1979 resources, and they are also included in the supplemental amendment.

The net change to the Department of the Navy is an increase in both 1980 and 1981. The substance of that, Mr. Chairman, is that we are not doing a billion dollars' worth of things that we had

planned to be doing at this time. We are doing some things that we did not plan to do that were unforecast and unbudgeted for, and we have received considerable relief with respect to the soaring fuel costs and the unpredicable inflation costs.

These cost changes and price changes are real. They are very immediate, and they have been quite beyond the control of the Navy. When we entered into this process working with the Secretary of Defense to develop supplementals for the fiscal 1981 amendment, we started on the basis 3 or 4 months ago of looking for an opportunity to do things that we could not have foreseen and budgeted with the idea we would have resources added to the budget, purely and simply, with inflation taken care of.

As the exercise proceeded into its final stages, it became clear we would have to offset increases due to the Indian Ocean operations and part of the fuel price increase and the rate of inflation, and the result was a very painful process of going through priorities and identifying, as I indicated, the billion dollars worth of offsets that are included in some detail in the budget backup material that the committee has.

In particular, the unforeseen additional expenses have centered around the requirement to maintain two carrier battlegroups continuously in the Indian Ocean throughout fiscal 1980, and one or more throughout 1981, along with the Marine Amphibious Ready Group.

On top of that, there has been the need to build up our capabilities at Diego Garcia and upgrade additional facilities and air facilities to provide us some support structure in the area of the Indian Ocean.

Finally, there has been the initial interim effort, Mr. Chairman, to establish a Rapid Deployment Force capability by acquiring and chartering ships capable of storing a Marine brigade's worth of equipment for forward positioning in the Indian Ocean and elsewhere.

I would say this with respect to the fuel prices. I do not know whether the committee has been able to follow the arithmetic with respect to fuel, Mr. Chairman, but in fairly simple terms, when we put together the 1981 budget and the 1980 column of the 1981 budget, we were using a composite fuel cost of $24 a barrel for 1980 across the Department of Defense. It is for all types of liquid hydrocarbons priced at a composite $24 a barrel and $26 a barrel in 1981.

By the time you received the budget on the Hill and by the time we came forward with the amendment and the supplemental, those prices had increased to the point that we were requesting relief on the order of $38 a barrel for the composite fuel index in 1980 and $42 a barrel in 1981. We are not sure, nor can we be sure, those estimates will be sufficient to cover all of the fuel consumed by the Defense Department, and in my case of interest, the Navy Department, during the fiscal year that has yet to begin.

When inflation was addressed, it was a matter of increasing the indices used to calculate inflation in our budgets and setting aside fuel costs and housing starts, which appeared to be driving the national rate of inflation, and trying to deal with other purchases and the procurement of other services. We are talking about rela-

tively modest increases in the inflation allowances which meant to the Navy an additional $112 million in 1980 and an additional $350 million in 1981.

When we were faced with dealing with offsets on the order of $1 billion over the 2-year period, we were inevitably led to deal with the investment accounts to a large extent. There really is no other flexibility in the Navy's budget. And some very unpleasant choices were made in that connection.

I think highlighted among those would be the necessity to give up one frigate of the *Oliver Hazard Perry* class in the 1980 shipbuilding program and to give up two C–9 aircraft that had been provided for by the Congress; also, to give up two FRAM–1 destroyer overhauls in connection with the Naval Reserve Force and things like that. They are difficult to come by. About $540 million of the target came out of the investment accounts.

Now, for 1981 we shared in the President's determination to balance the budget. We took specific and directed reductions in the area of real property maintenance, base operating support, civilian personnel hiring and studies and analyses and other support functions.

In brief, this is the way the Navy had dealt with the three major unforeseen resource crises that occurred since the budget programs were submitted for 1980 and 1981. We have done this in response to a requirement for operations that could not have been foreseen. We have attempted to cope with rather sharp and unpredictable increases in fuel prices, and general inflation with respect to other purchases.

We have accepted our share of the reductions consistent with the President's plan to balance the budget.

With that, sir, I am ready to respond to any questions.

Mr. MONTGOMERY. I have the same question I asked about the congressional reductions in travel funds. You are coming up with further reductions. What impact will this have on your program as to further cuts in the travel funds for the Navy?

Admiral HOLCOMB. We have attempted to comply meticulously with the 8 percent reduction in administrative travel, which had impacted on both travel of people and transportation and things at a time when the tempo of operations in both of those areas was on the rise.

In the supplemental we had requested an additional $160 million in relief in the transportation and travel ceiling, which will enable us, we believe, to work our way through the present fiscal year and respond to the intent of the congressional direction to reduce unnecessary administrative travel and still carry out our business.

There is no question it had crimped our style considerably and had a deleterious effect on doing the things we must do in the Indian Ocean. It has had a strong impact on the Naval Reserve program where so much travel is required to carry out the training and readiness of the service and Reserve and the Aviation Reserve, to a lesser extent.

We have had to ride along month by month to supply resources as best we could within the constraints to enable the training and readiness to be maintained.

Mr. MONTGOMERY. Will this cut back the training of naval aviators by restricting their travel or will you be able to take care of all of their travel?

Admiral HOLCOMB. I think we will not be able to take care of it according to the plan that the Naval Reserves started out with at the beginning of the fiscal year. I think by careful management of resources, we will be able to carry out a program that comes close to meeting the original objectives and maintain the readiness.

Mr. MONTGOMERY. I have another question. I think you heard the discussion with the staff and the Air Force pertaining to the civilian personnel reduction that you have proposed in fiscal year 1980 and how this would affect your program. What about that?

Admiral HOLCOMB. The civilian reductions imposed by the freeze, we estimate based on when the freeze went into effect and our past experience with Presidential freezes that this could impact on our civilian end strength by as much as 3,900 or 4,000 positions. They will not all come at once. They may not all come in their entirety. As we have taken reductions in civilian end strength in the past and far and away the greatest proportion has come out of industrial facilities, that inevitably means that there are overhaul programs for ships and aircraft rework programs that we will not be able to execute, although today we cannot put our finger on how we will not be able to execute those.

Mr. MONTGOMERY. Thank you.

Admiral HOLCOMB. Yes, sir.

The CHAIRMAN. I recognize Mr. Stratton.

Mr. STRATTON. Admiral, how much are you reducing the Navy portion of the 1981 budget by?

Admiral HOLCOMB. How much, sir?

Mr. STRATTON. Yes.

Admiral HOLCOMB. Specifically, reductions imposed on the Navy would be $535 million.

Mr. STRATTON. How much of the increase was attributable to the escalation in the fuel costs, those that you have to offset by reductions?

Admiral HOLCOMB. The Navy was a little more than $1 billion for fuel price increases in 1981. Now, of that total of $4.1 billion which Defense initially requested, $2.9 billion of this came through as part of the supplemental and the amendment by $1 billion plus a little bit, which was for the Navy.

Mr. STRATTON. The Navy has had to absorb $1 billion in fuel price increases; is that it?

Admiral HOLCOMB. No, sir.

Mr. STRATTON. What is it?

Admiral HOLCOMB. The arithmetic is hard to follow.

Mr. STRATTON. I just want to know how much you are having to pay for your additional fuel in the increase you are talking about.

Admiral HOLCOMB. Depending on whether or not the fuel in 1981 is priced near the $42 composite DOD allowance upon which the fuel part of the budget amendment is based, then we would have to absorb nothing or perhaps as much as $300 or $400 million in 1981 in additional fuel costs.

The administration represented the fact that they will come with an additional supplemental to take care of additional fuel costs in 1981 if these estimates are not correct.

Mr. STRATTON. How much is fuel going to cost you in 1981?

Admiral HOLCOMB. At the moment, sir, as we are buying fuel through the Defense Logistics Agency within the Department now, we estimate we are paying $52 a barrel.

Mr. STRATTON. I want to know the total figure. How much is it going to cost the Navy for fuel in 1981, Admiral?

Admiral HOLCOMB. For the Department of the Navy in 1981, we estimate our entire fuel requirement will come to $2.77 billion.

Mr. STRATTON. Did you say $2.77 billion?

Admiral HOLCOMB. Yes.

Mr. STRATTON. How many barrels of oil does that represent?

Admiral HOLCOMB. I have a number here, if you will give me a moment to find it. In 1981 it is close to 64 million barrels; it is 63.8 million barrels.

Mr. STRATTON. Are you aware of the fact that the Defense Department has its own oil well?

Admiral HOLCOMB. Yes, sir.

Mr. STRATTON. Has it ever occurred to you that since the Department of Defense has its own oil well, why doesn't it use the oil from its own oil well because then you are not going to have to pay anything to anybody.

Admiral HOLCOMB. Yes, sir. The discussion of the use of that oil reserve at Elk Hills has been a perennial discussion as to whether it ought to be put into this.

Mr. STRATTON. Hasn't that occurred to you? You are coming in here cutting all of these things out of the Reserve and out of the fleet and out of the frigates and everything else, to the extent of a lousy $535 million. You are paying out $2.77 billion for oil when you have got your own naval petroleum reserve, which is dedicated to you. Instead of using the oil that you could get for free—and there are not too many people who have a fuel pump or an oil well in their backyard—but instead of doing this, you are paying $2.77 billion for something you could get for free.

The Investigations Subcommittee of the Armed Services committee, which has been looking into the entire fuel situation, is coming up with legislation to provide the output of Elk Hills' 200,000 barrels a day, which is half of the entire daily requirement of the Defense Department, and they are going to give this to the Defense Department to use. It is not to sell on the market at $41 a barrel, but it is to use it yourself. You get it free, and you do not have to run into this business of having to absorb $2.7 billion in fuel costs. You could use it for something else.

Why haven't the geniuses in the Navy accounting division and the Defense Department, why haven't they recognized this a long time ago? Why does this have to be left to a committee in Congress to suggest one way out of this mess?

Admiral HOLCOMB. I am with you. Relief in this area of fuel will be essential.

Mr. STRATTON. I want to assure you that relief is on the way.

Admiral HOLCOMB. Thank you.

Mr. STRATTON. In the meantime, I do not intend to vote for any of the decreases. I think having seen what is going on in the Indian Ocean and the Persian Gulf that the Defense budget is the last thing we ought to start cutting.

If you have got free oil, why do we have to sell it to the oil companies for dollar bills that do not keep the *Coral Sea* going one single minute or any other ship? That is beyond me. I think we ought to get this thing turned over to the Defense Department. Then you have your oil. You have 200,000 barrels a day, and multiplied by 365, and I do not know how many millions of barrels that amounts to, but you are going to have $2.7 billion that you can spend for defense. We sure as hell need it.

Thank you.

Admiral HOLCOMB. Thank you.

The CHAIRMAN. Have you finished?

Mr. STRATTON. Yes.

The CHAIRMAN. Any other questions?

Mr. SPENCE. Yes, Mr. Chairman.

The CHAIRMAN. Mr. Spence.

Mr. SPENCE. Admiral, in view of all of this talk about the increased cost of oil—and you are the Director of the Navy Program Planning—is any more thought being given, Admiral, as to nuclear propulsion for additional Navy ships at this time? We have had to argue this ever since I have been in Congress, I guess, that is, the increased operational effectiveness on nuclear power.

It goes without saying, Admiral, that we are really getting into a crunch on fuel, that is, even if we can get fuel at any price and get it to our ships. Has any more thinking been given to putting nuclear power into our smaller aircraft carriers and our cruisers?

Admiral HOLCOMB. I am with you. I have been involved in the debate over the relative merits of nuclear power and conventional power for a number of years. During all of that time when fuel was being priced as a few dollars or $11 or $12 a barrel, we were always able to point to a cross-over point, well down the road, in which the economy of nuclear power might be realized on a life cycle basis.

We really could not believe that until we began to get into the crises, such as I discussed with Mr. Stratton. We are talking about $40 and $50 a barrel for oil. By all economic reasons, this would drive one toward this thinking.

Mr. SPENCE. It does not look like you will get any better even if we can get it with all of the disruptions that could occur.

Admiral HOLCOMB. Yes, sir.

Mr. SPENCE. Aside from that, Admiral, did the Navy select the specific areas for cuts in the fiscal year 1980 and 1981 programs, or did DOD do this for you?

Admiral HOLCOMB. It was very much a participatory process. As I indicated earlier, we began with the notion there would be an opportunity here to improve sustainability and readiness in the Indian Ocean contingency with additional resources added to our budget. Now, as the problem worked through or as we went through this month this month by month, we reached a point where we had to identify offsets or give up programs for every increase being proposed.

At that point, we were involved very, very closely as to which offsets were tolerable and which were not tolerable. There is not one of those over which I have not shed tears. There are some less painful to me than those left on the drawing room floor.

Mr. SPENCE. I understand.

Admiral HOLCOMB. Yes, sir.

Mr. SPENCE. When you say you are involved in the process a lot of times it could mean they talked to you about it, but you did not have a lot of control over the final decision.

Admiral HOLCOMB. Yes, sir.

Mr. SPENCE. Thank you, Admiral.

Admiral HOLCOMB. Yes, sir.

Mr. SPENCE. Thank you, Mr. Chairman.

The CHAIRMAN. I recognize Mr. Dan Daniel.

Mr. DAN DANIEL. Admiral, on page 5 at the bottom of the page, the final element of our Indian Ocean plan included in the budget revision is the initial effort required to establish an interim Rapid Deployment Force and the capability by means of pre-positioning forces. Where is the money coming from? What are you taking money from in order to have this?

Admiral HOLCOMB. The money, sir?

Mr. DAN DANIEL. Yes; where is it coming from?

Admiral HOLCOMB. The money involved in 1980 is $58 million. In 1981, it is another $85 million. All of the funds are almost all in the operations and maintenance area. They involved in 1980 the charter costs and the civilian manning costs for the ships or the kind that we are selecting for the interim pre-positioning capability.

In a general sense, those costs are offset with reductions in the broad account of operations and maintenance.

Mr. DAN DANIEL. It is coming out of the Marine Corps budget, is it not?

Admiral HOLCOMB. A very small part, Mr. Daniel, a small part.

Mr. DAN DANIEL. Where is the equipment coming from? You are taking the Marine Corps equipment and transferring it to a ship; is that correct?

Admiral HOLCOMB. No, sir. There is some $24 million worth of new equipment that is being bought at this time in the add-on.

Mr. DAN DANIEL. Is this included in the request I asked about?

Admiral HOLCOMB. No. It is an additive to the $58 million that we offset within the operations and maintenance appropriations. There is new Marine Corps procurement. The $24 million worth in 1980 is being offset within the Department of the Navy by reductions in a number of areas.

Mr. DAN DANIEL. You are simply taking this equipment out of the units that are now organized; is that not correct?

Admiral HOLCOMB. No, sir. Well, we may be doing that in a mechanical or physical sense——

Mr. DAN DANIEL. You are doing it.

Admiral HOLCOMB. We are putting orders in as new replacements for new equipment on top.

Mr. DAN DANIEL. That is 5 years from now when you get the replacements.

Admiral HOLCOMB. Some items may come much faster than 5 years. Some longer term items, such as tanks, may come further down the road.

Mr. DAN DANIEL. We are reducing O. & M. further. Do you think this is a realistic strategy? What is your own personal opinion?

Admiral HOLCOMB. I do not understand your question. Do you mean strategy of pre-positioning or the financial strategy by which we are providing the interim force?

Mr. DAN DANIEL. Could you repeat that?

Admiral HOLCOMB. I did not understand your question, whether the strategy is the pre-positioning concept or the other.

Mr. DAN DANIEL. Is it your personal opinion you can put a Marine brigade ashore and equip them from these floating docks, or whether it might be better to pre-position them somewhere in some other area?

Admiral HOLCOMB. I can draw in my own mind the scenario in which this concept makes a great deal of sense. I can just as easily draw scenarios in which the environment is less than benign, and the lead time is too short for a marry-up of troops and aircraft flown in from the United States or other forward deployed regions to match equipment, and this would not work.

In general, the reason we are doing this is that we are maldeployed, in a sense, and we have two Marine division wing teams that we cannot bring into operation in any more sensible way than this. It makes sense to get started on this under a certain set of assumptions as to the environment into which we would introduce the troops.

Mr. DAN DANIEL. Another scenario, I believe, that would be much better, that is, if the real estate was available.

Admiral HOLCOMB. I really have not looked at whether there is a possibility for the shore-based pre-positioning. My only experience in that area would be in Europe. There are pluses and minuses to having mountains of equipment in pre-positioned areas.

Mr. DAN DANIEL. Mr. Chairman, I would like to reserve any further questions, but when the Marine Corps testifies, I want to put the same questions to them to see what their attitude is.

Thank you.

The CHAIRMAN. Thank you.

Are there any further questions of the Admiral?

Mr. HUTTO. I have questions, Mr. Chairman.

The CHAIRMAN. Please proceed.

Mr. HUTTO. I want to follow up a little bit on what Congressman Stratton was asking you about regarding fuel. I believe that the Air Force testified that their cost for refined fuel was $41 or $45. Did I understand you to say that your $2.7 billion is predicated on $52 a barrel?

Admiral HOLCOMB. No; the $2.7 is predicated on the best estimate of what the fuel would cost during the year 1981. That best estimate now is a little over $42 a barrel. I have forgotten the change. It was budgeted at $26 a barrel.

What the amendment attempts to do is to close the gap of some $16 a barrel between what was budgeted and what we expected the price to be in 1981. My statement was in point of fact, for the remainder of fiscal year 1980 we are buying fuel from internal

Defense Department or through the Defense Logistics Agency at $52 a barrel. That is a mechanical device to enable us in the last 8 months of the year to buy fuel at such a price as we did—well, the first 8 months come to $42 a barrel.

Mr. HUTTO. It averages out to $42?

Admiral HOLCOMB. Yes.

Mr. HUTTO. Thank you.

Admiral HOLCOMB. Yes, sir.

The CHAIRMAN. Mr. Stump.

Mr. STUMP. Admiral, would you tell me what is in the increased costs as far as the Indian Ocean operation? I understand the fuel costs and the inflation. What are the major items in the $263 million for fiscal year 1980? I am on page 3 of your statement.

Admiral HOLCOMB. Let me get some details for you, sir.

Mr. STUMP. Go ahead, Admiral.

Admiral HOLCOMB. The kinds of things we included in the estimate of increased operating costs have to do first with the operating tempo of the ships, or the fact that they are steaming there without ports. They are steaming at a rate that is unusual for our forward deployed forces.

Mr. STUMP. Is that not included in fuel costs?

Admiral HOLCOMB. The premium for fuel is added to it. The operating costs are based on standard fuel factors and the fuel supplemental itself takes care of the differential between standard factors and what we are actually paying for it.

We then have a transit increment which gets the battle-group beyond where it would have been forward deployed into the Indian Ocean. We allow for aviation fuel, which is similarly higher than a normally deployed force would have. They are operating at sea every day. We have to provide an allowance for the transportation of things and second destination and initial transportation of things and people to support the operation. We have allowed for the additional maintenance costs associated with additional steaming and flying, both ship and aircraft.

We have allowed for personnel costs increments for aviation costs involved in the operation of P-3 aircraft for surveillance.

Mr. STUMP. Wouldn't the aircraft be operating normally with the same amount of people and the same salaries?

Admiral HOLCOMB. We have put ourselves in a frame of mind to say what would we have done and what did we budget for in 1980 and 1981 and what additional increment of operations is on top of it. Much of it is involved in the length of the transit between the stations and additional operating tempo.

Mr. STUMP. Thank you.

The CHAIRMAN. Thank you very much, Admiral, for your testimony.

The next witness will be Major General Patrick M. Roddy, the Director of Program Analysis and Evaluation of the U.S. Army.

You may proceed in any manner that you care to make your presentation.

General RODDY. Thank you, sir.

I would like to thank you and the committee for the opportunity to appear before you in support of the Army portion of the fiscal

year 1981 amendment. I have provided a short statement for the record.

All I would like to do is to briefly comment upon that statement.

The CHAIRMAN. Without objection, it may be included.

STATEMENT OF MAJ. GEN. PATRICK M. RODDY, DIRECTOR OF PROGRAM ANALYSIS AND EVALUATION, DEPARTMENT OF THE ARMY

General RODDY. The Defense Department is faced with enormous pressure as a result of inflation and the fuel increases and the increased tempo of operations in Southwest Asia and the Indian Ocean has further compounded the problem.

The Army has been provided budgetary adjustments upwards for fuel and inflation. Concurrently, the Army has accommodated program offsets to help defer part of that budget growth at DOD. The plus of the Army budget is $625 million. That is offset by program trades of $482 million, giving us a sum of new money to the Army of $143.6 million. That is the extent of my formal comments.

I would be happy to respond to any questions that you have.

WRITTEN STATEMENT OF MAJ. GEN. PATRICK M. RODDY

Mr. Chairman and Members of the Committee, I appreciate the opportunity to appear before you in support of the Army portion of the revised President's Budget for fiscal year 1981.

My presence here today to address a revised Army budget request, just a short few months since the original budget submission, is in itself indicative of the dynamic military developments of the world. Increasing inflation and fuel prices provide another, but no less real, dimension of uncertainty that unless funded for will impact Army programs and readiness.

Before discussing fiscal year 1981 I would like to recap the status of the fiscal year 1980 budget. Fiscal year 1980 is providing a challenge due to those same factors which will threaten the fiscal year 1981 program. Recognition of this fact led to the 31 March 1980 DOD revised supplemental request. The Army portion of this supplemental totals $1.57B. Specifics are shown below:

Item:	*Millions*
Military pay raises	$686
Civilian pay raises	327
Stock fund prices	297
Subsistence	38
Fuel	294
Inflation	58
Indian Ocean/Rapid Deployment Force	13
Program offsets	−139
Net	1,574

Some very difficult decisions were faced in attempting to solve the funding requirements associated with increased fuel prices and the rapidly escalating inflationary pressures. Equally, the need to support the funding required for Indian Ocean/Rapid Deployent Force initiatives has necessitated certain program offsets. Consequently, $139M in offsets was directed for Army programs. With the approval of the revised supplmental adjustment the Army fiscal year 1980 budget TOA will be $34.546B.

Fiscal year 1981 may prove to be equally as challenging as 1980. Decreased buying power caused by unfunded increases in inflation and fuel prices could significantly erode Army programs. This clearly jeopardizes the beginning of progress toward correcting imbalances that currently exist between our warfighting capability vis-a-vis the Soviets and Warsaw Pact. Accordingly, the DOD fiscal year 1981 Amendment request contains $625.6M for the Army, which, as with the fiscal year 1980 increases are partially offset by $482 million in program reductions.

Item:	Millions
Inflation	$217.0
Fuel	381.3
Indian Ocean/RDF	27.3
Program offsets	−482.0
Net	143.6

Sixty seven (67) million dollars is taken from programs without significant impact. This is because time or technical aspects have shown that the specific program was not executable to the originally planned level. The other offsets ($415.1M) do adversely impact on programs. Offsets are:

Program/source:	Millions
DIVAD	−100.0
Hellfire	−18.0
Commercial vehicles	−8.7
Automation/nontactical ADPE	−25.6
Construction	−79.4
MCA planning and design	−19.1
BASOPS support	−42.6
Administrative	−15.6
Studies and analysis	−26.0
Personnel hiring freeze	−80.1
Other (nonimpacting)	−66.9
Net	−482.0

Approval of the requested adjustments would bring the fiscal year 1981 Army budget TOA to $39.236B.

I will be happy to respond to your questions.

The CHAIRMAN. Thank you.

Are there any questions?

Mr. DAN DANIEL. Now, General, I want to read to you the list, as I see it here, of the reductions in your fiscal 1980 budget. I would like you to comment on the overall readiness impact of these cuts.

General RODDY. Yes, sir.

Mr. DAN DANIEL. You have $20 million to defer POMCUS Division 4 in 1981; also to cut $11 million in fiscal 1979 and $27 million in unit training. Now, I just heard last week that you were forced to shorten the cycle of about 5,000—that is the training cycle of about 5,000 troops in training. Then you have a $9.3 million cut in depot maintenance and $20.4 million in Improved Hawk modifications added by the Congress. You have $27 million added as a cut in M-60A1s to the A-3 conversions and 119 in all.

You have a $5.3 million cut in host nation support. This is an item that DOD testified to 6 months ago as being critical.

You have an $8.7 million cut in commercial vehicles. I did not notice but this affected the pluses that we had gotten from Germany.

Will you comment on the impact on readiness of these cuts?

General RODDY. In following your comments——

Mr. DAN DANIEL. Were my comments correct?

General RODDY. Some of these programs are in 1980 and some are in 1981. I can address them in the appropriate year, it you would like.

Mr. DAN DANIEL. Why don't you do that?

General RODDY. You began by talking about M-60's—these are kits to convert the M-60A1 to the A-3. In that program, it was slowed in fiscal year 1980 primarily as a result of late deliveries

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and production problems associated with the laser range finder and solid state computer.

Mr. DAN DANIEL. If you had the money, you could not use it.

General RODDY. That is correct.

Now, in the Hawk mods, that is an ECM fix for the Hawk missile system. That program was reduced. As we prioritized the Army requirements in fiscal year 1980, that was low enough that the dollars were taken.

Now, as to depot maintenance——

Mr. DAN DANIEL. That is budget restraint.

General RODDY. Yes.

The depot maintenance reduction is a reduction level of effort, so to speak. That is an $800 million annual program. That is a reduction level of effort.

Mr. DAN DANIEL. Why was this?

General RODDY. I am sorry, sir. That is contract maintenance of equipment that is being deferred.

Mr. DAN DANIEL. How much reduction do you have in that account at this time?

General RODDY. I am not sure.

Mr. DAN DANIEL. Last year the figure was about $400 million.

General RODDY. I suspect that is high.

General SHEA. It is $4.5 million. That is the figure that I have.

Mr. DAN DANIEL. The total deficit?

General SHEA. That was deferred in this particular type of depot repair.

Mr. DAN DANIEL. That is for 1 year. What I am talking about is what is your total deficit? How far behind are you in these programs of modernization?

General RODDY. Let me clarify this. The depot maintenance program, which essentially would be dollars to repair unserviceable equipment and restore it to service, is over $800 million. I do not have the precise figure, but I will have it in a moment.

Mr. DAN DANIEL. Go ahead.

General RODDY. The $4.5 million we are talking about is capital equipment improvements in the facilities that are doing the $800-plus million program.

General WRIGHT. You were talking about two pieces of depot maintenance. I think what you are talking about is the depot maintenance program in bringing items back into serviceable condition. The change in the depot maintenance program in the offset we are giving on another line beyond the one you are talking about will take our backlog from $175 million to $184 million.

Mr. DAN DANIEL. We are making progress slowly.

General WRIGHT. We are going in the other direction, sir.

Mr. DAN DANIEL. He has not answered my question yet. You have two more items that I want you to comment on.

General RODDY. If you will refresh my memory.

Mr. DAN DANIEL. The host nation support. Why was that so critical 6 months ago and not now?

General RODDY. I believe you are talking about 1981 as a reduction. Those are dollars that we programed in fiscal year 1981 on the assumption that we would be able to consummate the country-to-country agreements and bring the host nation agreement to

fruition. Those agreements have lagged. We have been unable to consummate the agreements with those foreign countries.

Mr. DAN DANIEL. You could not use the money if you had it.

General RODDY. That is correct.

Mr. DAN DANIEL. Why cut $8.7 million for commercial vehicles and we do not touch the ones in Germany that we bought from Germany?

General RODDY. That, sir, is an incremental reduction. It is not the total reduction. I have got a number here. On commercial vehicles, it is $41.4 million program. That is an $8.7 million figure. That means we have commercial vehicles in the inventory that will go over age and mileage. We will operate them for an additional year. This was because they were of a lower priority than other things.

Mr. DAN DANIEL. Why was it taken from the American vehicles and not the German-built vehicles?

Mr. STRATTON. Because we are more interested in helping Germany than ourselves, obviously.

Mr. DAN DANIEL. That is the obvious answer, but I want to hear from the General.

General RODDY. The administrative use vehicle program in Europe is to replace administrative vehicles with German-built administrative vehicles. That is a new vehicle buy. The vehicle program in the continental United States would be replacement vehicles. We actually have the vehicles.

Mr. DAN DANIEL. I am talking about those buses being built by Germany. I am talking about the administrative vehicles.

General RODDY. On the bus program, we are currently leasing the vehicle fleet in Europe. What we want to do is to get out from underneath the lease and buy the buses in Europe and operate them over there.

Mr. DAN DANIEL. You did not answer my question. Why are we taking this out of the hides of the American workers? Why are we doing this?

General RODDY. I cannot respond adequately to this because I am not familiar with the complete rationale that went into the decision. I will provide it.

[The following information was received for the record:]

PROCUREMENT OF GERMAN BUILT VEHICLES

DOD was faced with requirements for funds for high priority programs. To meet these needs, it was determined that a reduction be taken in the passenger carrying vehicles. All sedan and ambulance procurements were deleted and those for buses were reduced in the fiscal year 1981 program. The Army's requirements for buses in Germany are considered critical because of the shortages and the number overage. Procurement of the buses in Germany is in compliance with US policy as expressed in Section 814 of DOD fiscal year 1977 appropriations act which is to standardize or make interoperable the equipment used by US Troops stationed in Europe with equipment used by our NATO allies. The implementating program for administrative use vehicles was affirmed by the Deputy Secretary of Defense on 30 January 1978 and a Memorandum of Agreement was signed with the Federal Ministry of Defense in May 1978.

Mr. DAN DANIEL. Comment on the overall readiness impact of these cuts, if you will.

General RODDY. In specific terms, sir, I cannot do that. I can state that the readiness of the Army today is less than what we

want. This is going to make the problem a little bit worse, but in specifics, I cannot talk to you in terms of percentage. I cannot respond with specifics.

General SHEA. I would like to discuss the impact of the reduction in the Hawk modifications in order to give you something specific.

Mr. DAN DANIEL. Go ahead.

General SHEA. The reduction of some $20 million in the Hawk mod line, this will reduce the quantity of reliability kits that we will be able to buy for the Hawk Illuminator from 191 to 149. It is some 49 Illuminators. They will not receive kits this year.

In addition, we will reduce the quantity of the tracker systems and optical backup for the Hawk system from 107 to 60. We have cut that about in half. That will have a definite impact on the readiness of our Hawk units.

Mr. DAN DANIEL. I have one additional question. I will wait for the second round.

Mr. STRATTON. I have a question.

The CHAIRMAN. Mr. Stratton.

Mr. STRATTON. Now, General, you went through your statement rather fast without reading it. I have been a little bit concerned at what seems to be a fiscal sleight of hand which has been going on in this entire business of revising the Defense Department budget. I am a slow reader so I would like to go through this a little bit more carefully.

General RODDY. Yes.

Mr. STRATTON. You talk about the fiscal year 1980 budget providing a challenge. Then you talk about the fiscal 1981 budget providing a challenge. What kind of challenge are you talking about?

General RODDY. The kind?

Mr. STRATTON. Is this a cute word to cover up the fact that we are cutting our muscle and bone out of the budget?

General WRIGHT. This talks about the traumatic experiences in 1980 that we have gone through——

Mr. STRATTON. Just a minute. I asked General Roddy. This is his statement. He used the words. What does he mean by this?

You do not have to have somebody else explain your verbiage.

General RODDY. No; I do not, sir.

Mr. STRATTON. Go ahead.

General RODDY. The Army is faced with a constrained budget. We are trying to put together an Army that will be ready to fight and win today and tomorrow.

Mr. STRATTON. Then what kind of a challenge is it? You are reducing your capabilities, as Mr. Daniel pointed out so eloquently. Then why do you try to pretend this is a challenge. It is more of a disaster, is it not?

General RODDY. It is not a success-oriented trend, sir.

Mr. STRATTON. Why are you trying to paint it as being so attractive? We were presented with a challenge yesterday on the floor. The House responded to it by 30 votes. Is this a challenge somehow? Are we going to make bricks without straw or something?

This a big PR operation. Frankly, I am a little disturbed by it. Now, what is the first collection of items on your first page? There is a net of $1,574 million. What does that represent?

General RODDY. That is the Army portion of the supplemental associated with the fiscal year 1980 budget.

Mr. STRATTON. What does it represent?

General RODDY. It affects the fiscal year 1980 President's budget. It is a plus-up.

Mr. STRATTON. What does it represent as far as the Army is concerned? These are additional increases over and above what was included in the 1980 budget that you will have to pay?

General RODDY. No; this be an added program to the Army fiscal year 1980 budget. It is added budget dollars.

Mr. STRATTON. We are adding $1.5 billion.

General RODDY. In fiscal year 1980.

Mr. STRATTON. Why are we adding money to the 1980 budget? I thought we just read in the paper they are cutting down the 1980 budget so the 1981 budget will look as though it has a bigger increase.

General WRIGHT. May I answer that?

Mr. STRATTON. General Roddy is testifying. Can't he answer the question? You are a major general. I would think you ought to be able to answer a simple question.

General RODDY. Would you restate the question?

Mr. STRATTON. I said where are all of the increases coming from? We just announced that we are reducing the 1980 budget so that the 1981 budget will look better.

General RODDY. I read the article in the press, sir I cannot respond to the issue that you raised. There has been an increase in pay, which essentially is $1 billion. The fiscal year 1980 budget has been increased to accommodate the increase in pay.

Mr. STRATTON. That was not anticipated. We were not planning to increase the pay.

General RODDY. It was well known at the time the budget was submitted, and the supplemen.tal was attached to the budget at the time

Mr. STRATTON. Then why is this an increase?

General RODDY. It was an increase because at the time the 1980 budget was submitted, the specific number was not known. It was recognized that the supplemental would have to be provided.

The CHAIRMAN. There is a vote on the House floor at this time. It is obvious we cannot complete our work this morning.

General RODDY. Yes, sir.

The CHAIRMAN. The committee will recess until 2 o'clock. Can you be back at 2?

General RODDY. Yes, sir; I will.

The CHAIRMAN. The committee will recess until 2 o'clock.

[Whereupon, at 11:45 a.m., the committee recessed, to reconvene at 2 p.m. the same day.]

AFTERNOON SESSION

Mr. STRATTON [presiding]. The committee will again come to order.

I will pick up where I left off this morning. Now, the supplemental, has that been approved or has it not?

General RODDY. The fiscal year 1980 supplemental has not, to my knowledge.

Mr. STRATTON. That is not something that is before this committee. Nothing needs authorization. It is before the Appropriations Committee?

General RODDY. That is correct.

Mr. STRATTON. These are additional programs that have been added. This would be to the tune of $1,435 million.

General RODDY. Those are costing increases, sir, as opposed to appropriations.

Mr. STRATTON. OK. Now, where does the $139 million figure come from? If you are going to increase the program by $1 billion or by $1.4 billion, what is the purpose of offsetting it with $139 million?

General RODDY. A candid response is that it does not make sense, sir. I only submit for consideration that part of the total bill had to be offset, and the value of the offsets is what it is that you see. That is essentially the Army.

Mr. STRATTON. Is this the effort that was designed to reduce the 1980 budget so that the 1981 budget would support the 3.1-percent increase? I this where the figure comes from?

General RODDY. I have read the same article and I have heard the same allegations. I do not believe so.

Mr. STRATTON. Where did it come from? Who directed that you should undertake $139 million as to program offsets?

General RODDY. OSD directed it.

Mr. STRATTON. Did they give you the figure and say it had to be $139 million, but you could take it anywhere? Is that what happened?

General RODDY. Let me ask General Wright to respond specifically where the $139 million was billed from

General WRIGHT. Mr. Chairman, to offset some of the cost of the fuel and some of the cost of inflation, the Department of Defense decided not to give a net number but to do some belt tightening and offset a program rather than come in for a new TOA.

The Department of Defense worked with all services. The Army's number ended up to be $139 million that you are referring to. Now, we shared in having to arrive at those numbers beyond the programs that were directed to us.

Mr. STRATTON. You were allowed to take $139 million out of any programs you wanted to?

General WRIGHT. After the directed programs, that is correct, sir.

Mr. STRATTON. You mean there were certain directed programs.

General WRIGHT. Yes, sir.

Mr. STRATTON. What are the programs? I do not see that in your statement as to where the $139 million came from.

General WRIGHT. Sir, we can provide a detailed array. I have in front of me a statement which lists every item. It lists the appropriations. Let me give you a feel very quickly.

Mr. STRATTON. Go ahead.

General WRIGHT. Around $71 million came out of operations and maintenance account. It was $67 million out of procurement. The remainder, or small ones, came out of other appropriations. The specific programs that the Army chose was the balance between the $139 million and the directed programs we were told to reduce.

Mr. STRATTON. The programs you were told to reduce, they had to add up to $139 million?

General WRIGHT. The total offset had to be $139 million. I will be specific with you, sir. The M-60 mods, and the Hawk modifications, and depot maintenance plant equipment, the sum of those approximately would be $55 million, and this was directed between those and the $139 million that the Army had to provide the offsets.

Mr. ICHORD. You say that you were directed to reduce some programs. Was the DIVAD gun one of those you were directed to reduce?

General RODDY. We are changing years. We are talking about 1980 on those programs.

To answer your question, in 1981 the answer is yes, we were.

Mr. ICHORD. You mean that came from OMB or someplace like that?

General RODDY. The DOD.

Mr. ICHORD. Thank you.

General RODDY. Yes.

Mr. STRATTON. The $482 million, that would be the programs that you were directed to reduce in the 1981 budget?

General RODDY. That is correct, sir.

Mr. STRATTON. In order to get the program offsets approved, there has to be a rescission by the Appropriations Committee; is that correct?

General RODDY. I believe it is a deferral rather than a rescission.

General WRIGHT. It is a deferral rather than a rescission.

Mr. STRATTON. The $482 million in the 1981 budget, there you are asking us to approve those reductions.

General WRIGHT. Yes; that is in the supplemental provided to the Congress.

Mr. STRATTON. Thank you.

The CHAIRMAN. Go ahead, Mr. Lloyd.

Mr. LLOYD. Thank you very much, Mr. Chairman.

The CHAIRMAN. You may proceed.

Mr. LLOYD. Now, General, I simply fail to understand what is going on with regard to the DIVAD. Who in the Army identified DIVAD as a candidate for a $100 million cut in fiscal year 1981? You sort of said OMB.

General RODDY. Nobody in the U.S. Army, sir, identified DIVAD for a cut in fiscal year 1981. That was a directed reduction from OSD.

Mr. LLOYD. On the contrary, the U.S. Army would rather have the DIVAD than some other things. Is that a true statement? Let's get specific first. Which system in your judgment is more important to the Army, the Roland or the DIVAD?

General RODDY. In my personal judgment, the DIVAD.

Mr. LLOYD. If the Army had to give up the $100 million, why did the Army say take it out of the Roland program and make that kind of a recommendation, or was that done?

General RODDY. We were not given the opportunity to trade.

Mr. LLOYD. Since obviously you possess the knowledge of this, just who—well, I am more than willing to fight for the program. Everywhere I go everyone tells me that we really do want DIVAD's. I was told that the program was on track and on time

and on schedule. They are looking at source selections or would be very shortly. That seemed to be in great shape, except somebody said: "Oh, forget it because we do not need it."

I would like to identify that person. I would like to identify this.

General RODDY. To the best of my knowledge, that is Dr. Perry, the Under Secretary for Defense Research and Engineering, and the body that made the decision was the Defense Resources Board, which is chaired by the Deputy Secretary. That would be Mr. Claytor.

Mr. LLOYD. Now that we have identified the source, it would appear to me regrettably so that some reasonable action must be taken by the Congress, which is just a totally backward situation here.

I do not understand how it is that the people in the Defense area no longer seem to have the ability, or maybe the desire, or maybe they feel such an overwhelming pressure on them from somewhere, and we could say, indeed, it does come from Mr. Perry's office—he did not seem to think so when I sopke to him yesterday, but I can accept that.

All that I am trying to do is find out where the buck stops. Maybe we have to go to the President. I think some very bad decisions are being made.

Now, Roland at best is a disaster. We have tried to cut the program. You people constantly put it back in. I guess what I am really concerned about is that you clearly indicate you prefer the DIVAD's. It is my considered opinion that if for no other reason that just a quick response to the aging system or the inadequate system—it is called the Vulcan—in light of the fact that we have tried for 10 years to bring this thing to fruition and in light of the fact that the Russians have had and continue to have and are developing things over at Quad-23, we are finally down to a point where we have got to do something.

I do not even know what that is, but the military today—and I am challenging you in this case, and I may be being very unfair, but you do understand when I say all of this that there is never a personality involved, as I know nothing of your background, but I am impressed with the fact you made two stars. I am not here to challenge you on that basis. I am only challenging you as a function of the Army.

I wonder sometimes if you people really have the guts to stand up and say this is what I want and I am willing to go forward to get it. If I do not get it, frankly, maybe it is time that you folks in the military or those of you who think that we are supposed to lay down and get rolled over, that we should come to a point where it is not worth it any more. Could you respond to that?

I would finally like to know when do you people stand up and be counted on this stuff? I realize the Commander in Chief is there, but my God, why do you guys say that we have had enough. We have had it. We have got to have this equipment. When are you going to do this?

General RODDY. I think you have asked me to express my personal views.

Mr. LLOYD. And I am probably being very unfair.

General RODDY. I welcome the opportunity to do so.

I have personal views on when it is that I can no longer support, for example, the direction or decisions made that are counter to my best judgment as to what ought to be done. When I reach that point, I think it is incumbent on me to leave the service.

Mr. LLOYD. I agree.

Thank you.

Mr. STUMP. I have no questions.

The CHAIRMAN. Are there any other questions?

Mr. NICHOLS. Yes.

I want to pursue the questions that Mr. Lloyd initiated with you.

General RODDY. Yes.

Mr. NICHOLS. Am I correct that in the initial Army asking request for the 1981 budget there was a figure of something over $300 million for the DIVAD gun?

General RODDY. In the October submission for the Army to OSD, that is correct, sir. The number was $333 million.

Mr. NICHOLS. Am I correct that in the President's first budget that came down in January, I suppose, that that figure was cut by about $100 million?

General RODDY. That's correct, sir, slightly over that.

Mr. NICHOLS. To a figure of what?

General RODDY. There was a reduction from procurement of $333 to $204 million. There was an increase in R.D.T. & E. that we had in the October submission of 49.4 and that increased to 64.7.

Mr. NICHOLS. We are talking about another $100 million in this budget today. This would be two cuts. It reduces it down to what, $104 million for the 1980 fiscal year?

General RODDY. You are right about the two cuts. It is now $104.4 million; yes, sir.

Mr. NICHOLS. Now, General, am I correct also that these units are strung out and will not be completed according to the latest schedule until the 1988 fiscal year?

General RODDY. It is stretched out. My number shows the procurement as reprofiled would terminate in 1987. It would be delivered in 1988.

Mr. NICHOLS. To be delivered in 1988.

General RODDY. Yes.

Mr. NICHOLS. Let me ask your opinion, General. Is a program that the Army has come to use repeatedly and said we have got to have it—we do not have mobile protection for our tanks. We do not have any mobile aircraft protection for our mechanized infantry.

Do you think a program that is wounded this badly will ever be resurrected again? What is your personal opinion?

General RODDY. I think we will have a DIVAD gun in the U.S. Army.

Mr. NICHOLS. You think we will?

General RODDY. Yes, sir.

Mr. NICHOLS. Let me ask you about a rumor. This is just a rumor, as far as I know. Am I correct and could you comment on a story that is making the rounds that in the $100 million cut there were two candidates being considered for this cut? One was the Patriot and the other was the DIVAD. Despite the problems that were apparent and have been in the testing program with the

Patriot, the Army took the position that they would accept the Patriot over the DIVAD.

General RODDY. I was a party to those deliberations. I am not sure how much of those I can discuss. If I could respond by saying when the Army was first confronted with the potential program offsets, both of those programs were shown. The Army vehemently reclamaed on both. It was, to the best of my knowledge, never a trade between those two programs within the Army decision process.

Mr. NICHOLS. Let me go back to my earlier question on what will happen to the 1982 and 1983 programs for the DIVAD. You said in your judgment it would be built. Am I correct in the fact that the DIVAD has now fallen from the basic to the enhanced band? What is the significance of that?

General RODDY. The Army is preparing its 1982 to 1986 program. The DIVAD, along with many other high-priority weapon systems for the Army, is competing on the margin to determine which will be in and which will not be in our program. The deliberations that are going on now are still within the Army staff.

The Army staff leadership has not made the decision on that yet, nor has the Army program for 1982–1986 been submitted to OSD.

Mr. NICHOLS. There has just been consideration?

General RODDY. That is correct.

Mr. NICHOLS. If it did fall into the segment of the enhanced band, that would be a lower priority?

General RODDY. That is correct, sir.

Mr. NICHOLS. General, I just want to tell you I will do everything I can in this committee to put the DIVAD system back in. I believe I will have some help.

Thank you.

General RODDY. Yes, sir.

The CHAIRMAN. Mr. Lloyd.

Mr. LLOYD. I do not mean to belabor the point, but I would like to come back to maybe your own personal point, that is, if you have to have $100 million out of any program, in your own personal choice, would you rather have it out of DIVAD's or out of Rolands?

General RODDY. As I am sure you are aware, Roland and DIVAD perform separate missions in separate respects to one another. They are not either/or. They are either/or as to air defense, but each one performs a different mission.

If you were to ask my own personal opinion, I am sure it is not even supported by the guys on either side of me, but I would say give the money to DIVAD.

Mr. LLOYD. Would the others care to comment on that?

I am right along with Mr. Nichols in that I find it incomprehensible that anybody in the Defense area has cut out a system that is on time and on track and everything seems to be going good to hold up on a turkey that this committee—at least the research and development portion of it—tried desperately to take out. They said no. Somebody over there has decided well, if that is the one you want, we are going to see to it that it gets defeated.

I think somebody is missing what the hell we are talking about, which I think fundamentally is the defense of the troops in the

field and what the troops in the field want. Maybe I am dead wrong. If I am, for goodness sakes, tell us.

General RODDY. I could respond to one aspect of the Roland to clarify. There is a national commitment to the long-term defense program in Europe with our NATO allies on a 3-percent growth rate. The Roland is an incremental part of that agreement.

Mr. LLOYD. That may be their commitment. It is not mine. I think it is a bad system. I think we have put too much money into it, too damned much money. I think we are paying bitterly for the foolishness of that decision. It is not your decision, nor was it mine.

Could you comment on that?

General WRIGHT. I am one of those. If I have to fight in combat again, I want some division air defense where my troops are. That is what DIVAD will do for you.

Now, Roland is—well, I would say to you it is the individual on the ground that has to make the decision to the question you have asked.

General SHEA. I happen to be a smart cavalry man, but I also operate in the same area of the battlefield that General Wright alluded to. After I guess 30 years in the Army, and on very rare occasions in the 30 years have I ever seen an air defense system in the front line area. We need one. My opinion is we need the DIVAD gun.

Mr. LLOYD. It is incomprehensible to me at this time that here we sit and all of a sudden the decision to take care of the troops is resting with committees in Congress. I think somehow we have gotten the cart before the horse, but I can switch it around.

I thank the Chairman for his indulgence. I will yield.

Mr. ICHORD. Now, in regard to this, the DIVAD program is one of the programs that the R. & D. Subcommittee had picked up and actually legislated as to an earlier IOC. This was because of a relatively low-risk nature of the technology that was involved, and also because of what we perceived the needs of the Army to be.

However, there has been some objection and some pressure from certain quarters of the Congress complaining about the concurrency between the development and going into production for deployment of the weapons system. To your knowledge, was that a part or was that taken into consideration in making the decision to reduce this?

General RODDY. I know this issue was discussed. How important a role it played, I do not know.

Another area discussed was the fact that DIVAD, not being in production at the present time, there would not be a halt in production. I know that was in the discussions. Now, what role they actually played in the decision process, I am not aware.

Mr. ICHORD. Thank You.

General RODDY. Yes, sir.

The CHAIRMAN. If there are no further questions, we will excuse you.

Thank you.

The next witness is Maj. Gen. H. A. Hatch, the Deputy Chief of Staff for Installations and Logistics, U.S. Marine Corps.

You may proceed in any manner that you wish.

STATEMENT OF MAJ. GEN. H. A. HATCH, DEPUTY CHIEF OF STAFF FOR INSTALLATIONS AND LOGISTICS, U.S. MARINE CORPS

General HATCH. Thank you very much, Mr. Chairman.

I appreciate the opportunity to be here today and to discuss the 1980 supplemental to our budget and the 1981 amendment.

I believe you have in front of you a sheet with three charts. I will talk principally from them.

The CHAIRMAN. I do not see them up here.

General HATCH. I believe you have them up there, Mr. Chairman.

The CHAIRMAN. OK. We have them. We have located them, and you may proceed.

General HATCH. On the 1980 budget supplemental, we have a net increase in the Marine Corps of $222.7 million. That is spread across $177.7 million, which was in the 1980 column of the 1981 budget. It is principally pay raises and those things that go with it.

Under the amended supplemental, we have a 14.9 increase in program supplementals. That is a $25.1 million and $24.1 million of which is to support the near-term pre-positioning in the Indian Ocean, the maritime pre-positioning. One million dollars is to support the amphibious ready group and the marines in the Indian Ocean at the present time.

Now, offsetting that from PMC, we have reduced $600,000 from ammunition modernization and $5.2 million from commercial cargo vehicles and $4.4 million for modernization.

The fuel increase has been discussed at length. It is a variance between $38 a barrel and $24 a barrel. It comes to $26.6 million.

In the inflation column, we added $3.5 million.

The next sheet of the three breaks down the money in the near-term maritime pre-positioning in this supplemental. Now, the cost for initial operating supplies is $4.5 million; the preparation of the equipment to be put on these ships is $8.7 million. The transportation and port handling necessary to move this stuff from where it is presently located, to move it through the ports and load it onto these ships is estimated to be $10.5 million.

We have $400,000 associated with the travel that is necessary to plan this operation and the people who will have to actually do the embarkation away from their own home stations.

Now, turning to the third page, it shows the 1981 budget amendment. We have a program of $6 million. $4 million is from MPMC and $2 million from PMC to support Indian Ocean operations and pre-positioning costs. The $4 million from MPMC came from BAQ reductions and the discontinuation of the basic allowance for subsistence programs where we were having everybody draw their own basic allowance for subsistence and buying their food at the mess hall as if it were a cafeteria.

In PMC we put $1 million from the electronic test equipment—

The fuel price increases are a reflection of $26 a barrel to $42 a barrel across the various appropriations that we used.

The inflation nets out to an increase of $4.1 million. There was a decrease of $4.3 million due to the hiring freeze and $0.4 million in travel and also $7 million in base operating support cost. Now,

added to that is $11.4 million for inflation, giving us a net as you see in the O. & M. appropriation, a net of $3 million.

In the procurement Marine Corps appropriations, we were required to reduce our artillery survey sets by $400,000; commercial vehicles by $600,000; and we received a $5.1 million inflation add-on.

Not mentioned in these papers because it reflects in another appropriation was a requirement to assume a reduction in military construction of about $7.2 million.

Mr. Chairman, that completes the coverage of the changes that we have had, sir. I am prepared at this time to amplify or answer questions as you may desire.

The CHAIRMAN. Thank you.

General HATCH. Yes, sir.

The CHAIRMAN. Are there any questions?

Mr. LEACH. I have no questions. I trust somebody on the committee staff or you or somebody understands what has been said for the past 10 minutes. I have tried to follow this. There are acronyms and abbreviations, and I am very sorry. I have not understand a bit of the testimony.

The CHAIRMAN. Does the staff have questions as to these items?

Mr. FORD. Maybe for Mr. Leach's benefit, you could go down the list and tell what those abbreviations and acronyms mean.

General HATCH. On the left column are the five appropriations the Marine Corps has. The MPMC stands for military pay Marine Corps. The next one is operations and maintenance Marine Corps or Reserve pay Marine Corps, that is, and operations and maintenance Marine Corps, and operations and maintenance Marine Corps Reserve, and procurement Marine Corps. Those are the only five appropriations the Marine Corps has directly under its supervision.

Now, EPS is near-term pre-positioning ships.

Mr. FORD. On the third page when you talk about near-term pre-positioning of ships, you refer to the equipment. What is a MAB?

General HATCH. Marine amphibious brigade. That is a common term. It has roughly a regiment and an air wing group and a logistics support unit that is part of it. It is the unit that is going to be loaded on the near-term maritime pre-positioning ships for deployment to the Indian Ocean.

Mr. FORD. There is nothing then in the supplemental which makes any program reductions in the procurement account of the Marine Corps? What I am saying is the procurement account and those items that are subject to authorization by this committee, there are no program reductions made?

General HATCH. There are no program reductions requiring authorization that are in the supplemental.

Mr. FORD. You have an increase of $1.5 million for inflation—I am sorry. That is in 1980. In 1981 you have no increases and no decreases.

General HATCH. Just a minute, sir. We have a net in 1980, an increase of $3.5 million for inflation.

Mr. FORD. On the 1981 portion, that possibly is affected by the board that we will act on tomorrow. Of this, your 1981 sheet shows an inflation increase of $4.1 million. But it shows a program

amendment of minus $2 million. What is that program amendment?

General HATCH. The $4.1 million is the net figure. The actual inflation add-on, such as PMC, was $5.1 million. Under O. & M. it was $11.4 million. It was offset by the travel and the base operating support.

Now, none of this is required authorization.

Mr. FORD. Where it says program amendments, and under the procurement, it says minus $2 million. This is on the fiscal year 1981 budget amendment page. What is the minus $2 million? What is that taken out of?

General HATCH. It is taken out of the PMC appropriations. There is $1 million for electronic and test equipment and telephone, and there is $1 million of electronics test equipment.

Mr. FORD. None is subject to authorization?

General HATCH. No, sir.

Mr. FORD. Thank you.

General HATCH. Yes, sir.

The CHAIRMAN. Are there any other questions or points to be brought out that the committee wants to be filled in on at this time?

[No response.]

The CHAIRMAN. Then that concludes your testimony, General.

General HATCH. Yes, sir.

The CHAIRMAN. Thank you.

General HATCH. Yes, sir.

[At this point the committee concluded the hearing of testimony on the President's proposed revisions of fiscal year 1981 defense budget and proceeded with other committee business.]

H.R. 6676

[H.R. 6495]

TO AUTHORIZE APPROPRIATIONS FOR FEDERAL CIVIL DEFENSE PROGRAMS FOR FISCAL YEAR 1981, AND FOR OTHER PURPOSES

HEARINGS

BEFORE THE

MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

OF THE

COMMITTEE ON ARMED SERVICES

HOUSE OF REPRESENTATIVES

NINETY-SIXTH CONGRESS

SECOND SESSION

HEARINGS HELD FEBRUARY 29 AND MARCH 4, 1980

MILITARY INSTALLATIONS AND FACILITIES SUBCOMMITTEE

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ALMA B. MOORE, *Professional Staff Member*

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
MILITARY INSTALLATIONS AND
FACILITIES SUBCOMMITTEE,
Washington, D.C., Friday, February 29, 1980.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2212, Rayburn House Office Building, Hon. Lucien N. Nedzi (chairman of the subcommittee) presiding.

Mr. NEDZI. The subcommittee will come to order.

This morning we are going to receive testimony on the fiscal year 1981 civil defense request. The formal legislative request has not yet been received, but it is the subcommittee's understanding that $120 million is being requested in authorization for fiscal year 1981.

[Text of the authorization bill, H.R. 6676, follows:]

[H.R. 6676, 96th Cong., 2d sess.]

A BILL To authorize appropriations for Federal civil defense programs for fiscal year 1981, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated for fiscal year 1981 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $120,000,000

SEC. 2. The Director of the Federal Emergency Management Agency is hereby authorized to acquire, in accordance with the provisions of section 201(h) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2281(h)), fee title to those parcels of real property which are currently leased by such agency at the facility of such agency in Olney, Maryland, which (1) are used as a site for a communications antenna, or (2) contain the water wells for such facility.

Mr. NEDZI. This is the first year in which the new Federal Emergency Management Agency (FEMA) is appearing as an established organization with a duly confirmed director. It is the hope of the subcommittee that this action will result in a more orderly and comprehensive fashioning of civil defense policies, programs and budgets. In years past, there have been too many uncertainties with the process. Therefore, we are looking forward to hearing from John Macy, Director of FEMA.

Prior to receiving Director Macy's testimony, the subcommittee will hear from two congressional colleagues who have expressed considerable interest in civil defense matters: Represenative Don Mitchell of New York, a member of our subcommittee, and Representative Ike Skelton of Missouri.

Also, the Department of Defense is represented today. Brig. Gen. Richard T. Boverie will provide the subcommittee with information on the liaison role of DOD with FEMA.

In addition, Mr. William Thornton, president, U.S. Civil Defense Council, will testify.

Our first witness this morning is our colleague from the subcommittee, Congressman Don Mitchell, who has an extraordinary in-

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terest in this subcommittee matter, and I am pleased to call upon him or his testiony at this time.

STATEMENT OF HON. DONALD J. MITCHELL, A REPRESENTATIVE FROM NEW YORK

Mr. MITCHELL. Thank you, Mr. Chairman. I am grateful for the privilege of testifying at this hearing in support of legislation I introduced to provide an adequate civil defense system for our Nation, H.R. 571.

It is my belief one of the most pressing and unmet needs facing our Nation is for an adequate civil defense program—one which is responsive to existing threats and prepares us for future challenges.

To respond to this need, I proposed a comprehensive, 7-year civil defense program. Its cost of approximately $1.9 billion, represents but a fraction of our estimated total defense expenditures for the period covered—the increase in funding over our present program amounts to approximately one-tenth of 1 percent of our Department of Defense annual budget.

The program I'm advancing is one that will give us, for the first time in this nuclear age, the protection we must be assured of as we face our ideological adversaries who lack our commitment for the pursuit of peace. Simply put, my program is to help to balance the strategic scales but, if there should be war, to guarantee the survival of our Nation. We have no such guarantee today. It's time we did.

The 7-year plan would concentrate the use of the funds requested for: Crisis evacuation; research and development; emergency operating centers; training and education; management and coordination.

In each one of these critical areas our present civil defense program fails the test of adequacy.

This program was not developed by me, rather it emerged over an extended period of time after protracted study by civil defense experts who have earned respect and national reputations for their work in this area. It is a product of serious, well-intentioned people who share a concern about our present, have learned from lessons of the past and are determined to prepare us to live in peace. It is the Program D recommendation of the Civil Defense Workshops which were held in Rosslyn, Va., in the fall of 1977 by the Systems Planning Corporation for the Defense Civil Preparedness Agency.

We are in trouble, I feel. The Soviets have an excellent civil defense system. We don't. Neither nation had an adequate program in the mid-sixties. But for more than a decade the Soviets have been spending well over $1 billion a year on civil defense. We have averaged less than $100 million. They have a three-track program: individual protection, community shelters, and population evacuation. We have only one: community shelters, and it is in disarray in spite of the dedicated and dogged efforts of many professional and amateur civil defense leaders.

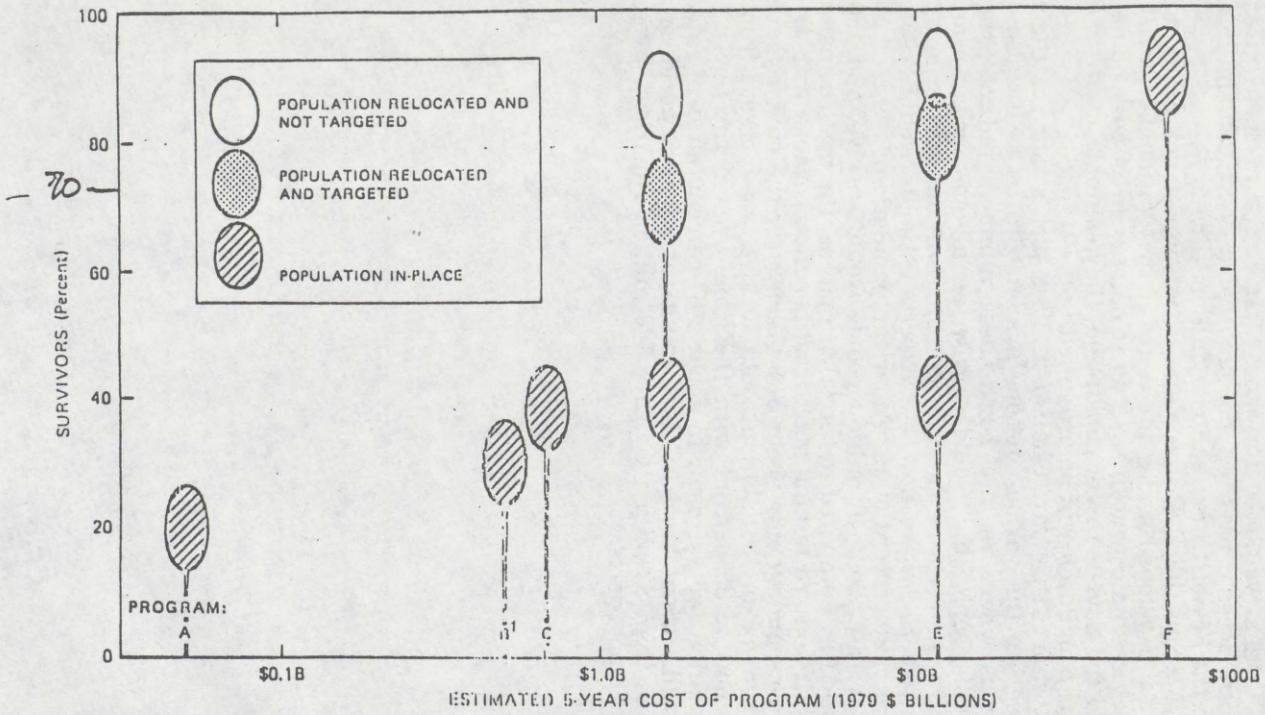
Why is this a problem? Because it destroys the strategic balance. The best hope for peace, we are told, is the maintenance of the strategic balance. There are varying estimates on the effect of an all-out nuclear war. If the Soviets have time to put their civil

defense program into operation—3 or 4 days prior to the holocaust—the results would be far more destructive to the United States, which doesn't have an adequate plan—over 100 million dead—than the Soviet Union—5 to 20 million killed.

Should we adopt the D–Prime plan of the Interagency Study on Civil Defense, developed under the aegis of the National Security Council, they estimate we can save up to 85 percent of our population. Should the Soviets target population, they estimate up to two-thirds of our population will be preserved.

I have a chart here, Mr. Chairman. It is just a copy of their study. These are the various options available to us as a nation. Program A is where we are now. These numbers indicate the percentage of people that would survive an all-out nuclear war, and these are the costs of the different program options we have. Program A, where we are now, our experts estimate would result in a survival of 20 percent of our American population.

In other words, about 40 million people would survive, and 180 million would die. Compared to the other options, the best seems to be D–Prime if you are talking about cost-benefits, because with D–Prime we are spending only about $1.9 billion over the next 7 years and 85 percent of our population could survive. An increase from 20 percent now to 85 percent with D–Prime, even if the Soviet's target population, would result in about a 67-percent survival rate, so it seems like about the best cost-benefit ratio in the world, for spending less than $2 billion we save 140 million American lives, according to our experts.



[1] PRESENT PROGRAM

FIGURE 1. COMPARISON OF EFFECTIVENESS AND COST OF CD PROGRAMS
(Large-Scale Mid-1980s Soviet Attack Versus U.S. Military and Industrial Facilities, and Population)

Most experts also agree we enjoy rough equivalence with the Soviets in weaponry. From my perspective it appears to get rougher each year. But if Soviet weapons have a far greater destructive effect on us than our weapons on them, it's as though they had far more weapons. This makes a mockery of the strategic balance. It doesn't exist.

Once the balance of terror is gone, the Soviets have an awesome edge in any confrontation, whether it be at the bargaining table, an act of adventurism in Europe, Africa, the Mid-East, Afghanistan, or in an all-out nuclear war.

It has been said that eternal vigilance is the price of liberty. Events in Iran and the invasion of Afghanistan have shown that to be true. If Russia is able to grab up one or two more countries, we may be well forced into war—with a strong possibility that the conflict could develop into a nuclear confrontation. Why not provide at least minimal protection for our civilians? Why not teach them to survive?

Why haven't we done something about civil defense? Chiefly because far too many Americans, and many Members of Congress, are the victims of three misconceptions, the first being the overkill fallacy, wherein the casualties per kiloton in Hiroshima and Nagasaki are multiplied by the number of kilotons in the world's arsenal. This implies that by some means we can collect the entire target populations in the same density as existed in Hiroshima and Nagasaki, and keep them unarmed, unwarned, and vulnerable. A statement of identical validity is that the world's inventory of small arms ammunition, or for that matter, kitchen knives, can also kill the human population several times over under those circumstances.

Another widely held misconception is that much of the world's population would be destroyed by fallout from a large-scale nuclear war. "On the Beach," the novel about this, reflects that kind of thinking. The National Academy of Sciences estimates that the long-term effect of this fallout would only amount to a 2-percent increase in the cancer rate over a 15-year period.

That is, not 2 percent of our population would have cancer. It is a 2-percent increase in our present cancer rate. This increase could be countered by not rebuilding many of the cigarette plants that would be destroyed in such a holocaust.

Finally, victims of the doomsday scenario also feel, mistakenly, that survivors of a large-scale nuclear war would have to live underground for weeks and months at a time. Not so, our scientists tell us. An individual can protect himself from the most dangerous type of radiation because it travels like light, in a straight line. A handkerchief, folded over six or eight times, can serve as an effective gas mask to provide protection from the less dangerous type of radiation.

That's the bad news. The good news is it is not too late to do something about it. A relatively inexpensive remedy is to develop a civil defense system of our own. Some of our defense leaders suggest the way to compensate for Soviet superiority—they no longer claim it doesn't exist—is to retarget our weapons. Retargeting would supposedly rebalance the equation. It makes more sense to me to achieve the balance through civil defense—the potential

saving of American lives rather than the potential destruction of Soviet citizens.

We must begin today to rebalance the strategic equation. How do you deter an attack unless you can convince an enemy that you will win the war that he is starting? I find it doubtful that anyone aware of the strategic imbalance believes we would fire any nuclear weapon if it meant the destruction of our society. Without a civil defense system that's precisely what it means.

Basically, this $1.9 billion program requires the budget of the Federal Emergency Management Agency (FEMA) to increase from $138 million in 1981 to $375 million in 1987.

It is my understanding Mr. John Macy, FEMA's Director, will testify today that the President's budget proposal for civil defense of $120 million will allow a reasonable start on the D program but only in limited areas. Since the difference between a full-fledged beginning and a half-hearted start is relatively slight, not really many dollars, it seems a shame we can't make an all-out commitment.

I hope the subcommittee members will join me in implementing the D program by approving a budget target for nationwide civil defense. It is certainly needed.

This morning I also want to speak in support of H.R. 6444, a bill I introduced to establish a pilot program of designing and constructing buildings to withstand nuclear explosions.

Over the years, the idea has been advanced, on a number of occasions, that protective features could be incorporated into buildings as they are being designed which would permit the space to be used as shelter in the event of nuclear attack. Many countries interested in protecting their populations have adopted programs of this nature. I refer to nations like Switzerland and Norway.

Fallout protection has been achieved on many occasions through this procedure in which the design is slanted—modified—to enhance protection. A recent outstanding example occurred in Oklahoma. A decision was made to locate a number of schools underground to provide protection against tornadoes. While fallout protection was not an objective, the schools do provide a very high level of fallout protection. The added or slanting cost was only $3 per square foot above the cost of an ordinary school. When the life-cycle cost is evaluated taking into account reduced vandalism, reduced maintenance, and energy savings, the cost may actually be less.

While many examples of fallout slanting are available, no experience has been gained in blast slanting. Nevertheless, considerable study has been given to blast slanting and a research version of a blast slanting manual has been developed. The manual contains predesigns for slabs over basements which offer 5, 10, 15, 20, 30, and 35 psi protection. The fact that the slabs are predesigned makes it possible for design firms to design blast shelter space without the necessity for education in structural dynamics. It would be desirable to select two or three building projects, interest the owners in cooperating in allowing the Federal Government to pay for the cost of slanting blast shelter space into the basements, and conduct a concurrent study documenting the feasibility, or the lack of it, of using existing guidance, documenting the construction

of the slanted space, and determining whether actual costs compare well with the estimates.

Since the design-construction cycle often spans several years, it would be important that projects be identified early in the fiscal year and payment arrangements be determined early. It would also be desirable to have the pilot projects built in the vicinity of Washington, D.C., so that Members of the Congress could observe them as desired.

I hope the subcommittee members will join me in implementing this dual purpose civil defense shelters slanting project by budgeting the $400,000 to start the program.

I just want to take 1 second more, Mr. Chairman, to address one other chart, just to show the awsome disparity of the commitment we are making as a nation for civil defense with the Soviet Union. The Soviets spend more than 10 times more than we do on civil defense. They spend more than $1 billion. I have heard Ike Skelton, my good friend from Missouri, say $2 billion, but we spend $100 million, so have a 10-to-1 advantage there at least. People involved in civil defense, more than 11-to-1. We have around 100,000 and they have more than 1 million.

As far as nuclear war casualties are concerned, this is where we reverse the tables and we have the advantage. More than 10 Americans would die for every Soviet, so it is just terribly important, I think, to do something about it. It is a small investment. It is a couple fighter planes a year really, and yet it provides an entire protection program for our whole population. It just makes good sense to do something about it.

Thank you, Mr. Chairman.

Mr. NEDZI. Thank you, Mr. Mitchell. Are you going to stick around for some questions?

Mr. MITCHELL. I sure will.

Mr. NEDZI. Mr. Brinkley, do you have any questions?

Mr. BRINKLEY. Yes, Mr. Chairman. Thank you, Mr. Chairman, and I congratulate our colleague, Don Mitchell, for this very excellent statement. The information about slanting costs is significant, I think, because we have heard much about buildings in Texas and also buildings in the Soviet Union, which are blast resistant, and which could get more bang for the buck. We have libraries and school facilities in peacetime use. At the same time, it would be an important refuge, should war come.

I notice you say that the pilot project should be here in Washington, so that Members of the Congress could observe it. Whenever those six lights come on our clocks and the air raid warning comes, sometimes we wonder if we might also need to use them. At least we should practice using them, because with practice and with experience there comes some deterrence to war and some companionship for peace.

Mr. Chairman, I have no further questions or comment except I would like to ask the committee's unanimous consent in two instances. I have a statement by a former national director of the civil defense organization, Mr. Bill Smith of Atlanta. He is a longtime friend of civil defense, and I ask unanimous consent that his statement be submitted for the record.

Mr. NEDZI. Without objection, it is so ordered.

WRITTEN STATEMENT OF COL. WILLIAM E. SMITH (RETIRED)

Mr. Chairman, I appreciate the opportunity to testify on the nation's disaster preparedness program during your review of the Federal Emergency Management Agency's 1981 budget request, the need for additional dual-use legislation, Representative Skelton's proposed five-year program, the need for a Federal Excess Property Loan Program, and the Department of Defense/Federal Emergency Management Agency (FEMA) liaison.

I am presently Civil Defense Director for Atlanta and Fulton County, Georgia and have served as National President of the United States Civil Defense Council.

For years state and local civil defense (emergency preparedness) units have been plagued with the absence of a single point of contact at the federal level to assist them in preparing for and coping with natural disasters. The President's Reorganization Plan merged all disaster preparedness programs under a single agency and eliminated the duplication and overlapping of authority among numerous federal agencies which had created unnecessary roadblocks for state and local governments during crisis situations.

If we are to realize the full benefits and efficiency of FEMA as envisioned by the Administration and the Congressional intent implied by the Congress consent to the President's Reorganization Plan No. 3, Congress must provide adequate funds at the federal, state and local levels of government. The 1980 appropriation of $100M is the lowest in the history of the civil defense program when inflation is considered. An increase in the 1981 appropriation is essential. Furthermore, the $39.03M for Financial Assistance to the States (P&A Funds) in the 1981 Budget is the same amount that is in the 1980 appropriation. This amounts to a 13 percent reduction in funds considering inflation.

Currently, FEMA is responsible for administration of Public Law 81-920, Civil Defense Act, and Public Law 93-288, Disaster Relief Act. There is no legislation which authorizes state and local governments to use federal funds for planning for natural disasters or major accidents. In this connection, legislation was introduced in January 1979 (H.R. 2157) by Representative Jack Brinkley, Georgia 3rd District, which would authorize the use of civil defense funds for planning and response to all types of emergencies and disaster. It is my understanding that H.R. 2157 is in the hands of your committee, and we urge you and your committee to move favorably on this legislation. It is also recommended that additional legislation be prepared which would consolidate Public Law 81-920, Civil Defense Act, and Public Law 93-288, Disaster Relief Act. In the rewrite of these laws it should provide necessary statutory authority to assure the continuation of the Federal Emergency Management Agency's existence. Remember, all we have now is an Executive Order establishing the agency and we would like to see it secured by congressional action. The next administration could decide that they do not like this configuration and scatter the responsibility for disaster preparedness to the four winds, again leaving state and local governments wondering which direction to follow in meeting the needs of your constituents during emergencies and disasters. One of the problems in our disaster preparedness program today is due in part, at least, to the fact that four of the last seven presidents have restructured the nation's disaster preparedness organization, by Executive Order, and we still do not have an acceptable program to protect the nation's citizens against a hostile attack upon this country using nuclear weapons.

The need exists for a well defined civil preparedness program and adequate funding. The lack of a civil defense program was cited by the House Committee on Appropriations as an important reason for cutting fiscal year 1980's funding. Representative Ike Skelton introduced legislation last year (H.R. 2704) which would correct this situation as it established a multi-year authorization for a civil defense program. Representative Skelton's five year program is but the first step that must be taken if the United States is going to provide the type of protection its citizens deserve (in place shelter programs and a realistic crisis relocation or evacuation plan). Mr. Chairman, again we urge favorable consideration of the distinguished Representative from Missouri's legislation. We believe that it will contribute immeasurably to the nation's defense posture.

Mr. Chairman, you will also recall that the Honorable Jack Brinkley introduced legislation in January 1979 addressing the excess property program. We understand that the Department of Defense opposed this legislation as they were of the opinion that it would destroy the Surplus Property Program. The users of both programs, state and local governments, do not see where this legislation could have that much of an impact on the Surplus Property Program. The excess property loan program enhanced our capability considerably in our response to emergencies and disasters, because we received more serviceable equipment at no cost to our governments, other than the required first echelon maintenance. Remember, it is the taxpayers

back home who provided the funds to purchase the federal equipment to begin with, so why should we have to use our limited funds to purchase excess or surplus equipment? Due to the shortage of disaster preparedness funds at the national level, many of the preparedness programs have been discontinued or seriously curtailed, for example:

Construction of Emergency Operating Centers at State and local levels of government;

Purchase of and installation of warning systems at the local level;

Shelters—identification, marking and stocking program;

Purchase and distribution of Radiological Monitoring instruments;

Rural civil defense educational programs;

School programs—civil defense education, "Your Chance to Live", adult education;

Medical self-help educational program;

Stockpiling of packaged Disaster Hospitals;

Stockpiling of emergency water supply equipment;

Stockpiling of medical supplies (Hospital Reserve Disaster Inventory), engineering equipment, etc.

In view of the continuing budgetary restraints at the federal, state and local levels of government, we urge you to support Congressman Jack Brinkley's proposed legislation on excess property, H.R. 2158.

Mr. Chairman, when you consider the recent developments in Iran and Afghanistan, we believe that you will concur that it is past time for the United States to get started with a positive National Disaster Preparedness Program. We further believe that you will insist upon a close liaison between the Department of Defense and the new Federal Emergency Management Agency.

In summary, Mr. Chairman, the nation needs:

A total disaster preparedness program, properly funded to assure its ability to function;

Statutory authority for FEMA;

Consolidation of Public Laws 81-920, Civil Defense Act and 93-288 Federal Disaster Relief Act;

Provisions of H.R. 2157 (Pending) which includes the use of federal funds by state and local governments for natural disaster and civil disturbance preparedness;

Provisions outlined in H.R. 2704 which provides a multi-year civil defense authorizations program;

Statutory authority for Federal Excess Property Loan Program outlined in H.R. 2158;

Close working relationship between the Department of Defense and the Federal Emergency Management Agency to ensure an adequate civilian protection program during attack situations.

Thank you, Mr. Chairman.

Mr. BRINKLEY. The second thing, he has also given me 11 questions from the standpoint of the local civil defense organizations to be submitted to Mr. Macy, and I would like to ask unanimous consent that these questions be submitted to Mr. Macy for the record as if the questions were my own.

Mr. NEDZI. Without objection, it is so ordered.

[The following questions were submitted to the witness to be answered for the record:]

1. We at the local level are beginning to feel that local government is not receiving any consideration at the national level. The feeling that we receive, whether true or not, is that future programs will be Federal and State oriented thus leaving locals out completely. My question, therefore, is, if this is the case can we assume that President Carter is writing off all local governments in favor of the 50 States and their Governors?

It is not the case that future programs will be Federally and State oriented, leaving local governments out completely. To the contrary, FEMA will continue to look to local emergency management directors as a primary link and point of contact (through the States) with the chief executives and department heads of local government, for emergency-related matters. This is in accord with the general policies of this and previous Administrations, regarding Federal-State-local programs and relationships and the FEMA reorganization initiative of President Carter.

FEMA is well aware that under State and local legislation, local civil preparedness agencies are responsible for preparation for and response to the full range of hazards that can affect our citizens, from natural disasters, to technological emergencies, to international crises and limited or full-scale nuclear attack. FEMA's programs embrace a similarly broad spectrum, and we anticipate an excellent "fit" between emergency preparedness and response programs at the Federal level and those at both State and local levels. Indeed, the organization of FEMA, and its full-spectrum emergency responsibilities, resulted in considerable degree from the desire of both local and State civil preparedness directors for just such an emergency-oriented agency at the Federal level, with a breadth of responsibility similar to their own.

More specifically, FEMA's requested FY 1981 program for emergency preparedness activities includes a continuation of matching funds for local and State civil preparedness agencies at the FY 1980 level (see response to Question 11 below). Of the FY 1981 request for $120 million for these activities, approximately 50 percent will directly benefit local and State civil preparedness agencies. The matching funds for local agencies (estimated at some $25 million for personnel and hardware expenses) will go directly to local governments in the form of funds. However, an additional amount of over $20 million is for programs which directly support local preparedness. This includes work by State contract staffs to calibrate and maintain radiological detection instruments which have been granted to local governments; on-site assistance in crisis relocation and other local government emergency planning by FEMA-supported State Nuclear Civil Protection planners; and training for local officials and civil preparedness staffs. It also includes a request for local (and State-area) EOC's, as well as communications packages, totaling $7.4 million.

Another 24 percent of the FY 1981 request is for systems which also benefit local readiness; for example, support of the National Warning System and the National Shelter Survey (conducted in local communities), as well as research and systems development work which provides a basis for improving local readiness.

2. According to the information we've received, training programs conducted in residence at the Emergency Management Institute will be primarily for Federal and State personnel while training for most employees of local organizations is to be conducted by states and/or regions in field locations. Is this correct, and if so, what is the rationale behind the decision?

We expect to establish the Emergency Management Institute at Emmitsburg, Maryland and co-locate it with our National Fire Academy. We plan to begin operation of the Institute in January 1981. At the Institute we expect to conduct courses for Federal, State and local. The training for State and local personnel will be principally advance level training. We plan to support basic level training in the field closer to the intended

participants. This will not only save travel money, but will also permit us to tailor the training to the requirements of a particular Region, State or locality.

3. Is it your intent to maintain homogeneous training for local civil preparedness personnel but place all training responsibility into the hands of each state director?

Our field deployment system will include two basic parts. We plan a Regional Support Contract that will provide training (1) for FEMA audiences, such as disaster reservists and local disaster hires, (2) for staff members of other Regional Federal agencies, and (3) for training of State and local staff members that is essentially interstate in character, such as professional development training in emergency management.

In addition, we plan to support a State Cooperative Agreement on a shared cost basis. This Agreement will include training of interest to both FEMA and State and local governments. It will include end-product training such as radiological monitors and shelter managers, and training that must be related directly to State needs and requirements such as State and local officials' conferences and radiological emergency response training.

4. Are you in favor of a five or ten year civil preparedness program, and if so, when are you going to develop the program and ask for funding?

Both five-year and seven-year alternative programs to achieve nationwide crisis relocation capabilities were developed in 1977. These programs have been termed "D" and "D-Prime," respectively, and have been described both in unclassified studies and in Congressional testimony. The only difference between "D" and "D-Prime" is in the time scheduled for achievement of final operating capabilities, and hence in the funding profiles for the two programs. Both provide for development of crisis relocation plans together with the supporting systems and capabilities needed to realize the full lifesaving potential of population relocation during a crisis. Both also provide for maintaining and improving capabilities for protecting the population in-place (at or near their residences or places of work), should time or circumstances preclude crisis relocation. The systems and supporting capabilities needed for effective population protection either in the relocated posture or in-place include Warning, Direction and Control (protected Emergency Operating Centers for key local and State officials, and exercises for these officials on their responsibilities in executing emergency plans), Radiological Defense, Emergency Public Information (including a network of protected broadcast stations to provide information and instructions to the public), shelter stocks (water containers, sanitation kits, ventilation kits), shelter management training, detailed planning to produce additional shelter by actions during a crisis, and training for the public, as well as support for the Federal, State, and local civil preparedness structure.

The 1977 program design was updated in December 1979, but this did not involve major changes. A detailed analysis conducted in 1978-1979 indicated that programs "D" and "D-Prime" are well-designed and well-balanced, when pertinent measures of effectiveness are considered (i.e., both total survivors and uninjured survivors). A paper provided separately, "Analysis of Packages Comprising Program D-Prime" (December 14, 1979), summarizes this analysis.

The President's Budget for FY 1981 includes $120 million for FEMA's programs authorized under the Federal Civil Defense Act of 1950, as amended. The FY 1981 program will, if approved by the Congress, begin implementation of the President's policies for U.S. civil defense, enunciated in Presidential Decision (PD) 41, September 1978. The FY 1981 program will increase the effort devoted to crisis relocation planning, and provide for validating protection plans and concepts in areas associated with counterforce military installations (ICBM complexes, SAC bases, ballistic missile submarine ports). This will provide a foundation for follow-on efforts on a nationwide basis. As such, the FY 1981 program constitutes a clearly discernable first step towards deployment of program "D-Prime", to achieve the objectives defined in the President's policy.

Funding for FY 1982 and future years will be determined during the budget cycle. We anticipate that an important factor in such decisions will be our experience in planning for and implementing the FY 1981 program.

ANALYSIS OF PACKAGES COMPRISING PROGRAM D-PRIME

federal emergency management agency

December 14, 1979

CUMULATIVE PACKAGES COMPRISING PROGRAM D PRIME

	I	II	III	IV	V
	PAPER PLANS	SHELTERING & WARNING	RELOCATION EFFECTIVENESS	ATTACK OPERATIONS	SHELTER ENDURANCE
	($0.8B)*	($1.1B)	($1.4B)	($1.9B)	($2.3B)
1. SHELTER SURVEY	0.5	0.5			
2. NCP PLANNING	0.5	0.2	0.3		
3. SHELTER PROD. PLAN		1.0			
4. SHELTER STOCKS					1.0
5. SHELTER MANAGERS				1.0	
6. WARNING		1.0			
7. EMERG. OPS CENTERS			0.25	0.75	
8. D&C EXERCISES			1.0		
9. RADIOLOGICAL DEF.				1.0	
10. EPI/EBS	0.25		0.75		

*SEVEN-YEAR PROGRAM COST (CUMULATIVE)

FEMA's new nuclear casualty assessment system was developed to use in civil defense program design and evaluation. It models the survival process in detail, to permit evaluation of individual program elements, such as Shelter-Manager training, and of operational sets or "packages" in terms of casualty reduction. Total survivors, uninjured survivors, and the ratio of uninjured to injured survivors are all important measures of effectiveness.

Shown above is an allocation of ten operational program elements to five packages which comprise Program D-Prime. The ten program elements are those shown for Program D-Prime in the December 3, 1979 paper, Enhanced Civil Defense Program to Implement PD 41 Policies.

Package I, "Paper Plans", provides for developing initial crisis relocation plans (CRP's). It thus includes half the Shelter Survey element (to identify hosting facilities), half of Nuclear Civil Protection (NCP) Planning (to produce initial CRP's), and 25 percent of the Emergency Public Information/Citizen Training/Emergency Broadcast Station item.

Package II, "Sheltering and Warning", includes the second half of the Survey element (to identify upgradable structures in host areas, and best-available blast protection in risk areas), and 20 percent of NCP Planning (e.g., to identify buildings to be upgraded during a crisis, in host areas). Package II also includes detailed planning of crisis actions for Shelter Production, as well as warning.

Package III includes elements contributing primarily to "Relocation Effectiveness". These include the final 30 percent of NCP Planning (e.g., exercising of crisis relocation sub-systems, and planning for relocation by essential organizations), 25 percent of the EOC element, all of Direction and Control Exercising, and 75 percent of EPI/Citizen Training/EBS.

Package IV includes "Attack Operations" elements to reduce casualties during the in-shelter and earlier post-shelter periods. These include Shelter Manager training, 75 percent of the EOC element, and Radiological Defense.

Package V, "Shelter Endurance", includes Shelter Stocks (ventilation kits, water and sanitation containers) to permit the population to remain in shelters for at least a week, if necessary.

The remaining elements in the December 3 paper (Program Management, and R&D) are prorated among the five packages, and are included in the total costs shown.

MAJOR FACTORS CONSIDERED

CRISIS RELOCATION

- WILLINGNESS TO RELOCATE
- KNOWLEDGE OF PLANS
- FRACTION WITHOUT OWN AUTO
- AVAILABILITY OF FUEL AND TRANSPORT
- SPONTANEOUS EVACUATION
- TRAFFIC CONTROL; DISABLEMENTS
- ADVERSE WEATHER
- TIME TO CLEAR LARGE CITIES
- HOST PREPARATIONS
- LEADERSHIP AND DIRECTION

SHELTERING & WARNING

- SHELTER AVAILABILITY
- CRISIS SHELTER PRODUCTION
- SHELTER ASSIGNMENT POLICIES
- SPEED AND EXTENT OF WARNING
- WILLINGNESS TO MOVE TO SHELTER
- NUMBERS CAUGHT IN OPEN ENROUTE
- IN-SHELTER PROTECTIVE POSTURE

ATTACK EFFECTS

- ATTACK DETECTION
- SIZE, LOCATION, AND TIMING OF DETONATION
- CASUALTY FUNCTIONS
- ENTRAPMENT IN DEBRIS
- FIRE IGNITION AND SPREAD
- FALLOUT DISTRIBUTION AND DOSES

ATTACK OPERATIONS

- RESCUE CAPABILITIES
- FIRE PREVENTION AND SUPPRESSION
- SHELTER LEADERSHIP
- FALLOUT PROTECTIVE POSTURE
- D & C, RADIOLOGICAL ASSESSMENT
- REMEDIAL MOVEMENT; DECONTAMINATION
- ORGANIZATION AND COMMUNICATIONS

SHELTER ENDURANCE

- PHYSIOLOGICAL LIMITATIONS
- CLIMATIC VARIATIONS
- AVAILABILITY OF WATER AND VENTILATION

UNCERTAINTIES IN ALL THE ABOVE

Listed above are important factors considered explicitly in the new casualty assessment system. The model traces the vulnerability of population groups from early in the crisis period to many weeks after attack. The model is rooted in a geographic calculation that defines the distribution of population, shelter availability, and attack effects in 2-mile grids in risk areas and 10-mile grids elsewhere.

There are some 30 inputs required in the Population Defense Model, such as the population relocated during the crisis, fraction assigned to shelter, fraction in the open when detonations occur, fraction trapped in debris, and fraction rescued.

Technical factors have been estimated by experts. Other operational and behavioral factors have been estimated by FEMA panels. Some 16,000 estimates of this kind have been made, from which the model generates best-estimate results together with ranges of uncertainty.

TYPICAL RESULTS

EVENT	CURRENT CAPABILITY MAINTAINED: IN EVENT NUMBER INVOLVED (MILL)	IN EVENT NUMBER SURVIVING (MILL)	TOTAL NUMBER OF SURVIVORS (MILL)	PROGRAM D PRIME (RELOCATED): IN EVENT NUMBER INVOLVED (MILL)	IN EVENT NUMBER SURVIVING (MILL)	TOTAL NUMBER OF SURVIVORS (MILL)
ASSIGNMENTS						
AT RANDOM	80			7		
TO SHELTER	157		237	230		237
AFTER WEAPON DETONATIONS						
IN OPEN	4	2		5	4	
AT RANDOM	126	70		20	12	
IN SHELTER	107	75	147 (35)*	212	186	202 (15)*
TRAPPED BY DEBRIS	7	2	142	4	2	200
FORCED OUT BY FIRE	4	1	139	2	1	199
FORCED OUT BY LACK OF WATER	5	4	138	2	1	198
FORCED OUT BY LACK OF VENTILATION	6	5	137	5	4	197
EMERGING AT END OF SHELTER STAY	126	86	97 (34)*	190	174	181 (23)*

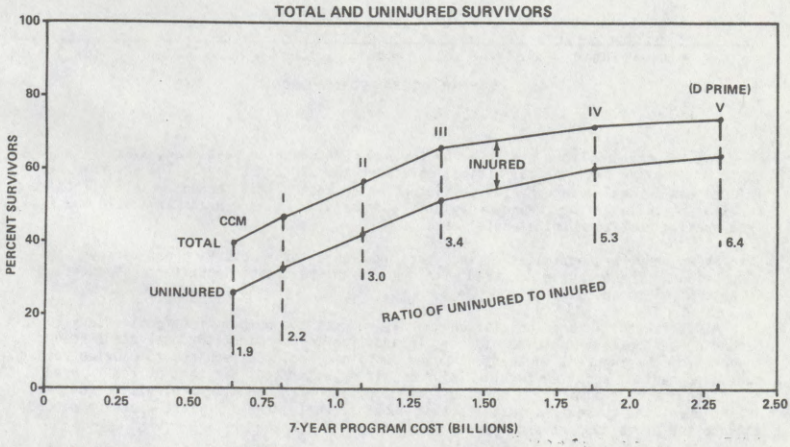
* INJURED SURVIVORS

This chart illustrates the assessment process. At the left is a series of "events" used in the model. Results are shown for the current U.S. civil defense capability (figures at the left) and for Program D-Prime (at the right). The first event is shelter assignment. The current capability maintained (CCM) until 1987 would find 80 million "at random" (in residences), whereas nearly all are provided shelter in Program D-Prime, after relocation.

At the time of detonations, CCM would find 4 million in the open enroute to shelter, 126 million at random in residences, and only 107 million in shelters. In Program D-Prime, far fewer remain at random. Survivors after detonation are based on a heavy, mid-1980's attack on military and urban industrial targets employing surface detonations.

The model then follows the direct-effects survivors through additional life-threatening events in the survival scenario. CCM results in a final total of 97 million survivors, versus 181 million for Program D-Prime.

An analysis of this kind, despite the complexity of the underlying analysis, is essential to the design of efficient civil defense programs in which knowledge of how and when population losses occur is used to define the best balance of program elements. In actual analyses, survival scenarios like these are prepared for risk, host, and other areas and for each shelter class available in the area. What this summary shows is that what is achieved or not achieved in the various program elements is always reflected in the "bottom line" -- total survivors and injured survivors.



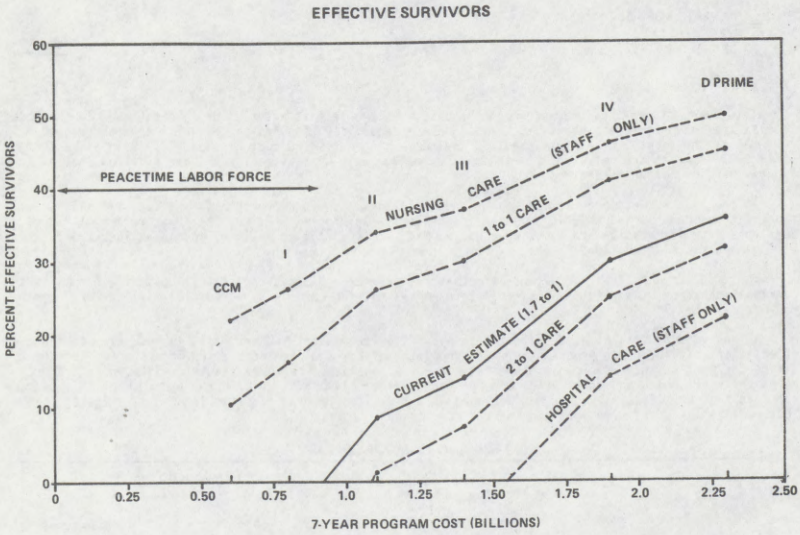
Portrayed above are results of a series of runs of the model. Expected total survivors for Current Capability Maintained (CCM) approximate 40 percent and, for

D-prime (on right) about 74 percent. Between are shown the contributions of the five packages, in order of most lives saved per unit cost.

The most cost-effective addition to CCM is Package I, Paper Relocation Plans. Package II, Sheltering and Warning, is the next addition. Packages I and II together raise expected total survivors to about 57 percent, or 17 percent of the preattack population more than CCM. Package III, Relocation Effectiveness, further raises total survival by doubling the fraction of the risk population relocated in a crisis, given a Presidential directive.

The remaining packages, Attack Operations (IV) and Shelter Endurance (V), produce smaller increases in total survivors. However, they offer substantial increases in the number of uninjured survivors, and corresponding reductions in the number of injured survivors. This is shown by the virtual doubling in the ratio of uninjured to injured survivors, from 3.4 for the first three packages to 6.4 for the complete D-Prime program.

This ratio is a primary measure of recovery potential, which in turn is seen as a major factor in U.S. strategic policy. To the extent that escalation cannot be controlled, the U.S. objective is to maximize the "resultant political, economic, and military power of the United States relative to the enemy in a postwar period, in order to preclude enemy domination."

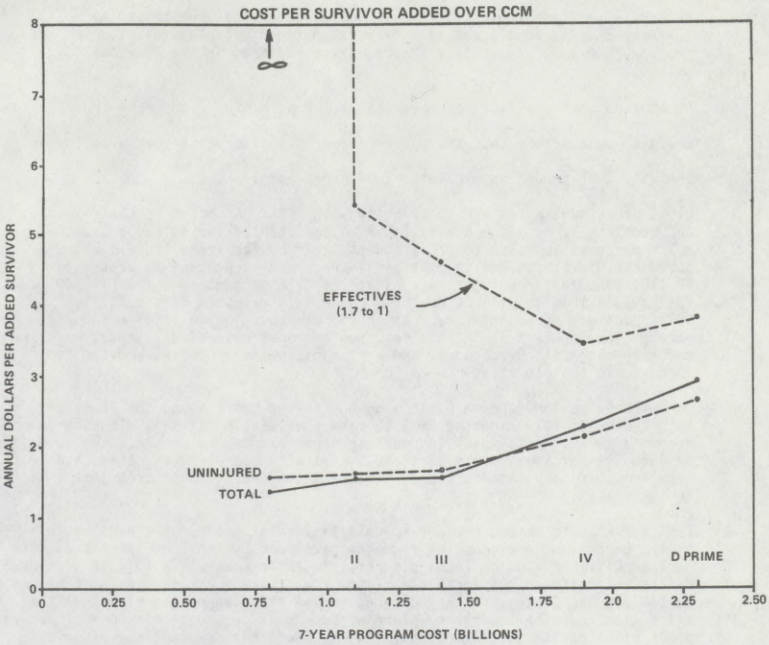


The injured survivors predicted by the new FEMA casualty assessment system are those who survive with minimal medical care more than 30 to 60 days. These surviving injured would require care by the uninjured, which would limit the number of "effective survivors" available for the recovery effort. The kind of care necessary could range from nursing-home to hospital-level care.

Shown above are estimates of survivors available for recovery, under various assumptions. These may be compared with our current peacetime labor force of about 40 percent of the population.

A substantial injured population greatly reduces the number of effective survivors, depending on the level of care needed. In addition to the institutional staff needed to care for the injured, further uninjured survivors would be required to provide food, fuel, and medical supplies for the injured. It is estimated that most of the injured would require care similar to nursing-home care. When the additional logistic support is included, the current estimate is that about 1.7 uninjured survivors would be needed to care for or to support one injured survivor.

Only Program D-Prime can provide a net recovery labor force approaching the peacetime labor force.



A final aspect of the Program D-Prime package analysis is the annual program cost per expected added survivor. Cost per survivor added over CCM is shown as a solid trend line; cost per uninjured survivor added is shown by a dashed line. Above these lines, the annual cost per effective survivor added is shown for the current estimate of 1.7 uninjured survivors needed to support each injured survivor.

Annual costs per survivor added, for total and uninjured survivors, are much the same--ranging from about $1.50 for Package I to about $2.75 for Program D-Prime. The cost per survivor added increases as more survivors are produced.

The annual cost per added effective survivor is least (under $4) for Package IV and for Program D-Prime -- which also produce the greatest number of survivors available for the recovery effort. Neither the current capability nor Package I ("Paper Relocation Plans") are predicted to produce any effective survivors. Intermediate packages add small increments of effectives at much higher costs than Program D-Prime.

It is this number of effective survivors that constitutes what is probably the most important measure of postwar recovery capability. Therefore, if we are going to undertake a meaningful civil defense effort at all, it only makes sense to aim at the Package IV or D-Prime level, in consonance with PD 41.

5. When will the Plans and Preparedness Division publish its program emphasis and request adequate funds to salvage the civil preparedness program?

Plans and Preparedness has provided guidance to the FEMA Regional Directors on programs and emphasis for FY 1980, and will do the same for FY 1981 before the beginning of that fiscal year.

As noted in the response to Question 4 preceding, the funds requested for civil preparedness activities for FY 1981 total $120 million, which if appropriated will be an increase, in real terms, of more than 12 percent over the FY 1980 level. This program supports and

is consistent with the civil defense policy guidelines prescribed by the President in PD-41, and is a first step towards deployment of program "D-Prime," to achieve the objectives defined in the President's policy.

6. It appears that civil preparedness has a low priority in the FEMA organization, how did you conclude that the nuclear power plants project should be the only activity that needed supplemental funds this year?

Civil preparedness has a high priority with FEMA. As noted in the responses to Questions 1, 4, and 5 above, (a) FEMA has adopted the full-spectrum, multi-purposes approach to preparedness urged by local and State civil preparedness directors; and (b) the civil preparedness program requested for FY 1981 embodies a real increase of at least 12 percent over the FY 1980 level. The FY 1981 program will be deployed as an integral part of a cohesive, full-spectrum approach to preparation for and reaction to life-threatening emergencies of all types. This spectrum embraces natural disasters, resource and technological emergencies, and acute international crises and limited or large-scale nuclear attack.

In response to the recommendations of the Kemeny Commission, the President on December 7, 1979 directed FEMA to take the lead in off-site planning and response to accidents involving nuclear power plants; to complete the review by June 1980 of State plans in those States with operating reactors; and to take a number of related actions--including the provision of technical assistance to the States.

FEMA was able to assume these responsibilities in considerable part because of the expertise in evacuation planning developed by the FEMA-supported State Nuclear Civil Protection (NCP) planners, in their work since 1977 to develop crisis relocation plans for nuclear-attack risk areas. Accordingly, FEMA has authorized the States, if they desire, to use NCP planners to assist in the evacuation and other emergency planning required for the contingency of nuclear power plant accidents (termed Radiological Emergency Preparedness planning).

This use of resources and capabilities developed for nuclear attack preparedness is in line with FEMA's full-spectrum, multi-purposes approach to emergency preparedness. At the same time, FEMA recognized that the use of the NCP planners for REP planning should be temporary, to meet the schedule set by the President for development and review of plans for nuclear power plant accidents. Accordingly, the use of NCP planners is to extend only through June 1980, unless further extended on a case-by-case basis, to permit their return to crisis relocation planning.

An FY 1980 supplemental appropriation has been requested by the President to support activities of FEMA and the Nuclear Regulatory Commission required for the Radiological Emergency Preparedness program. A significant part of the requested supplemental would provide for adding new planners in States with nuclear power reactors, to exercise and update the initial REP plans, and to develop plans for States where nuclear power plants are expected to go into operation after June 1980. These new planners, who could not be hired and trained until after June 1980, in most cases, would take over the REP mission from the NCP planners, who would have provided the evacuation planning expertise needed between January and June 1980.

Thus, a supplemental appropriation for FY 1980 was requested for REP planning and related activities because of the Presidential priority accorded this program in December 1979, and REP planning is, in FEMA's view, a civil preparedness activity. Additional support for other civil preparedness activities is reflected in the FY 1981 request outlined above.

7. Would you approach Congress to establish necessary statutory authority to assure the continuation of a FEMA Department (Agency) in our government?

Reorganization Plan No. 3 of 1978, which created FEMA, has the force and effect of Federal statute. It would not be proper to transfer functions now legally vested in the President to the Director, FEMA. In any event, the President will, from time to time, assign additional functions to

FEMA which would not be reflected in FEMA legislation prepared at any one time. I also do not see any need to take away from the President the Presidential functions delegated by Executive Order to FEMA, and vest those functions in FEMA by statute. Most of these always have been Presidential functions (Disaster Relief) and should stay that way.

8. Do you intend to provide P&A funds for fire chiefs? Will this be in addition to the local civil preparedness organization or where would the funds come from?

In some localities the fire chief is also the part-time civil preparedness director. In such cases, the portion of his time spent on civil preparedness could be matched with P&A funds. Where he is funded part-time, he is funded as a part of the local civil preparedness organization. Fire Chiefs will not be supported by P&A funds for performing normal day-to-day or usual fire functions.

9. We understand that FEMA is considering a proposal to restrict P&A funding to merit system personnel who are employed in communities of 5,000 or more with full-time directors. Considering that a very large number of directors presently function on a volunteer, part-time basis and the cost of participating in a merit system is prohibitive for many communities, it would appear that the intent of the proposed action is to eliminate a number of local offices. I would appreciate your comments on this subject.

An internal staff paper was developed in FEMA to determine if the P&A program as now structured and managed provides the best possible results for the Federal, State and local funds expended. Your statement is a summation of several areas where the paper suggested improvements could be made. At present, comments from FEMA headquarters and regions on the paper are being analyzed. When completed, the paper will be revised and furnished to FEMA offices again as well as State and local emergency management organizations for review and comments. It is not our intent to eliminate a large number of local offices but rather it is to get the best emergency management for the money available.

10. In years past, if a State or region had funds which had not been obligated by the end of the fiscal year, the funds were reallocated to a State or region which had valid bills waiting for Federal matching funds. Although we have had no official reports, we have heard that there will be no reallocation of excess funds in this or future years because there is some question pertaining to the legality of the reallocation. I would appreciate your comments on this.

"P&A" contributions (50% Federal share of State and local civil defense personnel and administrative expenses) are provided under section 205 of the Federal Civil Defense Act of 1950, as amended. Although that section directs the allocation of the total sum appropriated for each fiscal year concerned and permits the reallocation of the excess of any allocation not used by a State, both the authorization and the appropriation acts are based on one, single Federal fiscal year.

In cases where the whole, annual appropriation has been obligated during the Federal fiscal year of its availability, no additional allocation and obligation of such appropriation may be made unless one of the States releases some of its share. Otherwise, an unlawful deficiency would arise. Once the particular Federal fiscal year expires, it is too late to reobligate the annual appropriation even though one or more States releases a portion obligated to it. The period of availability for further obligation expires at the end of the Federal fiscal year for which the appropriation was made.

11. It has been reported that the P&A fund budget request for 1981 will be the same as for this year ($39.03 million). This will represent a severe cut in real dollars because of inflation. It will also create additional problems because locals who are participants in merit systems will be required to provide their employees cost of living increases in 1981, probably in the neighborhood of 8 percent. If federal matching funds are not provided the locals will be required to assume the full burden of the cost of living increases and many may be forced to drop out of FEMA programs. Was this FEMA's intent when the decision was made to hold 1981 P&A funds at $39.03 million?

The P&A budget for 1981 is $37.1 million which is the same as in 1980. The other $1.934 million is for Maintenance and Services (mostly recurring costs for line charges on civil defense warning and communications systems).

The decision was made to hold the funding at the same level until a study could be made to determine if the P&A program was being properly managed and if the funds were being used in the most effective manner. It was not our intent to force out any local government from the program. The study has been reviewed and commented on by FEMA headquarters and regional offices. These comments are being analyzed. When completed, the study will be revised and again submitted to FEMA headquarters and regional offices as well as State and local emergency organizations for review and comment.

Mr. NEDZI. Mr. Bennett.

Mr. BENNETT. I have no questions. I want to congratulate Mr. Mitchell on his persevering activities toward protecting American citizens, recognizing the impact that it would have as a deterrent to war.

You are doing an excellent job. I have no questions.

Mr. NEDZI. Thank you, Mr. Bennett.

Mr. Mitchell, the statement was very comprehensive and clear, in my judgment. I am anxious to hear Mr. Macy's comments with respect thereto when he testifies. If there are no further questions of Mr. Mitchell, I will ask Mr. Skelton to present his statement.

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI

Mr. SKELTON. Thank you, Mr. Chairman, for the opportunity to testify this morning. Since our colleague Don Mitchell covered the waterfront so well, I might shorten my comments, if I may, and offer my statement for the record, Mr. Chairman, and make just a few additional comments.

Mr. NEDZI. Without objection, the statement will be included in its entirety in the record.

Mr. SKELTON. Thank you, sir. First I would like to acknowledge along with you, Mr. Chairman, the fact that we now have a FEMA with a Director, John Macy. One of the very first things that he did was to come to the Fourth District of Missouri that I represent, which has 150 ICBM missile silos with Minuteman missiles in it.

Mr. NEDZI. That proves his courage.

Mr. SKELTON. That proves his courage, so for a while he was in one of the 39 high-risk areas in the country, but it does tell us that he is trying to learn all he can about this very difficult problem that we have.

There is a strong need for civil defense, as Mr. Mitchell has pointed out so well and so eloquently. It does serve as a deterrent. It is the other part of our defense. As in olden days, Mr. Chairman, a warrior would go into battle to protect his land with a sword in one hand and a shield in the other. The sword of today is our Minuteman missile, the airplane, the aircraft carrier, and the like, although we have no shield unless we really develop a strong civil defense.

I would like to also point out, as I did briefly a moment ago, that there are some 39 high-risk areas in the country, strategic command bases, submarine bases, and the missile field areas like I represent.

A bit of irony, Mr. Chairman. The 150 ICBM missile silos in western Missouri were recently hardened, and the last one was recently renovated, in a hardening process, whereby a nuclear blast could come closer by several hundred yards to the missile silo, and the missile silo would still survive. The cost of this was $124 million for the western Missouri area. However, we are not protecting the citizens of the country or the citizens of western Missouri in this case from the same eventuality that we spent $124 million for to harden the silos, and that is a nuclear attack. I think that there is some irony and disparity in that.

I have introduced a bill similar to the one I introduced last year, sir. The first part is a policy statement that is cleaned up a bit, but basically it is the same thing.

The second part, as you know, is that it deals with the funding. I have proposed again a 5-year funding level beginning at $145 million. It is a dual-purpose bill relating to national disasters, Three Mile Island relocation problems as well as, of course, it being a deterrent and a safeguard for a nuclear attack situation.

I thank you again, and I compliment you on having these hearings, and I appreciate your letting me appear today.

Thank you.

WRITTEN STATEMENT OF HON. IKE SKELTON

Chairman Nedzi and subcommittee members, thank you for allowing me to speak before the Military Installations and Facilities Subcommittee of the House Armed Services Committee.

I am here this morning in support of civil defense in the United States. Congress, I feel, is going to have to lead the way with this issue. The national civil defense studies I have seen prove that Americans not only feel they deserve civil defense protection in times of peace and war but believe they are now receiving it. In actuality they are not getting the protection they want, deserve and need. American civil defense is operating on a shoestring budget without an updated and modern emergency preparedness philosophy. When the time comes—Americans will expect a civil defense system to be in place and ready to serve their basic survival and protection needs. If civil defense is not there—we as Congressmen, have failed our constituents.

I'll say it again, Congress is going to have to lead the way with this issue. That is why I'm here today.

Yesterday, I introduced a civil defense bill that will, if passed, provide for an updated, modern civil defense for our Nation. The bill is in two parts. The first part defines the purposes and guidelines for civil defense. Part two establishes a five year funding plan totaling less than $990 million. This bill is quite similar to the one I introduced last year. Also, it offers a dual purpose civil defense plan—one that covers natural disasters as well as providing nuclear protection for the American people. It makes civil defense part of the strategic deterrent force; it offers educaion in areas including self-help nuclear war survival skills.

Mr. Chairman, I hope this committee will review my proposed legislation. It may be incorporated into other legislation before this committee or it can be handled separately. I would be glad to cooperate in any way I can.

If this civil defense bill passes both Houses, it will be a signal to the administration and the Nation that now is the time to start reappraising our attitudes toward civil defense. Maybe then, and only then, will it get the national attention, discussion and proper direction it must have to help over 200 million Americans. Civil defense is a program of survivability.

Mr. NEDZI. Thank you, Mr. Skelton. Mr. Brinkley.

Mr. BRINKLEY. Mr. Chairman, I would like to commend the witness and to point out to this witness and the audience that the night before last Congressman Skelton received the Civil Defense National Security Award for his outstanding efforts in this field over the past year, and we are proud of him. A copy of his remarks will appear in the Congressional Record which is on your desk this morning in the Extensions of Remarks.

Thank you very much, Mr. Chairman. I note that I have witnesses before another committee, and ask to be excused. I will read Mr. Macy's remarks in the record with a great deal of interest. Thank you.

Mr. NEDZI. Thank you, Mr. Brinkley. Mr. Bennett.

Mr. BENNETT. I have no questions to ask Mr. Skelton. I want to congratulate him, though, because he has been persevering since the first day he came to Congress in protecting his constituents and

also looking at the overall problem in the United States and what it has to do with the relative strength vis-a-vis the United States and potential enemies.

You certainly have done a fine job. I hope you are successful.

Mr. SKELTON. Thank you. Mr. Chairman, excuse me for interrupting. I did give Mr. Scrivner a copy of the bill I introduced yesterday, which is basically the same bill I introduced last year, but I did supply it for your committee, sir.

Mr. NEDZI. Thank you. Mr. Mitchell.

Mr. MITCHELL. Thank you, Mr. Chairman. I want to join my colleagues in commending Representative Skelton for his good work on civil defense. No one has worked harder. I point out to those assembled that it was Mr. Skelton's amendment that passed the House last year, that for the first time in many years committed the House for that day at least to a comprehensive civil defense program. We unfortunately were unsuccessful in getting an appropriation for it, but it was a magnificent effort and highly successful, and I look forward to working with my good friend on civil defense matters in the next session, and maybe for many years if we aren't more successful than we have been.

Mr. NEDZI. Thank you, Mr. Mitchell.

Mr. Skelton, is there any difference between your bill and the Mitchell bill?

Mr. SKELTON. I am trying to remember his bill, Mr. Chairman. I think his bill deals basically with the funding; is that not correct? Mine has in the first part a policy statement that I don't think is in his; is this correct?

Mr. MITCHELL. If the gentleman will yield, I think both bills as far as the program is concerned are based on the D-Prime program, and neither Mr. Skelton nor I devised that. That was from our experts. Mine stretches out over 7 years. Mr. Skelton condenses it to 5 years. The total amounts of money is the same, but he has some parts in his bill as to goals and objectives. Mine is simply D-Prime.

Mr. SKELTON. In other words, as I understand it, the policy statement on which I assume there has been no great argument, is in mine, and spelled out, but it is not in Mr. Mitchell's. Am I correct in that?

Mr. MITCHELL. That is true.

Mr. SKELTON. But the funding is different. I go for 5 years and he goes for 7.

Mr. NEDZI. Are you aware of any reason for adding that policy statement or taking it out?

Mr. SKELTON. I am sorry?

Mr. NEDZI. Is there any reason for the two bills being different? You both appear to be on the same wavelength, and I was wondering why there should be a difference in the legislation.

Mr. SKELTON. Mr. Mitchell supported my policy statement last year, and I assume he would again this year.

Mr. MITCHELL. I certainly would.

Mr. NEDZI. This question should be directed to Mr. Mitchell. Why isn't it in your bill?

Mr. MITCHELL. Why isn't it in where?

Mr. NEDZI. In your bill.

Mr. MITCHELL. The policy statement?

Mr. NEDZI. Yes.

Mr. MITCHELL. I just directed my bill at solving that program, and I worked with counsel on this committee to introduce a bill that would be effective. That was all that was recommended. We started with the funding, simple first-year funding program, but certainly I think a policy statement should be in. We should commit the Congress to a program. That was just an addition that probably was needed and certainly is a good idea. I have no objection to Mr. Skelton's policy statement. I would agree with it 100 percent.

Mr. NEDZI. I have no further questions. Thank you very much.

Mr. SKELTON. Thank you very much.

Mr. NEDZI. The next witness is the new director of FEMA, John W. Macy, Jr.

I am pleased to welcome you here for the first time, Mr. Macy.

STATEMENT OF JOHN W. MACY, JR., DIRECTOR, FEDERAL EMERGENCY MANAGEMENT AGENCY, ACCOMPANIED BY FRANK A. CAMM, ASSOCIATE DIRECTOR FOR PLANS AND PREPAREDNESS

Mr. MACY. Thank you very much, Mr. Chairman. It is a privilege to be here before this committee and to introduce for the first time the views of the Federal Emergency Management Agency with respect to the authorization for civil defense. I have with me Frank Camm, on my left, who is the Associate Director of the Federal Emergency Management Agency for Plans and Preparedness, and he has been nominated by the President and confirmed by the Senate, and has joined with me in recent weeks, with particular attention focused upon the civil defense program.

On my right is General Boverie, who is representing our colleagues in the Department of Defense, who under the reorganization plan joined with the National Security Council on oversight with respect to the civil defense program.

Mr. Chairman, I have a 20-page statement with respect to the position of the Federal Emergency Management Agency on the civil defense program. If I may, I would appreciate the opportunity to place that statement in the record, and to summarize its highlights for you, to permit as much time as possible to answer questions that may come from you and the other members of the committee. If that is agreeable to you, I will submit that statement, which I believe is in the hands of the committee at the present time.

Mr. NEDZI. Without objection, the entire statement will be included in the record.

Mr. MACY. Mr. Chairman, I would like to take a few moments to review for you and the members of the committee first the reorganization which created the Federal Emergency Management Agency, and then to discuss how that reorganization has led to the proposed fiscal year 1981 authorization program for civil defense.

The President created the Federal Emergency Management Agency through Reorganization Plan No. 3 of 1978, which was reviewed by the Congress, and absent a vote of dissent became effective on April 1, 1979, with an executive order from the Presi-

dent activating the agency. Subsequently, an executive order in July provided for the transfer of the remaining units, some 5 units all told, to the new agency, and authorized its function with respect to the various statutes that had been previously the responsibility of those agencies.

The basic purpose of the Agency has been described as that of establishing within the executive branch a single agency with responsibility for the full spectrum of Federal emergency activities—preparedness, response, recovery, and mitigation. And for the first time, to establish a point with which States and localities could work within the Federal Government in developing intergovernmental plans, and providing for intergovernmental response.

It also brought into being a recognition of comprehensive emergency management, an interrelationship of the planning and preparedness for national security actions such as a nuclear attack upon the country, and the variety of natural and man-made disasters which are visited upon the population, and constitute a continuing emergency.

Mr. Chairman, I took office on August 1 of last year, and have been on the job for 7 months, and during that period of time have concentrated on fulfilling the objectives established in the new organization. I have concentrated particularly on integrating the various agencies that formed the new organization, to provide a cohesive institution concerned with preparing for, mitigating and responding to emergencies of all kinds. I have stressed bringing about the reality of that single point of executive reference, by working closely with the various departments and agencies of the executive branch which have responsibilities in various aspects of emergency management, and to particularly stress the multiple use of resources of the Federal Government in connection with emergencies of all kinds.

I would say that there have been at least three highlights during these 7 months that have tested the new agency, and have defined in greater detail its reponsibilities. One has been the continuing flow of disaster declarations by the President, in response to gubernatorial requests. The events of greatest significance have been Hurricanes David and Frederic in the Gulf area, but there have been some 15 other declarations of this nature which have served to mobilize the response and recovery mechanisms transferred to the new agency.

A second area of activity has been the establishment of strong links with the Department of Defense. I have personally had meetings with both the civilian and military leadership in the Department of Defense to establish a continuing association with respect to the various programs that relate to both organizations. We have established a formal memorandum of understanding, and have in being some 12 different joint committees dealing with various aspects of our common cause. This has, we believe, been a very beneficial start, and you will hear from the Defense Department on their reaction to it.

As I indicated, under Executive Order 12148, there is an assigned oversight on the part of the Secretary of Defense and the National Security Council with respect to the civil defense responsibilities of the new Federal Emergency Management Agency, and in the pro-

posals that are before you today, there is a concurrence from both the Secretary of Defense and the National Security Council.

The third highlight of this period has been the assignment by the President of responsibility to the Federal Emergency Management Agency for off-site emergency planning and preparedness for nuclear powerplant accidents. This, Mr. Chairman, was a part of the President's response to the so-called Kemeny committee that evaluated the consequences of the Three Mile Island accident in March of 1979. This new assignment from the President is one that is closely related to the ongoing responsiblities of the agency with respect to nuclear civil protection under the civil defense program.

Turning to civil defense, against that backdrop of the new agency, the charter for the Federal Emergency Management Agency has been Presidential Decision 41 of September 1978. That proposal from the President was based on the studies of civil defense made in the previous years, and on contrasting the state of readiness in civil defense on the part of the United States with the efforts being made in the Soviet Union.

Under the policy enunciated by the President, there was a consideration of various levels of activity with respect to civil defense. The initial option was to have no program at all. The second was a continuation of the program as it has been moving on a relatively flat curve in recent years. The third was to emphasize crisis evacuation, in order to remove individuals from the pretargeted areas, and to relocate them. The fourth emphasized blast shelters that would provide an even greater degree of protection.

The crisis evacuation could result in some 80-percent survival, blast shelters some 90 percent. The evacuation costs were relatively little in peacetime, but the time need would be about a week for execution, consequently adding certain uncertainties.

The blast shelters would cost $60 billion to $70 billion. This would be a substantially increased cost over previous commitments, although a fallout shelter program had been a part of the civil defense program for many years.

Under Presidential Decision 41, the civil defense program was given a number of objectives. The first and most important was to enhance survivability of American population and leadership, enhance deterrence and stability, reduce possibility of Soviet crisis coercion, include planning for crisis relocation from our cities, and be adaptable to help deal with peacetime disasters.

On the basis of that Presidential decision, the fiscal year 1981 program was developed, and calls for the authorization that you mentioned in your opening comments of $120 million. This represents approximately a 12-percent increase in real growth over the approximately $100 million that was appropriated in 1980, and constitutes the resources available to the program at the present time.

The percentage growth is primarily applied to dealing with the so-called counterforce areas, the ICBM fields, the SAC bases and the ballistic missile submarine ports. This would be an investment in additional resources at those 51 locations in 31 different States. This would not be viewed as a cutback on existing programs. Those would continue at the same level, but the investment would be in those particular areas because of their highest vulnerability, and to

permit an investment of the increased $20 million at points where they could provide the most significant return.

The view taken by FEMA would be that these areas could serve as testbeds for pilot deployment of elements of the comprehensive civil defense program—that from the experience gained in the application of these resources would come additional knowledge and information that could be applied in other locations at a later time. The intent would be to improve the base of experience for eventual nationwide programs, stressing the development of crisis relocation capabilities.

The intent here, too, would be to emphasize that the saving of lives requires more than paper plans only—that we would invest in a capacity that would permit us to go beyond the paper plans. The fiscal year 1981 program would permit the development of emergency operating centers at locations near the counterforce areas. It would permit shelter stocking in those areas. It would permit a broad testing of whether or not these capabilities would provide the benefits intended.

Thus the 1981 program would include, if it is authorized and funds are appropriated, an acceleration of the crisis relocation planning for those counterforce areas. A program of that nature has been proceeeding for some time in some 400 risk areas. It would continue at the previous level in those areas, but with this additional emphasis on crisis relocation in the counterforce areas.

The pilot test of the program elements would be in these general areas: Planning for production of shelter by actions taken during the crisis; shelter stocking; provision, for example, for ventilation kits; development of austere emergency operating centers, as I mentioned; and the provision of Federal funding for radiological defense officers in the States where these counterforce areas are located. It would provide for broadcast station protection, in order to assure that communications systems were available and functioning. Finally, it would provide for a substantial increase in training, a 50-percent increase in the training of local officers in these particular areas, to assure their capacity to deal with this problem.

Mr. Chairman, I would like to stress that preparedness for peacetime and attack emergencies is the same, to a substantial degree, that improving attack readiness cannot help but improve readiness for peacetime emergencies. In fact, this is what we comprehend in the term "comprehensive emergency management." We believe that there is decided benefit to be gained in an enhanced civil defense program, not only in providing protection against the nuclear attack we hope will never come, but also in providing improved resources to reduce the loss of life and property that occurs from the hurricanes, tornadoes, floods, and other natural disasters that we know will come.

Of the proposed fiscal year 1981 program expenditures, about 60 percent provide benefits for both peacetime and attack emergencies. In other words, 60 percent is applicable for comprehensive emergency management, and the remaining 40 percent for essentially attack-unique capabilities in response to a nuclear attack.

Mr. Chairman, in the remarks offered by Congressman Mitchell and Congressman Skelton, reference was made to programs D and

D-Prime, the 5-year and the 7-year accomplishment of the objectives in the earlier proposals that resulted in Presidential Decision 41. The authorization which I am defending this morning is only for 1981 and, as I indicate, represents a 12-percent increase over the funds available through appropriations in 1980.

At FEMA we are very mindful of the desirability for longer term commitment, and we have been assured that, based upon our experience in 1980 and our plans for 1981, there will be a consideration of 1982 proposals, and for the years beyond. That until FEMA has had an opportunity to demonstrate its capacity to utilize the resources now available, a decision with respect to the longer term will not be prepared by the administration.

In conclusion, the organization of FEMA will bring new impetus and cohesion to the Federal Government's emergency-related programs. It will on the one hand provide for comprehensive emergency management, and on the other hand relate civil defense responsibilities to that broader spectrum of operations, without reducing the commitment to preparation for defense against nuclear attack.

The civil defense program, by focusing on pilot deployment of balanced civil defense systems in the counterforce areas, will provide experience for eventually achieving nationwide crisis relocation capabilities, in compliance with the President's PD 41 policies for U.S. civil defense.

Mr. Chairman, that is an abbreviated summary of a very extensive area of concern. I have found in studying this area during the past 7 months that there are very committed people throughout the United States in the civil defense program, and that in exercising responsibility in the executive branch, we are providing leadership for a nationwide network of people who have already accepted responsibility in their communities to assure that comprehensive emergency management exists, while advancing the purpose of civil defense as a means of saving lives and reducing loss.

We also come to you with the conviction that survivability is the objective, and that it is an untenable policy or ethical position to assume that after an attack there would be no recovery, and that there is an obligation at the Federal Government level to take steps appropriate not only to survival but to recovery and reconstitution of the United States in terms of the values upon which it has been founded and advanced for nearly 200 years.

Thank you very much.

Written Statement of John W. Macy, Jr.

In this statement I shall first provide for the Subcommittee an overview of the reorganization which brought the Federal Emergency Management Agency into existence in April 1979, and outline highlights of FEMA's accomplishments to date. I shall then address in detail the issues of primary concern to the Subcommittee--FEMA's proposed FY 1981 programs authorized by the Federal Civil Defense Act of 1950, as amended.

The President, in recommending the creation of FEMA by Reorganization Plan No. 3 of 1978, established several important goals to be achieved by the new agency. These included:

(1) The consolidation of Federal authorities to anticipate, prepare for, and respond to major civil emergencies under the supervision of an official responsible to the President.

(2) The effective application of the concept that wherever possible, emergency responsibilities should be extensions of the regular missions of Federal agencies.

(3) The improved linkage of hazard mitigation programs with emergency preparedness and response functions.

(4) The increased effectiveness of a civil defense system designed to require the most efficient use of all available emergency resources.

To meet these goals, FEMA's programs seek to improve capabilities for Comprehensive Emergency Management of emergencies of all types. FEMA is responsible for many different emergency-related activities, embracing the full spectrum of mitigation, preparedness, response, and recovery.

FEMA's authorities derive principally from the emergency-related programs and responsibilities of five agencies whose functions were merged into FEMA by the President's Reorganization Plan as approved by the Congress and implemented by Executive Orders 12127 of March 21, 1979, and 12148 of July 20, 1979.

Two of the predecessor agencies had responsibilities primarily in the area of national security. The Defense Civil Preparedness Agency was responsible for the civil defense program, and the Federal Preparedness Agency was responsible for a variety of programs including continuity of government and the development of plans and systems to manage resources and stabilize the economy in time of emergency, including policy guidance for stockpiling strategic materials. The functions of these two agencies have basically been combined under FEMA's Associate Diector for Plans and Preparedness, Frank A. Camm.

The other three predecessor agencies had responsibilities relating principally to peacetime emergencies:

The Federal Disaster Assistance Administration (now the Office of Disaster Response and Recovery in FEMA) was responsible for coordinating Federal efforts to reduce human suffering and hardship in Presidentially declared emergencies and major disasters.

The United States Fire Administration was and is responsible for mobilizing Federal, State, and local resources to prevent and reduce the tragic losses caused by fires -- about 8,500 deaths and property losses of $5 billion each year.

The Federal Insurance Administration was and is responsible to assure that insurance is available, at affordable prices, in three vital lines: Flood insurance, crime insurance, and urban property insurance and riot reinsurance.

FEMA's objectives, however, go beyond the simple amalgamation of previous programs. Rather, to meet the President's and congressional objectives, FEMA has been and will be taking initiatives to provide truly comprehensive, full-spectrum emergency management capabilities for the Federal, State and local governments, and thereby for the American people. The whole, in short, will be greater than the sum of the parts.

I was sworn into office as Director of FEMA on August 1, 1979, and have thus been on the job seven months. I have concentrated my efforts on developing a truly integrated Agency, with a cohesive approach to the preparation for, mitigation of, and timely response to major life-threatening emergencies throughout the United States. My underlying emphases are to provide a single point of contact in the Federal Government on emergency matters -- both at the National level and, in particular, for our State and local governments -- and to enhance the multiple use of resources in preparedness for and response to emergencies.

Some of the highlights of FEMA activities in the time I have been Director include:

Assistance to State and local governments and to citizens suffering losses from Hurricanes David and Frederic, and most recently in the emergencies and disasters declared by the President arising from the floods in Arizona and California.

The forging of strong links of coordination with the Department of Defense, to assure a close and continuing relationship with respect to a variety of civil defense related issues and activities, as well

as mobilization and other matters. Executive Order 12148 made the Secretary of Defense and the National Security Council responsible for oversight of FEMA's civil defense policies and programs, to assure that civil defense planning continues to be compatible with the Nation's overall strategic policy.

FEMA's assuming responsibility for all off-site emergency planning and response for nuclear emergencies resulting from accidents at nuclear power plants.

With regard to the last item, on December 7, 1979, President Carter directed that FEMA take the lead in off-site emergency planning and response, and complete by June 1980 the review of State emergency plans in those States with operating reactors. FEMA was prepared to undertake this short-deadline assignment for two primary reasons: (1) FEMA (and its predecessor agencies) had been cooperating for several years with the Nuclear Regulatory Commission and other Federal agencies concerned with nuclear safety. (2) FEMA (and DCPA) had developed expertise since 1975 in planning for evacuation, based on experience in Crisis Relocation Planning as an important element of the civil defense program.

Let me turn now to FEMA's FY 1981 programs in the area of civil defense. Policies for U.S. civil defense were enunciated in September 1978 by President Carter in Presidential Decision (PD) 41.

The PD-41 policies were based on an interagency study of issues related to U.S. civil defense, conducted between September 1977 and August 1978. The study looked not only at whether or not civil defense would make a difference in survival and recovery from nuclear war, but also at whether civil defense would play a role in a preattack crisis. Other studies examined in detail the feasibility, costs, and performance of alternative U.S. civil defense programs. The intelligence community also produced a report on the status of the Soviet civil defense program. These contributed to the analysis and conclusions of the inter-agency policy study.

The inter-agency policy study contained a range of options for a future civil defense program for the United States. These included: (1) essentially no program; (2) the program as it existed at that time; (3) a program providing for relocating (evacuating) the population of larger U.S. cities and other risk areas should time permit during a period of strategic warning resulting from an international crisis; and (4) a short warning time, in-place protection program including construction of blast shelters in our cities.

The relative lifesaving capabilities in a heavy mid-1980's attack on military and urban/industrial targets would be: (1) no civil defense -- some 20 percent

total survivors; (2) the then-current program -- some 30 percent survivors; (3) effective crisis relocation -- some 80 percent; and (4) a blast shelter system -- up to 90 percent. Of course, different attack scenarios would result in different levels of survival.

The principal differences between crisis relocation and blast shelter systems have to do with: (1) costs, (2) the time required to protect the population after warning, and (3) the greater uncertainties associated with crisis relocation. A system with blast shelters to protect the urban population with only minutes of warning could cost over $60 billion. A crisis evacuation system would cost much less in peacetime and could perform nearly as well -- provided that there was available the week or more needed to execute evacuation plans, that a timely decision was made to activate the plans, and that evacuation operations worked well, although not necessarily perfectly. Reasonably effective crisis relocation could in some circumstances result in about the same level of survival as that provided by a far more expensive blast shelter system.

Each of the options was presented to the President with an evaluation of its potential effectiveness and associated costs. The resulting Presidential Decision (PD) 41 directed implementation of a new civil defense policy along the following lines:

-- that the United States civil defense program should enhance the survivability of the American people and its leadership in the event of nuclear war, thereby improving the basis for eventual recovery.

-- that the United States civil defense program should enhance deterrence and stability, and contribute to perceptions of the overall U.S./Soviet strategic balance and to crisis stability, and also reduce the possibility that the Soviets could coerce us in times of increased tension;

-- that the policy not suggest any change in the U.S. policy of relying on strategic nuclear forces as the preponderant factor in maintaining deterrence; and,

-- that the program include planning for population relocation during times of international crisis as well as be adaptable to help deal with natural disasters and other peacetime emergencies.

The President's decision did not require a new crash program. Rather, the program will require only a modest increase in resource allocations, and will result in a gradual enhancement of U.S. civil defense capability. The policy will also require the dual use of scarce resources at all levels of government by tak-

ing advantage of the commonalities in planning and response activities for both peacetime and attack emergencies.

As a policy statement, PD-41 did not expressly contain any program details or associated budget decisions. However, the underlying study for PD-41 outlined program options and their associated costs. One option stressed crisis relocation, the civil defense program alternative which the Secretary of Defense had decided to implement starting in FY 1980, subject to policy and budget review.

Funds requested for civil defense programs in FEMA's FY 1981 budget provide for real growth of about 12 percent over the current (FY 1980) program. The thrust of the FY 1981 program, however, is very different from that proposed last year by the Defense Civil Preparedness Agency. Rather than aiming at doing a little bit more of everything, everywhere, the FY 1981 program will be focused on selected areas where results can be most definitive and helpful. In other words, we'll use a rifle instead of a shotgun to produce discernable progress where it is most needed.

The increases requested for FY 1981 will be used to develop improved capabilities for jurisdictions near our strategic offensive military installations (intercontinental ballistic missile complexes, SAC bases, and ballistic missile submarine ports). This is a sort of good neighbor policy for our own countrymen. Since the location of these facilities to retaliate against an enemy made people and property nearby especially vulnerable to a first strike attack, we owe it to our fellow citizens to give them first priority in the protection we can provide.

We propose to use these so-called "counterforce" areas as a test-bed. In them, we will conduct initial, or pilot, deployments of the elements of a comprehensive civil defense program. The underlying intent of our FY 1981 initiatives, in the counterforce areas, is to provide an improved base of experience for nationwide deployment of an enhanced program stressing crisis relocation capabilities.

I wish to stress that while crisis relocation is a moderate cost approach to population protection, with a large lifesaving potential, it requires much more than paper plans alone. The plans, as they are developed, must be exercised and understood by the State and local officials who would be responsible to carry them out. In addition, support systems must be developed, such as Direction and Control, Communications, Radiological Defense, and Emergency Public Information and Education. These elements of a balanced program cannot be deferred to a crisis period, since they require a number of years for development.

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Current analyses indicate that paper plans alone for relocation, without supporting systems and preparations, would have much less than the total survival potential of a full system -- about 46 percent potential survival in a heavy, mid-1980's attack, rather than the 76 percent survival potential of a full crisis relocation system. Thus, an enhanced civil defense program stressing crisis relocation must include many elements beyond paper plans, which account for only about 10 percent of the total program cost.

Accordingly, FEMA's FY 1981 program includes the following activities, to develop or pilot-test elements of a balanced civil defense program in the counterforce areas:

(1) Shelter Survey -- We will significantly increase the total shelter survey effort over the FY 1980 level--about 30 percent. We will emphasize "All-Effects" surveys in counterforce risk areas, to identify best-available existing blast protection. This will in turn provide a basis for plans to protect counterforce populations in-place, should time or circumstances preclude crisis relocation (evacuation). In the rest of the United States, we will continue surveys of existing or potential shelter for evacuees in host areas, to provide a basis for continued Crisis Relocation Planning.

(2) Nuclear Civil Protection (NCP) -- We will add about 60 NCP planners in the 31 counterforce States. This additional planning effort will permit accelerating completion of initial CRP's for counterforce areas, and pilot-testing planning approaches to improve confidence that the most essential industries and services could be kept in operation during a relocation period. The current force of about 155 Nuclear Civil Protection planners would continue to develop CRP's in the rest of the United States.

(3) Planning for Crisis Shelter Production -- Evacuees in host areas need fallout protection to achieve the full lifesaving potential of crisis relocation. We will therefore add about 11 planners to test guides for planning actions to produce additional shelters by actions taken during a crisis. Work will be conducted in selected counterforce States.

(4) Shelter Marking -- We will resume shelter marking in counterforce areas, and expect to mark about 4,000 buildings which could provide protection against attack effects.

(5) Emergency Operating Centers -- Two decades of experience have shown that the matching-fund approach to developing State and local Emergency Operating Centers is ineffectual in developing an integrated system of protected facilities (EOC's) from which key officials can direct and control emergency operations. In FY 1981 we will therefore pilot-test a system for developing EOC's on a fully-federally funded basis. EOC's will be developed near counterforce areas by upgrading existing facilities and constructing EOC's where necessary.

(6) Shelter Stocking -- Our analyses show that austere shelter supplies (water containers and sanitation kits) can contribute significantly to lifesaving in the days following a nuclear attack. Even more importantly, shelter stocks can markedly improve the ratio of uninjured to injured survivors by reducing the number of survivors suffering radiation sickness. Accordingly, in FY 1981, we will pilot-test a system for procuring and distributing shelter stocks in counterforce host areas.

(7) Ventilation Kits -- Manually operated ventilation devices can also improve both total survival and the ratio of uninjured to injured survivors, by permitting people to remain in shelters until fallout radiation has decayed to relatively low levels. We will therefore undertake procurement of ventilation kits, and will deploy them in selected counterforce host areas.

(8) Radiological Defense Officers (RDO's) -- RDO's are the keystone of a functioning radiological defense system, as they are relied on to develop operational plans and procedures, and to train Radiological Monitors both in peacetime and during a crisis period. We will therefore provide 31 full-time RDO's, at the State and State-Area level, in the counterforce States.

(9) Communications -- Survivable communications among local, State-Area, and State Emergency Operating Centers are essential to the conduct of coordinated and effective emergency operations. We will therefore undertake pilot projects in counterforce States to provide minimum-essential communications packages to link risk-area command centers with State and State-Area EOC's, for evacuation operations, and to link pilot-project EOC's (item (5) above) with State and State-Area EOC's

(10) Warning -- Attack warning contributes to survival by alerting citizens to seek shelter before nuclear detonations occur. In FY 1981, we will reactivate the Decision Information System (DIDS) low-frequency radio warning transmitter located at Edgewood, Maryland. This installation can transmit warning to an area on the East Coast which includes over 20 percent of the U.S. population.

(11) Broadcast Station Protection -- Ability to get lifesaving information and instructions to the public is essential to an effective civil defense system. Accordingly, in FY 1981 we will provide protection against fallout and electromagnetic pulse to about 11 broadcast stations in counterforce host areas.

(12) Training -- Trained personnel are essential to the ability to conduct operations in a crisis on an attack emergency. FEMA's FY 1981 program provides for an increase of about 50 percent in civil defense-related training. This will include:

- -- Providing an Exercising capability in each of the 31 counterforce States to develop and conduct exercises for key officials of counterforce risk and host areas, and for key State officials.
- -- Pilot-testing a system for recruiting and training Shelter Managers in selected counterforce areas. (Research indicates that trained Shelter Managers can significantly improve shelteree survival and reduce radiation exposure of survivors.)
- -- Pilot-testing a system to provide civil defense training for the public in periods of rising international tension.

(13) Research -- The research program in support of the activities outlined above aims at developing means for lessening the effects of nuclear attack on the United States. Objectives include:

- -- Analyzing the threat, now and as it may develop.
- -- Developing and testing means to protect population and industry in case of attack.
- -- Upgrading the technical basis for emergency operations.
- -- Analyzing the performance of alternative civil preparedness systems.

Our FY 1981 program in the area of civil defense thus accelerates the achievement of crisis relocation plans and supporting capabilities for the population in counterforce areas. It provides the basis for eventual achievement of nationwide crisis relocation capabilities, in compliance with the Presidential Decision (PD) 41 policies for civil defense.

In FY 1981 we will also undertake planning and limited preparations for a possible need to surge our civil defense buildup in a period of about a year of markedly increased tension, should this result in a decision to expand civil defense capabilities rapidly. In the marathon effort to bring our civil defense preparations up to the level the American people have a right to expect, this is our 100-yard dash if circumstances demand it.

PD-41 directed that the U.S. civil defense program ". . . should enhance the survivability of the American people and its leadership in the event of nuclear war." Thus, PD-41 addresses continuity of government (leadership survival) in addition to population survival.

Measures to provide for the survival of population are integrally connected with the continuity of government responsibilities of FEMA, since protection of the public is an essential function of government. Government at all levels -- Federal, State and local -- must be organized and able to function effectively in all types of emergencies, including natural or technological disasters as well as the threat or occurrence of nuclear conflict. Continuity of government measures are designed to assure that governments at all levels are able to respond to the effects of such emergencies, and to manage the recovery process.

Included in continuity of government programs are arrangements for succession to the Presidency; for emergency organization of the departments and agencies for mobilization; for the development of coordinated plans at the Federal, Regional, State and local levels; and for population and resource preparedness.

Specifically, Executive Order 11490 as amended charges FEMA and the departments and agencies with planning to maintain the continuity of essential functions of the department or agency at the seat of government and elsewhere through programs including: (1) succession to office; (2) redelegation of emergency authority; (3) safekeeping of essential records; (4) emergency relocation sites supported by communications and required services; (5) emergency action steps; (6) alternate headquarters or command facilities; and (7) protection of government resources, facilities, and personnel.

In FY 1981 we will expand our efforts, in coordination with the Department of Defense, to provide a viable program for Presidential-successor survival and support, including an enduring communications capability. We will be taking action, through the FEMA Regional staffs, to assist State and local officials to update current emergency plans to assure that they provide adequately for continuity of governments in both peacetime and national security emergencies.

We will publish "National Guidance for Civil Emergency Preparedness" in unclassified form, for use by governments and the industrial and private sectors as well. Additional plans relating in part to continuity of government include (1) Federal Emergency Plan D, for a nuclear attack on the Nation with little or no warning; (2) plans for situations other than D, dealing with non-nuclear emergencies; (3) National Plans for Mobilization; (4) the National Plan for Survival, Recovery, and Reconstitution; and (5) the readiness plans of FEMA as well as of the Federal departments and agencies at both the national and regional levels.

Assuring the adequacy and effectiveness of agency arrangements requires discussions and visits, as well as testing plans in civil, DOD, and NATO exercises.

In a nuclear crisis, people need to know that the government can survive, and that there is a plan for personal survival, if they are to work together instead of degenerating into a formless mass of persons, each for himself or herself. These measures will assure that we will be working together, and not against ourselves.

I said earlier that FEMA is emphasizing a cohesive, integrated approach to preparation for and reaction to life-threatening emergencies of all types. These emergencies include natural disasters (e.g., floods, hurricanes, tornadoes, earthquakes); resource or technological emergencies (e.g., energy emergencies, nuclear power reactor accidents, chemical spills or accidents); possible terrorist incidents; and acute international crises and limited or large-scale nuclear attack.

I also said that it was essential to enhance the multiple use of scarce resources in preparedness for and response to emergencies. I believe you will agree that this is desirable on a number of commonsense grounds including economy, providing added motivation for participation by local and State governments, and increasing the effectiveness of local and State emergency organizations.

I would like to outline for the Subcommittee the ways in which programs for attack preparedness inescapably -- and desirably -- contribute to preparedness for peacetime emergencies as well.

Preparedness for emergencies is required at all levels -- local, State, regional, national -- throughout the Nation, as a basis for emergency operations (response) when an extraordinary emergency threatens or has occurred.

Local preparedness to respond to extraordinary emergencies, across the spectrum from peacetime emergencies to nuclear attack, requires a variety of plans and operational capabilities. Some of the systems needed for attack preparedness are uniquely attack-oriented, but most -- while essential for attack readiness -- are also essential in responding to peacetime emergencies, and are highly valued by local and State governments.

FEMA's fundamental approach in developing local emergency preparedness is to place primary reliance for operations on the existing assets of local government -- plus other, non-governmental assets available locally. In an attack emergency, outside help may well be unavailable for a long time. In lesser emergencies, outside help (State or Federal) is available, but the responsibiity -- and the means -- for immediate action remains with the community itself. Local communities are America's first line of civil defense, and our job is to make sure they can do this job well.

FEMA's programs aim at improving the ability of local governments to save life and protect property when the community is threatened or hit by any kind of emergency or disaster. This requires effective, coordinated use of all resources available to the community, from the executive talents of its top officials; to its police, fire, and other forces; to its ambulances, hospitals, and medical professionals; to the news media which can provide emergency information and instructions to its citizens; to shelters to protect them in case of attack; to voluntary agencies as well.

Accordingly, FEMA's programs do not aim at developing special units or groups of people, standing by to save the day only in case of a major disaster or an attack. Rather, we aim to augment local jurisdictions with special systems or capabilities that knit together existing assets, and to commit Federal support in times of major emergency. The Federal systems and capabilities include emergency plans, communications, and readiness to coordinate Federal support. We are continuing to staff and operate our six underground Federal Regional Centers, which are protected control centers with extensive communications, for use in case of an attack emergency.

Emergency plans provide the basis for effective operations, spelling out who is in charge, and which forces are to do what, under specified emergency conditions -- the police and fire forces, local leadership, news media, and

other assets available to the community. Such plans are needed not only at local but also at State and Federal level.

Plans in themselves are of little value in an emergency when key officials are unaware of the plans, or of their responsibilities in conducting coordinated emergency operations -- when day-to-day procedures do not suffice. Hence, the provision of on-site exercises for key officials, based on a simulated emergency affecting their community, is important in developing the ability actually to execute emergency plans. Key personnel can only learn by doing when it comes to decisionmaking under the intense and unfamiliar pressure of an extraordinary emergency. FEMA provides support for exercising, both through its matching-fund support for State and local civil preparedness staffs and, to the extent permitted by funding, through its training programs. The FY 1981 program will resume on-site exercises in counterforce areas.

Additional systems and capabilities are essential for the conduct of effective operations in peacetime or attack emergencies. To exercise direction and control, local officials require an Emergency Operating Center -- a protected site, with emergency power and necessary communications, to permit key officials to direct coordinated operations. Support provided by the civil defense program through FY 1977 resulted in the development of 1,024 EOC's which meet FEMA's standards for fallout protection, emergency power, and communications. After a moratorium of three years, the proposed FY 1981 program will permit resumption of EOC development.

Radiological Defense is another capability essential to attack readiness that also helps local governments deal with peacetime emergencies involving radioactive materials -- transportation accidents or (to a limited degree) nuclear power reactor accidents. FEMA provides radiological detection instruments, maintenance for the instruments, and training for personnel to detect radiological hazards and assess their impact on operations.

The provision of emergency information and instructions to the public is also essential to effective operations in either peacetime or attack emergencies. In the 1960's, fallout protection, emergency power, and program links to local or State EOC's were provided for about 600 radio broadcast stations, as well as replacement or repair of equipment for stations now in the program. When all is said and done, our complex plans and hardwa be for nought in a severe crisis if we can't get understandable survival information and instructions to the American people, and much of this is done by radio.

Warning for the public is required to maximize lifesaving in case of either peacetime disasters such as tornadoes or flash floods, or attack. FEMA's National Warning System (NAWAS) provides warning from the National Warning Center at Cheyenne Mountain, near Colorado Springs -- and from the National Weather Service -- to some 1270 Federal, State and local government warning points staffed on a 24-hour basis.

Finally, FEMA's programs to support development of all-hazards readiness include support for civil preparedness staffs at the local, State, and Federal levels.

The soundness of relying on the organized, coordinated use of existing local assets to deal with major emergencies is demonstrated time and again -- in tornadoes, hurricanes, earthquakes, and other major peacetime emergencies.

In our support for local preparedness, we keep in the forefront of our thinking that in any given community there is but one set of local officials and one set of local forces and resources. These must by definition be prepared to respond to any type of extraordinary emergency, be it a hurricane, a reactor accident, or a threatened enemy attack. Thus local readiness must necessarily be "comprehensive" in nature. There would be no way, for example, to achieve full preparedness for attack emergencies without at the same time achieving substantial capabilities to deal with peacetime emergencies -- even if one wished to do so, and we do not.

At the same time, we bear always in mind the provisions of the Federal Civil Defense Act of 1950, as amended, under which funds are provided to protect against attack. Capabilities so developed may also, of course, be used in peacetime emergencies as clarified in a 1976 amendment to the Act.

There are a number of requirements for attack preparedness beyond those needed for peacetime emrgencies. These include such elements as the National Shelter Survey, Nuclear Civil Protection planning, and marking and stocking of shelters. These attack-unique elements rely for full effectiveness, in event of attack, on a solid basis of local (and State) comprehensive readiness for all types of emergency, and on occasion these basically attack-oriented capabilities prove valuable in certain peacetime emergencies. For example, buildings designated as fallout shelters may provide protection against hurricanes or tornadoes, and crisis relocation plans may be useful for evacuation under threat of natural or technological disaster. Indeed, the Georgia State office has advised us that the people of Brunswick, Georgia, very successfully implemented their crisis relocation plan to escape the ravages of Hurricane Frederic.

We have analyzed the FY 1981 program to ascertain the extent that expenditures provide multiple-use emergency management capabilities. Of the civil defense expenditures, about 60 percent provide benefits for both peacetime emergencies and attack preparedness. The remaining 40 percent provide essentially attack-unique capabilities.

In conclusion, I would like to emphasize my confidence that the organization of FEMA will bring a new impetus and cohesion to the Federal Government's emergency-related programs. In particular, FEMA's FY 1981 civil defense programs, by focusing on pilot deployment of balanced civil defense systems in the counterforce areas, will build a foundation of experience for eventually achieving nationwide crisis relocation capabilities, in compliance with the President's PD-41 policies for U.S. civil defense.

Mr. NEDZI. Thank you, Mr. Macy. Mr. Bennett.

Mr. BENNETT. My reaction to the testimony I have heard so far this morning is that the fiscal crunch on our country has certainly impacted heavily in this area. As chairman of the Seapower Subcommittee, I have the problem of seeing no adequate way to get, with the expenditures of the Federal Government at the present time, in matters other than defense, the things that I would like to see that I think personally are essential to our national defense.

When I hear this testimony this morning, I realize that the investment of substantial sums of money could be of dramatic benefit to the civilians and others of our country, and could have a very deterrent effect upon war starting, because of the contemplation of the difference of our ability to retaliate and come out of it.

It really is distressing but it is something we have to look at. It is good we look at it because if you don't look at it you are never going to solve it.

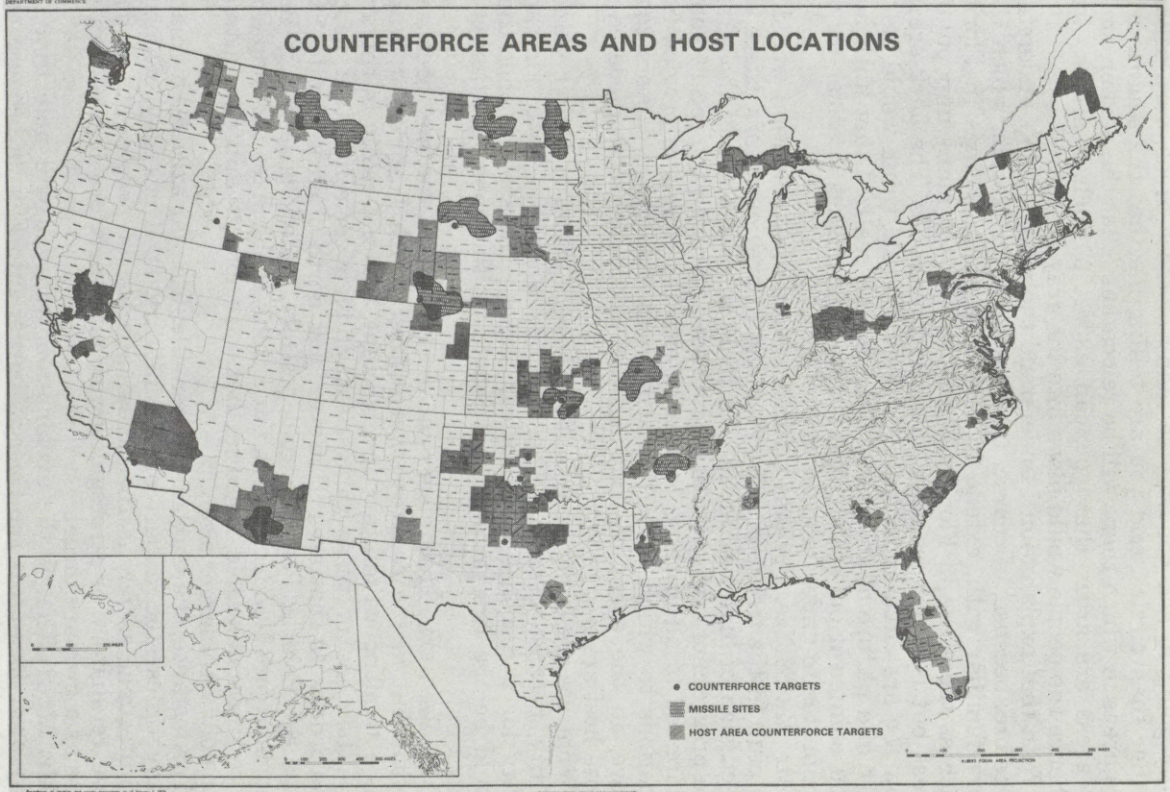
I am making all these statements because I really don't want to embarrass Mr. Macy by asking him to respond to it. I guess Mr. Mitchell will probably ask some of those embarrassing questions. I think I understand him because I have gone through it myself in trying to procure adequate military vessels.

There is one question I would like to ask you, and that is with regard to the diagram. I assume that is your diagram?

Mr. MACY. Yes. The diagram, Mr. Chairman, Mr. Bennett, that is to my left is a map of the United States identifying the counterforce areas, and the host locations for relocation from those areas. You will notice that these are rather widely spread across the land. They are in some 31 different states, and represent some 51 different locations.

As I indicated in my opening remarks, the increased resources would be invested in improving the protection of population in the areas adjacent to those particular counterforce areas.

[The diagram referred to follows:]


UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
COUNTERFORCE AREAS AND HOST LOCATIONS
COUNTERFORCE TARGETS
MISSILE SITES
HOST AREA COUNTERFORCE TARGETS
KUMAS FOUR AREA PROJECTION

Mr. BENNETT. I now understand the picture, because I was originally going to ask you why so many of these areas were squares rather than circles, and you are telling me that the square areas are areas in which there will be relocation. That the darker, smaller areas are areas that you can expect a nuclear attack, from whence the people would move into the gray areas.

With that explanation I understand the map. I didn't understand it before, because, of course, the gray areas in Florida, which I am very familiar with, extend to very unpopulated areas in Florida, such as there are in Florida. There are not too many unpopulated areas but it even goes down into the Everglades. The dark areas I now see are circular in nature, which I would think would be the case of a picture of an attack. I just hadn't realized that until now. You pointed it out to me, and I think that makes it easier for the committee to understand.

Mr. MACY. Yes. Perhaps a further word of explanation would be helpful. In the testimony last year and in previous years, there was discussion of high-risk areas, and there are some 400 of those, and the program of crisis relocation has been, through the recent years, addressed to all of those locations, with the intent to provide host locations to which those living in those vulnerable centers could move, in the event of warning, and could be accommodated in those host areas.

What we are doing here is identifying a group of higher vulnerability, because these are the locations where we have our capability for a response to a nuclear attack. The view is that those would be the first targets that would be the enemy's attempt to knock out.

Mr. BENNETT. That clears up another point for me, because I notice that in the congressional district which I represent, which has a tremendous military involvement, it is not really in the area of either one of these things, except to a certain extent people would draw to that area. However, just north of Jacksonville, Fla., I see the Polaris, Poseidon, and possibly Trident base, Kings Bay, and therefore I understand it, but I think that makes the map even more understandable, because there are lots of military installations of vastly larger size.

For instance, the ones in Jacksonville, Fla., far exceed—by many, many times—the impact of the military at Kings Bay, which is infinitesimal as far as the actual number of people, but it does have retaliatory or strategic power, and therefore it is shown on here as a primary target.

Mr. MACY. That is the explanation, and you will note that the gray area does cross the Georgia border into Florida because that would be the relocation pattern for that particular base.

You will recall that the risk areas were identified as those that had any military mission, and those of high population concentration.

Mr. BENNETT. But they are not on that map?

Mr. MACY. But they are not all on that map. Only those that pertain to the missiles, the SAC bases, and the submarine bases.

Mr. BENNETT. The strategic warfare as distinguished from conventional?

Mr. MACY. There is the counterforce capability that exists at the present time to provide the return impact.

Mr. BENNETT. Thank you.

Mr. MACY. The view would be that the Soviets would attack those as their highest priority.

Mr. BENNETT. The return impact in the nuclear weaponry, not return impact of conventional?

Mr. MACY. That is right.

Mr. BENNETT. Thank you.

Mr. NEDZI. Mr. Mitchell.

Mr. MITCHELL. Thank you, Mr. Chairman.

I want to commend the Director on his effort to provide a civil defense program for our country. We seem to be urging a lot slower start than what we thought we were going to do last year at this time. You mentioned that the authorization is just a 1-year authorization. You are not recommending a comprehensive program. Do you think, Mr. Director, that next year you will be ready for a comprehensive program?

Mr. MACY. That certainly will be our intent, Mr. Mitchell. Our belief is that there does need to be a long-term program. However, the conclusion has been reached that this represents a step up from the very flat development that has existed in the past, and although it is not at a level equivalent to the first step in the 5- or 7-year plan, it does afford an opportunity to take this much of a step. It is our understanding that consideration will be given by the administration to our proposals for 1982, and for the years beyond, on the basis of the results that we are able to obtain from the resources that are now made available to us.

Mr. MITCHELL. Do I take it from that that FEMA is no longer supportive of the D or D-Prime programs, that you want to reevaluate those judgments?

Mr. MACY. No, we are still in support of those programs. We believe that at the present time they represent the most appropriate and sound approach to the long term. However, we are not advocating authorization or funding to that extent at this time. The belief on the part of the administration is that there needs to be a further demonstration by FEMA that this much of a step can move the Nation in the direction of improved civil defense capability.

Mr. MITCHELL. It is certainly an important step, there is no doubt about it. It just seems like we have had D Prime around since 1977. This is 1980 and we haven't done much at all about that. This obviously is an improvement, but it does not seem to be a very big jump in the right direction.

As you know, we are about 12 or 13 years behind the Soviets and about $13 billion to $20 billion behind them, and yet we just spend a piddling $120 million to kind of get started, when all our experts on civil defense told us they knew what to do 3 years ago. It is kind of like we are going to reevaluate everything they said one more time. Congress often puts off important projects by restudying them. It seems like we are restudying D Prime for the fourth year.

Mr. MACY. I do not intend to convey the message that restudy is the answer, but rather that a demonstration of action which would justify subsequent and stronger action. I view this program that I

am presenting to you for authorization as a step forward. The magnitude of that step is for all to judge, but in our view, this program permits a next step to deal with the citizens who are in the vicinity of the greatest risk. If we can utilize our experience there, we will be better prepared to make a more significant and meaningful contribution to added protection in other locations where there is risk.

Mr. MITCHELL. I liked your effort to build stronger links with the Defense Department. I think that is terribly important. I have talked with various leaders in Defense, and they haven't been enthusiastic about civil defense. Our Nation has felt for many years that mutually assured destruction was our deterrent, if we were strong enough we could assure that we would destroy the Soviet Union and there would be no attack, but there has been almost zero effort to protect the people in the event there is one, so I think this is important.

Many nations of the world have a balanced defense effort. They have a good fighting capability but they have some way to protect the people in case they don't deter war. I want to ask one question about that.

I was questioning the Secretary of Defense before one of our posture hearings, and I should have the record and I don't. It seems as though he said that he wasn't enthusiastic on civil defense because he didn't want to give the impression that our Nation could survive a nuclear attack. I am reading into his statement, I am sure, but this is the feeling I got, but that a civil defense program might give the people in the country the feeling that they could survive, and they can't.

Mr. MACY. I am not familiar with that particular statement, but my consultation and communication with the leadership in Defense has been very supportive of this program and more, and I feel that we have established an association with the leadership there which is very strong and supportive, and that there is a strong belief among the leaders in the Department of Defense that there needs to be an effective civil defense system. They are urging us on.

Mr. MITCHELL. That is very reassuring to hear.

Mr. Macy, how much FEMAtisation is going on? You talked about getting the five groups together and building a stronger organization. Are you proceeding at about the speed you would like to, blending the five departments, and is it happening both at headquarters level and at the regional levels?

Mr. MACY. Mr. Mitchell, I am an impatient man. I am not satisfied at the rate it is being achieved. However, in light of all of the conditions that are necessary to assure that the reorganization and consolidation is carried out in an effective and humane fashion, it is necessary to go through quite a number of steps.

I believe that there is a strong and effective leadership team that has joined with me in directing the new agency. I believe that the organization that we have designed together is one that represents the comprehensive emergency management approach—that it emphasizes the functions of preparedness and planning, the functions of mitigation and research, the functions of response and recovery, and the very important function of training and education. I view

that as a kind of circular, mutually reinforcing group of organizational elements.

I believe that the transfer of the U.S. Fire Administration and the Federal Insurance Administration have proven to be very salutary for the total development of the organization, and that they have a great deal to contribute to the total effort.

The move with respect to the regional offices has been planned. We have had difficulty in securing the necessary space to bring all of the people together from the four agencies that had field organizations, and it has taken longer to select regional directors to serve as managers for the consolidated effort than I had hoped, but I believe that within the next 60 days these final administrative efforts will be accomplished, and that we will have a high degree of FEMAtization in carrying out the purposes of the new organization.

I feel that one of the benefits from the new organization is a higher degree of interchange of staff. It is possible to utilize those who have training in one field in some of the other programs. There can be an improved utilization of staff, and as a consequence a great degree of productivity and effectiveness in carrying out the missions of the organization.

I have also found that the organization is more than the sum of the five parts that were taken over; that the charter of the agency is broad; that it covers the full range of emergencies that may face our civilian population; and it covers the various functions as well.

I am also finding that it is important that this agency work very closely in behalf of the President with other Federal agencies that have emergency requirements. This agency is not an operating agency in the fullest sense. It is a coordinating or orchestrating agency for the entire executive branch.

I am also finding that as a result of FEMA, there is improved communication with the States and the municipalities. We have had extensive consultation with representatives at both levels of government. We feel that there are a number of areas where certain programs can be more effectively handled at the State and local level than at the Federal level, and we are moving in that direction. That is probably more of an answer than you desired to your question, but as you can see, I have great enthusiasm for the assignment that the President has given me.

Mr. MITCHELL. You answered about three more that I had. I just have one last question. This week the U.S. Civil Defense Council met in Washington, and one of the complaints we heard from the local directors was that they are having a great deal of difficulty securing surplus Government equipment. Since this is terribly important to the dual-use concept, is there any relief in sight for them in this area?

Mr. MACY. Yes, I believe there is. I have met with them while they have been here, and learned not only then but in previous meetings how important they consider the availability of the loaned excess equipment that was possible when the civil defense activity was in the Department of Defense. When the transfer was consummated to FEMA, that authority no longer existed.

There are at the present time some 32,000 vehicles that have been made available through this program on a loan basis under

the civil defense program. We will be submitting to Congress a bill calling for the transfer of title of those vehicles to the State and local authorities that presently have them on loan. We believe that that is appropriate. We think these are resources that they need, in order to carry out the comprehensive emergency management mission.

As far as the future is concerned, we are working with the State and local authorities to ascertain what the current requirements are for vehicles in order to meet their needs, and on the basis of our findings, we will come forward in the early future with a proposal as to how this particular need can be most effectively and appropriately provided by the Federal Government, whether it should be new authorization to continue a plan along the previous lines or whether the existing surplus property process that operates through GSA would be utilized, or whether we should come to you with a special program. That is a very high priority item in our own activities at the present time.

Mr. NEDZI. Will the gentleman yield?

Mr. MITCHELL. Yes, Mr. Chairman.

Mr. NEDZI. Why was the program terminated in the first place?

Mr. MACY. The program was terminated because it was only available within the Department of Defense under the previous authorization, and since the civil defense activity was an agency of Defense, it was possible to carry it out under that authority. Once the civil defense activity was transferred out of Defense and into FEMA, that authority was no longer available.

Mr. NEDZI. As a matter of law?

Mr. MACY. As a matter of law, so it is necessary for us either to see if existing statutes and procedures will serve this purpose, or to come to you and seek legislation to make it possible.

Mr. NEDZI. Was that the only reason that it was permitted to lapse, or was there dissatisfaction of some sort with the program?

Mr. MACY. There was no dissatisfaction as far as the civil defense program managers were concerned, but there was some dissatisfaction with the program in relation to the excess property disposal program as such, the one that is administered by the General Services Administration.

Mr. NEDZI. What was that?

Mr. MACY. Well, that there was an inequitable system of priorities. There was competition for availability of the equipment.

Mr. NEDZI. Between civil defense offices or between civil defense and some other agency?

Mr. MACY. No, the dissatisfaction was with the property surplus system generally rather than as it was applied to civil defense. I am unaware of any criticism of the civil defense program as such, with the possible reservation that in some instances the equipment was being utilized for much broader purposes than the civil defense intent, and that therefore it had exceeded the conditions and expectations in the statute.

Mr. NEDZI. It just strikes me, Mr. Macy, that this is a project, if you want to call it that, that deserves the most expeditious kind of attention, because civil defense directors are short, and if dual use is going to mean anything, they are going to have to be equipped to do it. My own philosophical view is that the broadest kind of

interpretation should be placed on how this equipment can be used by civil defense types.

Mr. MACY. I would agree with that. In fact, it seems to me that we should be sure that there is a statutory base for making it as broad as possible, so that there cannot be criticism when that equipment is used, for example, for snow removal.

I was in a county in Minnesota in January where, with some pride, the county civil defense director pointed out that he had more than $1 million worth of vehicles that he had modified so that he can utilize them for snow removal. Fine.

Mr. NEDZI. I agree. And we will await very anxiously your recommendations along these lines, positive recommendations.

Mr. MACY. My feeling was that we needed to come before you with some indication of the magnitude of the requirement, rather than just to come for general authority.

Mr. NEDZI. Mr. Mitchell.

Mr. MITCHELL. I thank the chairman for his patience. I have just one more question.

I note through your testimony, Mr. Director, you prefer to start slowly with specific areas and with an authorization of $120 million, but if the House felt that you should get on D-Prime right away and start with $138 million, which would now I guess with inflation be almost $170 million because we have waited 3 years, could you spend that money effectively, or would we be just throwing money at the problem and wasting it? What would your reaction be?

Mr. MACY. If the Congress were to provide additional authorization and appropriation that would permit a further development of the program, my answer would be that we could affirmatively apply those resources to accelerate the development of the long-term program.

Mr. MITCHELL. And if you were to get on D-Prime this year or next year, would we have to go from $138 million to $167 million, and the total package is $1.9 billion, inflation would put it up to $2.3 billion, would we need to factor in inflation to truly get on D Prime next year, or could we use the old numbers?

Mr. MACY. No, I think you have to factor in inflation, in order to be assured that the resources intended are being provided. The program that was presented as D was a 5-year program—with a total cost of about $2 billion. In fact, the shorthand became that that was the $2 billion program. The D-Prime was a stretch-out of 2 additional years to make it 7, with roughly the same cost.

The initial year, which was to have been 1980, would have been about $138 million. We would have to increase that by whatever the current inflationary percentage is, to have that as the starting point.

Mr. MITCHELL. But we do have the people on hand, and the expertise available, to spend the money wisely, not waste it, and get started right now on D-Prime if the Congress came up with the money?

Mr. MACY. Because actually it is not a great deal more than the amount of money that has been provided in this authorization. I prefer to go ahead with the plan that has been presented by the

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administration, but certainly our capacity could accommodate such an increase.

Mr. MITCHELL. Thank you, Mr. Macy. Thank you, Mr. Chairman.

Mr. NEDZI. Mrs. Byron.

Mrs. BYRON. I have just a few questions. I am glad to see you, Mr. Macy. We worked together on several projects that have been successful.

Mr. MACY. Including the Fire Academy.

Mrs. BYRON. Including starting with the Fire Academy; hopefully, we have another one coming along with the Civil Defense College.

I wanted to check on one thing. A year ago the testimony that was developed before this committee on civil defense related to the fact that it was in a reorganization period and therefore the budgetary processes probably would not be extremely high until reorganization was completed. We have come in once again this year with a low budget item compared to what some people have projected or felt necessary. Following that along, in your view you have stated that you would like to move slowly as opposed to jumping in full-tilt.

On page 8 of your testimony, going through some of the things that you have planned to include in this program—shelter survey, for example—don't we have a fairly substantial survey now that is adequate, or do we have to start from square one and update it or upgrade it?

Mr. MACY. No. First of all, let me say that I do not believe I used the adverb "slowly," because I really feel that in contrast to other Federal programs this 12-percent increase represents a recognition in terms of advance. It is not as great as the longer term program, but I think it does represent a forward movement and an opportunity to move off of the fairly fixed base that existed before.

As far as the shelter survey is concerned, as indicated in the testimony, this would be an emphasis on all effects survey. In other words, not just fallout, but blast as well, in these counterforce risk areas. We do have a very substantial shelter program that has been one of the central features of civil defense for a long time, and we would in no sense go back to ground zero with respect to those facilities. But our belief is that the order of priority in providing an improvement in the shelter program should be addressed to these areas of highest vulnerability.

Mrs. BYRON. In a second area, which I think is becoming more and more important, at least to the people I hear from, is nuclear safety. Yesterday I believe, the Nuclear Regulatory Agency authorized the go ahead with another nuclear plant. I think this is something that is going to be discussed quite frequently, specifically what are the exact plans and how well defined are those plans in the event of a nuclear accident.

I think this is one of the areas that was brought home quite well to the American public last year with Three Mile Island; the fact that we have some holes in those plans. I assume that we have taken some fairly strong steps to rectify that situation?

Mr. MACY. Yes, we have, and really this represents one of the areas of new assignment to the Federal Emergency Management Agency. The President, in his December 7, 1979, response to the

Kemeny report, assigned a very broad mission to the Federal Management Agency with respect to planning the offsite emergency preparedness in the areas in the immediate vicinity of the 72 plants that presently exist. This assignment called for a review of the existing State plans with respect to evacuation and other protective measures for the population in that vicinity.

We have taken on this assignment as a very important new one, and the President submitted to the Congress a proposal for an emergency supplemental of $8.9 million to finance that particular program, the principal financing being for additional planners in the nuclear civil protection area, in the States where these particular plants exist. So this is an ongoing program that we are conducting in close collaboration with the Nuclear Regulatory Agency, with whom we have a newly negotiated memorandum of understanding, and we feel that this is an appropriate assignment, in view of the civil defense implications of nuclear protection that have existed for some time.

Mrs. BYRON. Thank you.

Mr. MACY. Thank you.

Mr. NEDZI. Thank you, Mrs. Byron. You must have something going with Mr. Macy, because they are taking Civil Defense people out of Battle Creek, Mich., and sending them to Maryland.

Mrs. BYRON. We are ready for them.

Mr. MACY. Yes. I find these moves of personnel tend to retard the accomplishment of the reorganization. I realize, Mr. Chairman and Mrs. Byron, that for 2 years decisions have been deferred on the ground that this new agency, or new monster, was going to provide all of the answers. I hope that in what we offer in our testimony today we indicate that we are endeavoring to move ahead on the civil defense front, but in the context of this comprehensive emergency management theme, which really is the basic purpose of the Federal Emergency Management Agency. With each passing day I think all of us in the Agency renew our conviction that these are mutually supporting functions and can be beneficial to the American people.

Mr. NEDZI. Mr. Macy, the linchpin of your whole program, as I gathered from your testimony, is the survivability of the population in the event of a nuclear attack?

Mr. MACY. That is correct.

Mr. NEDZI. There are 51 locations on that map, as I heard you. Have you any idea as to what percentage of the population is affected by this particular program?

Mr. MACY. There would be about 7.5 million people affected by that program. It represents about 5 percent of the population that are in the so-called high-risk areas, so that we view this as being a portion of that total of sufficient magnitude to give us the benefit of information from this kind of a pilot approach.

Mr. BENNETT. I did not understand the 5 percent.

Mr. MACY. Five percent of the population of the 400 high-risk areas that include these but also include other military installations, and the major population centers.

Mr. BENNETT. I still don't understand. Do you understand, Mr. Chairman, what he means by 5 percent?

Mr. NEDZI. Let me see if I can get the mathematics straightened out over here. The number is 7.5 million, you say?

Mr. MACY. The number that would be involved in the counterforce areas that would be covered by this program.

Mr. NEDZI. And the 5 percent includes a large area?

Mr. MACY. This would constitute 5 percent.

Mr. NEDZI. Seven and a half million is 5 percent?

Mr. MACY. The 7½ million would be 5 percent of the total population in the high-risk areas, the 400 areas that had been the basis for the crisis relocation program in the past. Of our total national population, it would be a lesser percentage than that.

Mr. NEDZI. What would the percentage of the population be if you took the 51 most populous areas in the country instead of these 51?

Mr. MACY. I don't have that at my fingertips. Do you, Mr. Camm?

Mr. CAMM. No.

Mr. NEDZI. My guess is it would be about 90 percent.

Mr. MACY. I think it is about 80 percent. That would be my guess.

Mr. BENNETT. That would change the thrust of what he is trying to do. What he is trying to do is to see to it that this has something to do with the credibility of us being able to retaliate, and therefore see to it that a war never occurs. That is what this is. This is a defense thing, not a people-defending thing. This is people telling the Russians, "Well, we really can do something after this is all over." Is that right?

Mr. MACY. The basic purpose of the program is survivability, and what we are saying is that within the resources proposed here——

Mr. NEDZI. What you are saying is you are going to put your resources to defend 5 percent of the population when if you took 51 other locations you would be protecting 80 percent of the population. I frankly find an inconsistency here in approaching the problem in this manner. There is a vast difference in relocating people in the middle of Montana, for example, and relocating people in the city of Detroit or Miami or Jacksonville.

Mr. BENNETT. Jacksonville is a good example.

Mr. NEDZI. Los Angeles, Chicago, Boston, Washington.

Mr. BENNETT. You see Jacksonville has a peculiar situation of being maybe three-quarters of a million or 600,000. It is not either in the black or the gray.

Mr. NEDZI. That is right. It is vulnerable without any protection under this particular priority.

Mr. BENNETT. There must be a reason for this.

Mr. MACY. Mr. Chairman, we would continue to develop the crisis relocation program with respect to the major centers of population and the other military bases, but we would be adding this additional effort with respect to these even more highly vulnerable points on a pilot basis.

Mr. NEDZI. Why are they more highly vulnerable?

Mr. MACY. Because these are the locations of our counterforce capability that are viewed to be——

Mr. NEDZI. The cities are the location of all your industry and all your people. Is it conceivable that the Russians are going to limit their attack to the missile fields? It isn't to me.

Mr. MITCHELL. Would the chairman yield?

Mr. NEDZI. Sure.

Mr. MITCHELL. I would suggest they are more vulnerable by maybe 3 or 4 minutes. No one is going to have a selective nuclear war. It is going to be an all-out nuclear war. Who is going to decide when to stop shooting missiles? It seems like a penny wise-pound foolish approach. If we can get into D-Prime right now, we can address saving most of the lives spending $40 million more. Why do it piecemeal? We have a program for spending the additional $40 million. Why save 5 or 7 percent if you can save 100 percent? It doesn't make sense.

Mr. BENNETT. I thought I saw a way it made sense, but I am not sure now. I thought I saw this, for instance. It is very graphic with me. At Kings Bay the whole population of that whole county is only 10,000 or 15,000 people. Practically nobody lives there. That is why they selected it, because it is very remote, but it is not too far from Jacksonville, which has 600,000 people, and your map shows the little black spot at Kings Bay where they expect it to be attacked, and a gray spot comes down into where this much bigger military establishment is in Jacksonville where these people are going to flee to. They are going to flee to that area according to that map.

I see from this, and I may be wrong, that they are saying, well, at Kings Bay where all those Trident submarines are going to be, if it is attacked the supporting force, which is mostly military in that area, it is going to be mostly military because I don't think there is going to be a great influx of people from Georgia into that rather remote area, so my guess is they are saying that if it is attacked, well, it will still be able to retaliate.

Of course, actually a Trident submarine I hope would be out at sea at this point, but it would give them the repair facilities and things like that.

Mr. MACY. These are essential support facilities.

Mr. BENNETT. You are saying that is not so?

Mr. MACY. For that particular purpose. What I am saying is that this is an add-on to the existing program of providing crisis relocation for individuals in the major population centers, and the other critical points.

Mr. BENNETT. Not major population centers?

Mr. MACY. As a test bed for further——

Mr. NEDZI. I am sorry to interrupt you, Mr. Macy, but what are you testing? The crisis is going to be in the large population centers. What are you going to learn from relocating people at Kings Bay or, as I said, the middle of Montana or Utah or wherever, about relocating millions of people?

Mr. MACY. What we will be doing will be applying additional means for population protection at those particular points, rather than spreading the money over a much larger area, and not being able to have any significant impact in improving the protection.

Mr. BENNETT. If you are really talking care of population, an atomic blast at Kings Bay, I suspect, would hurt Jacksonville. The

population is all at Jacksonville. Yet you have got the population moving from Kings Bay to Jacksonville, and it is an infinitesimal amount of people that are going to be at Kings Bay.

Mr. MACY. No. We would have the people from Kings Bay moving into low-population, low-density areas.

Mr. NEDZI. Lower density areas.

Mr. BENNETT. The map shows you are moving them to Jacksonville, not the heaviest population of Jacksonville.

Mr. NEDZI. Mr. Mitchell.

Mr. MITCHELL. D-Prime is basically a crisis relocation plan for our whole country?

Mr. MACY. That is right.

Mr. MITCHELL. Isn't it completed now after 3 years? Don't we have it yet?

Mr. MACY. Mr. Camm, do you want to give them the figures with respect to that?

Mr. MITCHELL. What have we been doing for 3 years?

Mr. CAMM. D-Prime will take 7 years to get it completed, so we won't have it done. We are just in the early stages. We have about 12 percent of the planning accomplished to date for D-Prime. The reason we are focusing on the counterforce areas is that we would speed up and get that done faster, move toward completion.

Mr. MITCHELL. I understand the importance of it. I like the program because it protects my congressional district where I have a big SAC base, but what I am saying is let's get on with it right away. If it is just $40 million more to jump up on the first rung of the ladder to get started with a 5- or 7-year plan, I can't see why we would recommend a $120 million program when we can do it so much faster and better.

As I said before, I think the only priority for those areas you have designated is that they are maybe going to get hit 3 or 4 minutes later than the others. We need a program for our whole country. We are 10, 12, 13 years behind. It seems like a piddling start for a program we really need.

Mr. MACY. We are continuing the efforts with respect to the whole country, but moving out with respect to these particularly high-risk areas.

Mr. MITCHELL. I understand.

Mr. MACY. And we believe that from the experience gained there, we can facilitate the efforts with respect to the other risk centers

Mr. MITCHELL. Thank you, Mr. Chairman.

Mr. BENNETT. What you are saying is it has nothing to do with retaliation; is that what you said or not?

Mr. MACY. These are the points from which retaliation would be provided.

Mr. BENNETT. Yes, that is right.

Mr. MACY. Therefore they represent the prime target.

Mr. BENNETT. I see.

Mr. MACY. For the opposition.

Mr. BENNETT. That is what I was trying to see.

As I saw the map, it showed me that you wanted to be able to protect those areas, because you wanted to assure the retaliation of

those areas, not because of population, because there are bigger areas of population that are not touched at all.

Mr. MACY. That is right.

Mr. BENNETT. Even in the vicinity of these places.

Mr. MACY. In fact, for the most part these locations are outside of high-density population areas.

Mr. NEDZI. Would the gentleman yield at that point?

Mr. BENNETT. Yes.

Mr. NEDZI. This has nothing to do with retaliation. The people aren't going to retaliate against the Russians. It is the weapons system, and this has nothing to do with the weapons system. Mr. Bennett. I get down to Tampa. I have to talk about things I know about, the field where they have the bombers. I guess there if you destroyed the city of Tampa, and MacDill is right there, then MacDill would survive. I am trying to see why it is you drew the map that way.

Mr. MACY. We are doing it because we believe MacDill will be on a prime target list.

Mr. BENNETT. It will be.

Mr. MACY. And therefore a movement of the population——

Mr. BENNETT. A million people down there.

Mr. MACY. The protection of the population is most important, and so we are addressing in this program particular attention to sites of that nature.

Mr. BENNETT. I see. It is a third thing. What I am now seeing, what you are saying is since they are the prime target, whatever the population is there of whatever kind, whether it is numerous or not, should be taken care of?

Mr. MACY. They should receive first attention.

Mr. BENNETT. I understand.

Mr. NEDZI. Of course, that is all based on the assumption that the Russians are going to leave all the millions of people in our cities free and clear.

Mr. BENNETT. No.

Mr. NEDZI. Those are not prime targets for the Russians, are they?

Mr. BENNETT. They are not quite as prime as the Trident bases. If you are going to attack the United States, you sure would attack the Trident bases and the strategic bases.

Mr. NEDZI. I subscribe to Mr. Mitchell's theory. They may not be prime but they are secondary by 2 or 3 minutes.

Mr. MITCHELL. Will the gentleman yield?

Mr. BENNETT. Yes.

Mr. MITCHELL. I can't remember how many thousands of warheads the Soviets have. We are going to protect how many areas, 72?

Mr. MACY. Fifty-one.

Mr. MITCHELL. You don't suppose they are going to fire 51 missiles and stop, do you?

Mrs. BYRON. When we give them our list.

Mr. MITCHELL. Give them our list. It is good that you are starting someplace. This is a big improvement.

Mr. BENNETT. That is why I think there ought to be some encouragement. It is a logical place to start.

Mr. MITCHELL. We ought to know also that all we are doing is moving people away from where maybe the first round of bombs go over, that is all we are doing, not anything for Detroit, Jacksonville, or New York City.

Mr. BENNETT. I understand it, but I do think it has some logic to it.

Mr. MACY. We are continuing to work on the crisis relocation with respect to those major population centers and other prime targets.

Mr. NEDZI. Mr. Macy, how much of your budget is going into this particular program?

Mr. CAMM. It is the incremental increase of about 12 percent. We are continuing the rest of the effort as it was, and now we are talking about——

Mr. NEDZI. You are talking about $13 million or $14 million?

Mr. CAMM. Yes, on that order.

Mr. MACY. In real dollars.

Mr. CAMM. That is correct, that is the emphasis here. The rest of the areas of the whole country will continue to have the emphasis they have had this past year. We are adding the new increment of 12 percent in this area. Now it provides some addition to areas elsewhere as well, for example, the increase in the ability to get new dosimeters and radiological defense capabilities. It goes beyond that but it is principally in this area.

Mr. MITCHELL. Mr. Chairman, the gentleman has testified that if we adopted the D-Prime program it would take us 7 years before we could have a crisis relocation plan for our Nation. At this slower rate how many years are you projecting, 15, 20?

Mr. CAMM. We wouldn't necessarily get there completely until after the turn of the century, at the slower rate.

Mr. NEDZI. Would you get there in 7 years under D-Prime?

Mr. CAMM. Yes, under D-Prime we would.

Mr. MITCHELL. And it would be after maybe 20 years at this rate?

Mr. CAMM. We wouldn't get there fully. There are a lot of things we have to do beyond. We are taking care of 5 percent of the population with this incremental increase, but we have to get an additional radiological safety device, training, additional emergency operating centers, and so forth.

Mr. NEDZI. You say you are taking care of 5 percent, but the task is so much simpler in handling that 5 percent in the areas which you are working on than it is in the large metropolitan areas?

Mr. CAMM. That is correct. That is why I say we won't get there completely at this current level.

Mr. NEDZI. But you say you will get there in 7 years?

Mr. CAMM. Under D-Prime. You see, if we continued at the current level, by the time we got around to completing all of our plans and arrangements in one area, 20 years would have passed from the time we prepare the plans in the other areas and the circumstances would have changed such that we would have to do them over again; therefore, we would never get caught up.

Mr. MITCHELL. So the way we are proceeding we will never get there, and if we pass D-Prime we can get it there in 7 years. It seems like an awfully good investment, Mr. Chairman. I think the

Director would know really well how to spend that money if we got it to you.

Mr. NEDZI. Mr. Scrivner.

Mr. SCRIVNER. I would like to know how long this test program in the counterforce areas is going to take. Is this a 1-year program, 2 years, or what?

Mr. CAMM. We are starting in the first year to give impetus here, but this would take us probably 3 or 4 years before we got the counterforce areas completely finished.

Mr. SCRIVNER. And what would be the total cost of that program?

Mr. CHIPMAN. Roughly speaking, the cost of completing the program for the counterforce areas would be in a ratio to the population—that is, about 5 percent of the total increment for all of D-Prime.

Mr. CAMM. Which would make it a little over $100 million.

Mr. SCRIVNER. You are saying the total cost is $100 million over 3 or 4 years. Is that what it comes down to?

Mr. CAMM. Generally speaking.

Mr. SCRIVNER. If you were not going to use the money for that purpose, it would be directed to the NCP program otherwise?

Mr. CAMM. If we had the money, we think this is the best place to put it. If we were to take the alternative, which was suggested, which is, put the money against the most highly populated areas first, you would get somewhat increased protection of the population as a whole, but the amount of effort is involved largely with the number of relocation centers, the number of shelters.

There are a lot less shelters needed here than for the high population areas, so you are not going to get a substantially or greatly increased number of the population protected by diverting the moneys from there over to those high population areas. You get some because you get efficiency in scale, but I don't think you would as much as double the protection for the numbers of people.

Mr. SCRIVNER. Let me ask two more questions. Why do you feel that you need to undertake this test program; and second, how does this test program relate to the D-Prime program which I understand is the basic U.S. civil defense policy; is that correct?

Mr. CAMM. Yes. The reason we are undertaking it is that with the resources we have, we think it is well to develop a certain part of the country to maturity in terms of the D-Prime area. It seems to us that the area which is at highest risk—and there are a number of people that argue, as has already been brought out here, as to what the attack would look like—but almost everyone seems to agree that the attack at least will include attack against counterforce areas.

Whether or not it will include beyond that is problematical in a number of people's minds, so the idea is if we are going to try to develop some areas to maturity early, why not develop it for those people that are at highest risk.

Mr. BENNETT. There is a lot of logic in that, if you don't have any more money to spend.

Mr. SCRIVNER. What happens to this program if you do have the enhanced budget that Mr. Mitchell is talking about?

Mr. CAMM. We would go beyond the counterforce areas and start developing in the populated areas as well.

Mr Bennett. It really wouldn't be a test. It would be an overall program, then, probably.

Mr. CAMM. That is right.

Mr. NEDZI. If they develop a good program they get people moving into those areas.

Mr. BENNETT. I don't think so. I don't think anybody is going to move up to a Trident base in large numbers.

Mr. NEDZI. Any further questions?

If there are no further questions, Mr. Macy, thank you very much.

Mr. MACY. Thank you, Mr. Chairman.

Mr. BENNETT. We understand your problem of fiscal restraint.

Mr. NEDZI. General Boverie, we will be pleased to hear from you now.

STATEMENT OF BRIG. GEN. RICHARD T. BOVERIE, PRINCIPAL DIRECTOR, PLANS AND POLICY, INTERNATIONAL SECURITY AFFAIRS, DEPARTMENT OF DEFENSE

General BOVERIE. Mr. Chairman and members of the committee, I appreciate this opportunity to testify before this committee on behalf of the Federal Emergency Management Agency's fiscal year 1981 civil defense program. Last year the Department of Defense was asked to prepare a written report on this subject. I believe that report is with you now.

Among other things, we were asked to assess the adequacy and effectiveness of consultation between the FEMA Administrator and the Secretary of Defense on matters relating to civil defense. We were also asked to evaluate the fiscal year 1981 program. With your permission, I will confine my opening statement to a very brief summary of that report's conclusions.

For the past 5 months, representatives of the Defense Department and the Federal Emergency Management Agency have met frequently to discuss matters relating to civil defense, to resolve issues of policy and program consistency, and to develop mechanisms for improving the consultative interface between the two organizations. DOD representatives participated in the FEMA Director's formal civil defense budget review, and provided advice to the Director and his staff on policy-related aspects of the proposed fiscal year 1981 program. FEMA in turn provided the detailed program information upon which our report is based.

In the Defense Department's view, the fiscal year 1981 civil defense program is sufficient to begin implementation of the civil defense policies prescribed by the President, but is obviously limited in scale and pace because of limited funds and competing priorities.

This program will increase the effort devoted to nuclear civil protection planning. It provides for a measured increase in civil defense capability, in a manner that permits acceleration of the crisis conditions should the need arise. It provides for validation of crisis relocation and inplace population protection plans and concepts by acquiring the manpower, equipment and facilities to field test these concepts and plans in selected geographic areas.

This pilot testing will provide the necessary foundation for follow-on efforts on a nationwide basis. As such this program, with full fiscal year 1981 funding, constitutes a clearly discernible first step toward accomplishing the objectives defined in the President's policy.

The administration had hoped to begin implementing program components in fiscal year 1980. However, the appropriation for FEMA was a net decrease in real tems of 3 percent from 1979. The fiscal year 1981 FEMA represents a real growth of 12 percent over the approved fiscal year 1980 appropriation, and if supported by Congress can constitute a significant first step toward developing a crisis relocation capability.

The primary value of the fiscal year 1981 program lies in the experience it will provide through pilot development of elements of an enhanced civil defense program in and around specified areas. Full funding of this program in 1981 will provide FEMA the opportunity to accomplish the goals it has identified for the next fiscal year. The degree of success which FEMA achieves and the concomitant movement toward the overall crisis relocation planning objective of the agency should provide the basis for determining the pace at which the program can be accelerated in the outyears to achieve nationwide coverage.

In summation, we believe that just as the fiscal year 1981 civil defense budget constitutes the first step toward fulfilling the President's civil defense policies, so also does the existing dialog between the Defense Department and FEMA constitute the first consultative step toward assuring both adequate civil defense oversight and consistency between programs and policy. Both the fiscal year 1981 program and the consultation mechanisms that produced it are presently sufficient and appropriate for their purposes.

Thank you very much, Mr. Chairman.

Written Statement of Brig. Gen. Richard T. Boverie

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program, with full fiscal year 1981 funding, constitutes a clearly discernible first step toward accomplishing the objectives defined in the President's policy.

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Mr. NEDZI. Thank you, General Boverie. Mr. Bennett.

Mr. BENNETT. Well, from following on what you said and what was said before, it seems to me, then, that the picture that you presented to us is that you want to have a pilot program?

General BOVERIE. Yes, sir.

Mr. BENNETT. And you think the logical place to start the pilot program is with the primary target. Now, it may be that they will also want to strike New York, but no belligerent in his right mind would not want to strike at where the counterforces are, so he is bound to do that whether there is any population there or not, and this program does include some populous areas.

For instance, there are millions of people in the Tampa area and then you have Kings Bay where practically nobody lives, and so you have various types of communities, so it may not be a perfect way to do it, but I don't know of a more perfect way to do it if all you can afford is a pilot program. It is a pretty logical thing to take the prime targets, even though there may be something else that is just a hair short of a prime target.

Any kind of a program you have is going to find inadequacies in it. In other words, you are going to find some of the things you do at Kings Bay and some of the things you do at Tampa are a waste of money, and that is why you have pilot programs. Luckily for you, right in Florida you have got one populous area and you have got one unpopulous area, and they are both going to be protected. There is a lot of logic in what you are doing, it seems to me.

I regret there it is not a thing to take care of the big populations too. I myself would probably vote for the big population, too, but I don't see the hesitancy on the part of Congress in turning down expensive social programs which have put us in the bind we are in about national defense. That is where it really is. We are not willing to make the taxes available. It is a question of whether we can put more taxes on people and have a viable economy. Yet we continue to expand social programs to the point we cannot afford what most of us really believe is necessary to deter war. That is really a picture of what we have got here, isn't it?

General BOVERIE. Yes, sir. I can't imagine how the program could be described or analyzed better than the way you just stated it. That is precisely what it is.

Mr. BENNETT. It is a pilot program picking out the most probable targets, and hopefully it will be followed up to take care of the more populous areas in the future?

General BOVERIE. Yes, sir.

Mr. BENNETT. I thank you very much.

Mr. NEDZI. Thank you, Mr. Bennett. Mr. Mitchell.

Mr. MITCHELL. Thank you, Mr. Chairman.

General, are you familiar with the testimony of the Secretary of Defense before the Armed Services Committee, when he seemed to indicate a lukewarm attitude toward civil defense because he didn't want to give the impression that our Nation could not survive a nuclear attack?

General BOVERIE. Sir, I have a transcript, a rough transcript here, House Armed Services Committee, January 28, and I think it is a dialog between you and the Secretary of Defense.

Mr. MITCHELL. What was said?

General BOVERIE. Sir, this is a rough transcript. I don't know if it has been edited yet. The Secretary of Defense says something to the effect that—

> It clearly is not an attempt to match the substantial Soviet civil defense effort. It is an attempt to look at what we can do using the particular capabilities of American society and its greater mobility. I think it would be a serious mistake for us to go into an all-out civil defense effort. We would be fooling ourselves if we thought that we could survive an all-out thermonuclear war, even with civil defense, just as the Russians are fooling themselves if they think this. There are reasons to improve our civil defense capability. We are going to look at what can be done that has a significant effect at a reasonable cost.

I think that is the applicable statement.

Mr. MITCHELL. It is pretty much as I remember it. In other words, he doesn't believe that we could survive one, and we are fooling ourselves by, I suppose, spending anything on civil defense. I don't know how we are going to ever get there if the Secretary of Defense isn't interested in civil defense.

General BOVERIE. Well, sir, of course I cannot speak as the Secretary of Defense obviously. This is just my interpretation, but I don't think it would be his impression that we cannot do anything with civil defense.

Mr. NEDZI. He said so. He didn't say that you can't do anything. He said whatever is reasonable.

General BOVERIE. Yes, sir.

Mr. NEDZI. Would you read that paragraph again, that sentence again.

General BOVERIE. "We are going to look at what can be done that has a significant effect at a reasonable cost." Is that the sentence?

Mr. NEDZI. Yes.

General BOVERIE. Yes, sir.

It seems to me that is precisely what we are trying to do.

Mr. MITCHELL. It seems like he perceives that we cannot survive, and we have heard a great deal of testimony that the Soviets have a perception they can survive. It seems inherent in those two attitudes that there is an awsome vulnerability.

If they know they can survive and we know we cannot, we are going to give up at every turn of the road. It seems like they should have a perception that we can survive, because at least we have a crisis relocation program that will give us the same chance that they have. We all agree that our weapons are about the same, but in fact CIA, the Air Force Intelligence, testified that if we hit them with everything we have that it will maybe kill 10 million Soviets, and if they hit us with everything they have we will lose 140 million Americans. I cannot believe that the Secretary doesn't want to have a program that will at least give our people a chance to survive.

General BOVERIE. Sir, I believe the Secretary of Defense when he made this statement or similar type statements is really referring to all-out massive nuclear attack, and I think from a personal standpoint, I believe the context he has in mind—and I agree with that—is that an all-out nuclear attack would be a massive unprecedented-type disaster.

My personal view is if you have civil defense, of course you are going to do better than if you do not, and one can get into a discussion of the uncertainties in the numbers.

You talked about the Soviets. The Soviets certainly have a much larger civil defense program than we do. There are all sorts of debates in the intelligence community, Defense Department and all over, as to what that means. Is it effective or not? In my mind, it boils down to two things: What do the Soviets think about their program? And the other aspect is that you can do better with civil defense than without it, but to what degree it is quite a bit problematical.

Mr. MITCHELL. Everyone would admit it would be a horrible unprecedented disaster, but if you talk to these gentlemen who have spent their lives in civil defense I think they would give you the impression that they think it would be possible to survive if we had some way to protect the people, if we just told them where they should go in the event a bomb was coming.

No one knows how effective the Soviet system is, and no one will know unless something happens, but at least you can acknowledge they are making more than 10 times the effort we are. They are spending the money. They have got the people in the program. They are trying and we are not doing anything. Mr. Macy is trying very hard to do something, but it looks like he is getting cut off at the knees by the Secretary of Defense.

Let me just ask one question. Would you respond to that.

General BOVERIE. I don't think that is quite an accurate characterization. I know that we in the Department of Defense have worked closely with FEMA. In fact, I might take this opportunity to say that our relationships are much better than I have seen in such activities in the past, not that they were bad in the past, but things are working pretty well between us.

I think we both share the same kinds of views on the roles and importance of civil defense. We and they make the same general kinds of reommendations, but all of us—and this includes not just FEMA but it's the Department of Defense and our program—have to live within a certain amount of limited resources. There is just

not enough to do everything everyone would like to do. It is that simple, Mr. Mitchell.

Mr. MITCHELL. You support the concept of the pilot program for a year, and if you see it is effective, then would Defense agree with FEMA that we should get into a D-Prime program? Do you have any reluctance to jump into it with the extra money involved if you see the pilot program is successful?

General BOVERIE. Sir, let me make an assumption for a moment. I would assume that in your mind you associate a timeframe with D-Prime. In my mind, perhaps incorrectly, in a sense we are moving down the path of D-Prime, that is crisis relocation planning, and I think we have a logical way to approach that, as Mr. Bennett so aptly described in terms of counterforce areas, so the difference might be in terms of timing, and then timing, of course, is dependent upon amounts of resources, so we all circle back to resources.

Mr. MITCHELL. But we heard testimony before that if we don't get into D-Prime, we stay at this current rate of funding, we are never going to have a program. It will take us 20 years at this rate and by the time we get there we will have to start all over again. What I am saying is, can we get a strong commitment from Defense that if a pilot program is reasonably successful that we can get into a program that does have a finite number of years, like D-Prime, 7 years?

General BOVERIE. Of course it is impossible, Mr. Mitchell, for me to commit the Department of Defense to something next year. It is impossible. I can only answer from a personal standpoint. My personal view is if the pilot program is successful, that from my standpoint I will be recommending a continuing and strong program.

I believe the administration's standpoint at the moment is, of course, that only this current budget request is fixed. That out-year budgets will perhaps or probably will be dependent or influenced by the success FEMA has in this fiscal year 1981 program.

Mr. NEDZI. Will the gentleman yield?

The gentleman mentioned 20 years, and I couldn't help recalling. I have been on this committee just a little longer, not quite as long as Mr. Bennett, but I served under Eddie Hebert on the Civil Defense Subcommittee 20 years ago, and at that time the matters which we were discussing are incredibly similar to what we are talking about now, to demonstrate the complexities, if not the controversies, that exist in this whole field.

I noted in your statement, Mr. Macy, when I read it, that we are back to marking shelters and stocking them and ventilation and radiological monitoring, and all we have to do is go back into our hearings that Eddie Hebert held, and there is a veritable library of material. We even had Edward Teller come before the committee and lend expert testimony as to just how you have to construct these shelters and the effect of fallout and all that goes with it, so it has been a matter that has been going on for 20 years.

Mr. BENNETT. As a matter of fact, it was a lot more vital 20 years ago. I remember my boy, Jim, who is now going to George Washington University; I can remember him going off to grammar school with a blanket under one arm, and how they would learn

how to hide under the desk from the blast and all that. My subsequent children have not had that experience. They don't do that.

Mr. NEDZI. Let me just issue one admonition, because after all these shelters were stocked with cheese and crackers, we had a situation in Detroit about 5 or 6 years ago when they tore down an old warehouse for urban renewal, and all of a sudden they stumbled upon this cache of cheese and crackers, and nobody knew who owned them or what to do with them, and finally I guess they were shipped somewhere for cattle feed or hog feed or something of that sort.

Mr. BENNETT. Of course, that is what they are trying to prevent here. They are trying to see in this pilot program, which after all is not a very big program——

Mr. NEDZI. All I am suggesting, Mr. Bennett, is that if we start stocking, somebody maintain an inventory of this stuff so we know where it is, because obviously in this particular case it just fell in the cracks somewhere, and tons of material was there that nobody knew anything about. It was an abandoned warehouse.

Mr. BENNETT. This is at least a start. I think you should be a little optimistic about the fact that we are not going backwards. It may have some answers. We did have a start before, and the start was not entirely successful, at least looked at from an objective history. You don't feel real happy thinking about all of these peanuts and crackers sitting in these warehouses.

What are we facing here? Are we facing pills or something else in lieu of crackers? Which might be a good idea. That might be something they should do. I am not so sure it isn't, that they should have a smaller concentration of food, because people can be kept alive without all that bulk in their food, and if that is what you are dealing with, you are dealing with a short period of time, but they have got to be protected over a long period of time. You have got to maintain the stuff. It may be that different kinds of stuff should be developed.

Mr. NEDZI. Is there any difference in the judgment between Defense and FEMA with respect to the budget?

General BOVERIE. You mean as it developed, Mr. Chairman?

Mr. NEDZI. Yes.

General BOVERIE. Through the budget process I think we were very close throughout. I don't know if Mr. Macy wants to comment upon it.

Mr. NEDZI. There were no significant differences?

Mr. BENNETT. Mr. Macy has had a great success in a lot of things he has done in life and I feel his courage is there, and I hope this target pilot program will be a success. I doubt if we can get very much more money. I might vote for you if you think there is a chance to get more money. It might be something to do, but I think this has been a pessimistic meeting. I think this is a small step, but I think it is a pretty logical step.

Mr. MITCHELL. If the gentleman will yield, I am certainly not blaming anything on our Director, Mr. Macy. I think he is doing a splendid job under pretty adverse circumstances, and I just say I am familiar with his long career of success. I think we have really handed him a tough one this time.

Thank you, Mr. Chairman.

Mr. NEDZI. Thank you very much.

Our final witness this morning is William Thornton, who is president of the U.S. Civil Defense Council.

STATEMENT OF WILLIAM THORNTON, PRESIDENT, U.S. CIVIL DEFENSE COUNCIL, AUBURN, ALA., ACCOMPANIED BY J. HERBERT SIMPSON, EXECUTIVE SECRETARY, PORTSMOUTH, VA.

Mr. THORNTON. Mr. Chairman and other members of the subcommittee: The U.S. Civil Defense Council appreciates the opportunity to discuss several points we feel are important to the security and welfare of this Nation. I am William E. Thornton from Auburn, Ala., speaking as president of the U.S. Civil Defense Defense Council, and with me is our executive secretary, J. Herbert Simpson, of Portsmouth, Va. We are local civil defense directors.

I may say some things in the next few paragraphs that you already know but I would like to say them anyhow, if I may.

Local government and the people of this Nation have been aware of the shortcomings and inadequacies of the Federal disaster preparedness and response programs for many years. It is our considered judgment that most of these inadequacies have been due to the fragmentation at the Federal level.

As you know, for many years, the Federal disaster response and preparedness functions were divided among several Federal agencies. We hope that the new Federal Emergency Management Agency will transmit Federal laws into workable programs for the people in our hometowns.

Our national organization worked hard for the consolidation of the five Federal agencies, as recommended by President Carter and approved by Congress in the Reorganization Plan No. 3.

It is our opinion that the American people, represented by professional local civil defense directors throughout the country, believe the Federal Government has a moral and legal obligation to protect the population in case of nuclear war. In fact, the American people believe the Government is taking reasonable steps for their protection, but this has not been the case.

The members of the U.S. Civil Defense Council are counties and cities throughout the United States. We represent approximately 180 million Americans, and feel the United States should undertake an orderly, long-term program to develop our sagging national civil defense. That is a long-term program but not a long-time program.

This program should at least be comparable to what is being done to protect the population of the U.S.S.R., who reportedly spends $7.72 per capita each year; Sweden spends about $8.80; Finland and Denmark each about $4.30; and the Netherlands about $2.50; while the United States averages approximately 50 cents per capita.

The method of funding U.S. civil defense must receive extensive reevaluation. Uniformity of disaster capability can be assured only by sound Federal standards, which are based on sound financing, with the intent that the entire spectrum of disaster emergency management be included.

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The report, published in certain publications, fiscal year 1981 FEMA budget request of $1,252,591,000 includes approximately $160 million for what has been defined as civil defense functions and as related only to national security.

At this point I would like to make it crystal clear that the States, counties, and cities throughout this Nation do not give this narrow view to civil defense.

Of the $160 million, State and local emergency governments, civil defense, have the potential of receiving only $39 million, which is identical to the 1980 budget and only 4.2 percent greater than the 1979 budget.

Mr. Chairman, I cannot believe the intent of Congress in approving the Reorganization Plan No. 3 is being satisfied by this meager amount. It has been stated by Presidents, Senators, Representatives, Governors, and others that if it was not for the grassroots level—local government—we would not have an emergency program.

I estimate local civil defense will receive approximately $26 million of the 1981 FEMA budget for local management. Now I ask, "How can the grassroots level do the job on approximately 2 percent of the FEMA budget?"

Recap

	Thousands
1981 total	1,252,591
Civil defense portion	160,121
State and local management	39,034
Local management (est.)	26,000

I believe this estimated $26 million to be a disproportionate share of the 1981 FEMA budget. We have not seen the budget. We do understand, however, that the civil defense portion, as defined earlier, increased $25 million above the 1980 budget. It is in categories not designated for local government.

The continued loss of funds can only result in further degradation of the Nation's disaster program. As a result, State and local governments will be unable to provide a minimum level of protection for the American public.

Over the years, a decrease in funds has resulted in many programs being either discontinued or reduced to a level where they are no longer effective. Examples:

Construction of emergency operations centers;

Purchase and installation of warning systems for the public.

Shelter identification, marking, and stocking program;

Purchase and distribution of radiological monitoring instruments;

Civil defense educational programs in schools;

Adult civil defense education programs;

Medical self-help program;

Stockpiling of packaged disaster hospitals;

Stockpiling of emergency water supply equipment;

Stockpiling of emergency medical supplies, hospital reserve disaster inventory; and

Purchase and installation of communications systems.

Mr. Chairman, it is impossible for me to give you today an estimate of the total needs of emergency government; however, it is

obvious to those of us at the grassroots level that funds are not commensurate with responsibility. An examination of the above figures should confirm this observation.

My second point of discussion today is the multiple-use concept of nuclear, technological, and natural disaster preparedness. An effective civil defense system requires the most efficient use of all available emergency resources. civil defense systems, organizations, and resources must be prepared to cope with any disaster which threatens our people.

The communications, warning, evacuation, and public education processes involved in preparedness for a possible nuclear attack should be developed, tested, and used for major natural and accidental disasters as well. It is no longer wise for civil defense to be a framented program in this Nation.

Mr. Chairman, the President and Congress, in approving Reorganization Plan No. 3, recognized that most State and local governments have consolidated emergency planning, preparedness, and recovery functions on an all-hazard basis. The Federal Government can and should follow this lead.

We have found that support for civil defense is strong in those places where natural disasters have occurred. The people who have faced such disasters have benefited directly; they have seen civil defense in action to save lives, mitigate suffering, and protect property.

The local director, therefore, feels that in participating in local disasters, he is accomplishing two things: (1) Civil defense or emergency government does provide the many services needed in such disasters; and (2) local personnel have gone through a learning process that will afford them a great deal of knowledge that can be used in the event of nuclear attack.

At the Federal level, planning, preparation, and coordination for an all-hazard approach have been vested in the Federal Emergency Management Agency. We, at the local level, endorse this mutually accepted concept of a single point of coordination for emergency management.

We submit, however, that FEMA should utilize the civil defense organizational structure now in existence throughout the Nation. They should recognize that, by law, State and local civil defense, emergency management, directors have similar responsibilities to those which have been placed upon FEMA.

In fact, they have additional responsibilities in some areas, the responsiblities now placed upon FEMA. We have not had a direct effect or direct action. Let me give you several examples:

1. Nuclear attack planning.
2. Nuclear powerplant offsite planning.
3. Floodplain management.
4. Fire suppression and prevention.
5. Emergency medical services.
6. Emergency welfare services.
7. Disaster response and recovery.
8. Search and rescue.
9. Hazard mitigation.
10. Emergency operations coordination.
11. Emergency communications planning and development.

12. Hazardous material incident planning.
13. Resource management planning.
14. Emergency warning planning and development.

It is important to the local community that the multiple-use concept not only be continued, but improved upon.

My third point of discussion today concerns the relationship between the new Federal Emergency Management Agency and the Department of Defense. USCDC feels it is vital that FEMA and DOD combine their efforts to assure a proper balance between nuclear attack preparedness planning and strategic nuclear planning. This would give our people the best possible protection from both nuclear and natural disasters.

The relationship between the two is such that, without close cooperation, either or both could suffer, for in the eyes of the local and State director they go hand in hand.

My fourth point concerns multiyear authorization. I have stated that the U.S. Civil Defense Council supports a long-range, all-hazards emergency management plan for disaster preparedness, response, recovery, and mitigation.

Along with this, we ask that Congress approve a multiyear authorization for U.S. civil defense. Long-range planning and funding will give stability to this Nation's program and will insure effective use of its resources when a disaster occurs.

Congressman Ike Skelton's 5-year plan (H.R. 2704) should clearly define our direction and goals, and give us the stability mentioned above. We believe Congress would support such a program, for it would eliminate previous objections and demonstrate a commitment to civil defense by the Federal Government.

The contribution project loan program, more commonly called the excess property program, is the fifth point I would like to discuss.

This program provides a 5-year loan of Department of Defense property to State and local governments. As a defense agency, the former Defense Civil Preparedness Agency was eligible for excess property which in turn included the State and local civil defense agencies. The new organization, Federal Emergency Management Agency, which is independent of DOD, is not able to participate in the DOD property reutilization program. This causes a hardship on the local community.

The volunteer units of fire, rescue, and communications, in areas with few resources have been dependent upon excess property for much of their emergency equipment. This property has been the only visible sign of Federal support in many communities in the past few years.

I hope you do not think excess property is new or like new, for it certainly is not. In almost all cases, much time, labor and money are spent by those who volunteer their services to civil defense before you have a functional unit.

Listen to this fact: 80 percent to 85 percent of the fire departments in this Nation are volunteer. The excess property program has been a key to their development.

Imagine, if you will, the pride of a volunteer fire department as an old deuce-and-a-half has been rehabilitated into a functional firefighting apparatus. Now, I ask you, what will happen to our

firefighting capabilities with the loss of the excess property program?

The following example is representative of thousands of instances where excess property contributed to the saving of a life. Recently, a small boy at Virginia Beach, Va., became stuck in a snowdrift and was unable to escape. A helicopter, secured through the excess property program, found the boy and lifted him from his deathtrap. Officials stated there was no doubt the helicopter saved the boy's life.

The contribution project loan program, excess property program, military junk, or whatever name you call it, is spread throughout this Nation and is contributing to the emergency management program described in this paper.

We are requesting that this committee help save the excess property program. We ask that the Federal Emergency Management Agency become a participating agency with DOD in order that local civil defense may benefit.

We pray that a nuclear war will never occur; that a nuclear powerplant will never explode; and we will not have tornadoes, hurricanes, or floods. History shows, however, that the potential for all these is ever present. The attack on Pearl Harbor, the Berlin crisis, the Cuban crisis, the Iran and Afghanistan crises, Three Mile Island, Hurricane Frederic, and the recent flood in California are examples.

All disasters in these United States have occurred in local communities; therefore, the local citizens have been affected, and local government must be prepared to respond and recover, with the help of their partners at the State and Federal levels. We need help, however. There must be a partnership between local, State, and Federal Governments to insure maximum effectiveness. Should the United States suffer a nuclear attack, the same would apply.

We urge that this committee's report reflect the views of the U.S. Civil Defense Council and the American people. Our population needs, deserves, and expects their Government to protect them from any type disaster.

In every poll taken, the citizens are overwhelmingly opposed to not having a civil defense. In fact, half of them think we are spending 10 times more for civil defense than we are, and have said we should spend even more.

That ends my report and I thank this subcommittee for the opportunity to testify before it.

Mr. NEDZI. Mr. Bennett.

Mr. BENNETT. I want to congratulate you and your organization and the many thousands of people throughout the country who are doing such a fine volunteer and also paid job, and also this type of activity. I think it is outstanding. As a matter of fact, it may be impossible for the Federal Government really to do it without this kind of activity. There is some limit on how much you can do for people from the standpoint of the Federal Government. If people don't participate in their own survival to a very great degree, there probably won't be very much survival.

There was one sentence on page 5: "USDC feels it is vital that FEMA and DOD combine their efforts to assure a proper balance between nuclear attack preparedness planning and strategic nucle-

ar planning." Those words grammatically are almost identical, and they probably mean something that I don't understand. What do you mean by that?

Mr. THORNTON. I mean by that, sir, that the nuclear attack preparedness planning is related to the civilian population.

Mr. BENNETT. Why?

Mr. THORNTON. Through your crisis relocation planning and what have you. That is just a term that has been used for many years. Then your strategic nuclear planning would be more related to a military concept, at least that is the intent I had there.

Mr. BENNETT. The words mean the same thing, I mean planning and preparedness?

Mr. THORNTON. Yes, sir.

Mr. BENNETT. But you say it is a word of art that nuclear attack preparedness planning means what now?

Mr. THORNTON. That is more related in this context to the CRP concept or crisis relocation that you mentioned earlier, for the population, like Chicago, New York.

Mr. BENNETT. The first thing is a crisis relocation?

Mr. THORNTON. Right.

Mr. BENNETT. What is the second thing?

Mr. THORNTON. The second would be more in military terms of their strategic nuclear planning, retaliatory.

Mr. BENNETT. You mean where we are going to attack them?

Mr. THORNTON. Retaliatory and things like that, yes, sir.

Mr. BENNETT. I will think it over and probably understand it better after I have thought it over a bit.

Mr. THORNTON. We think that if you spend all of your resources say in an offensive type nuclear operation, we would not save as many people as if you had a better balance between your civilian planning for a defensive——

Mr. BENNETT. You are recommending cutting down on the offensive weapons we have got?

Mr. THORNTON. No, sir. I think there should be a better balance.

Mr. BENNETT. You mean a reduction or to raise the amount? We are spending about $8 billion a year, roughly, for strategic weapons. I guess that is about it.

Mr. THORNTON. I am saying that I don't think we are spending enough on the civilian side of it.

Mr. BENNETT. I understand now.

Mr. THORNTON. That is what I am saying. I am not qualified to speak on the military side.

Mr. BENNETT. You see, we are spending a lot less than the Russians are.

Mr. THORNTON. Yes, sir.

Mr. BENNETT. As you know, the facts are that they are doing a good job in having a pretty good blow toward us. That is for sure.

Mr. THORNTON. In fact, this point was recognized by the administration when they submitted the Reorganization Plan No. 3. That point was.

Mr. BENNETT. Do you think there is a logical connection between the two or are you just making a plea for spending more money for protection, and that is the way you decided to say it? You are not saying strategically to win a war or retain our liberty that this has

anything to do with it, but you are saying rhetorically that it is a pity that we have to spend so much money to be able to hurt them, when our own people are not being properly protected; is that what you are saying?

Mr. THORNTON. My personal views are that we probably should be spending more money on our strategic or military side, but I think that there is not enough balance in the money spent on the civilian side of providing shelters, your crisis relocation plans, and things like that.

Mr. BENNETT. On that last sentence I think I can agree. I think we are not spending enough. I agree.

Mr. THORNTON. We are not.

Mr. BENNETT. I just want to conclude by saying I think it is wonderful that you are doing what you are doing, whether people are paid or not paid in this field. I think a lot of this is going to have to be done locally. I don't believe the Federal Government has all the wisdom and ability through bureaucracy to protect everybody's life.

I think it has just got to be done in large part by people locally, and it is silly to sit off and say the Federal Government is not doing a good job about it when really people are going to have to protect themselves largely. They can be given assistance, but if they think the Federal Government is going to encapsulate everybody and protect everybody against anything that could happen to them, there is no way it can work and there is no use criticizing the Federal Government for it. No government will be able to do that.

Mr. THORNTON. We realize the Federal Government cannot handle the entire job. In fact, most of the resources of this Nation, if you look at it, is at the local and State levels, and we think that we have a responsibility. In fact, throughout the last few years, I am not real sure how long, if you look at the records I think you will see that local and State governments, or at least local government that I am familiar with, are spending approximately 75 to 80 percent of the funds expended, while we have received 20 to 25 percent Federal funds, so the local governments have accepted that responsibility.

Mr. NEDZI. Thank you, Mr. Bennett. Mr. Mitchell.

Mr. MITCHELL. Thank you, Mr. Chairman.

I want to thank you for your statement and commend the members of the USDC and their patience in waiting for their Government to do something about civil defense I did not realize that Chairman Nedzi had been in on this more than 20 years ago.

Mr. NEDZI. Not quite.

Mr. MITCHELL. It doesn't seem as if we had to deal with that any further. I can appreciate the frustration of your members, and we would like to give them a lot of credit for hanging in there and doing their bit to help protect the American civilian population.

One of your members, it might have been Mr. Simpson, told me the other night that of the 100,000 to 200,000 people involved in civil defense in America, 80 percent were volunteers.

Mr. THORNTON. That is pretty close.

Mr. MITCHELL. Is that a correct statistic?

Mr. SIMPSON. We do have a number of paid staff members.

Mr. MITCHELL. On page 2 of your statement you mention a figure of $160 million for civil defense. The figure I think we are hearing today is $120 million; $160 million I think would put us on the first tier of D-Prime.

Mr. THORNTON. This is a figure that came from a publication that is received by many offices throughout the United States. It is a paid subscription publication, and in fact this is where all of these figures came from that I am using here, so I cannot substantiate them at all.

Mr. MITCHELL. There has been some question today about whether or not a civil defense program would help survivors of a nuclear war. Are each of you gentlemen convinced that if we had the D-Prime program in place that this Nation could survive an all-out nuclear war, even though it would be the most horrible disaster that anyone could even imagine?

Mr. THORNTON. We wholeheartedly believe that with a properly managed program, that a significant amount of our citizens could survive a nuclear war. We do not believe it would be annihilated.

Mr. MITCHELL. Mr. Simpson?

Mr. SIMPSON. Mr. Mitchell, I think I beat Mr. Nedzi in his record. I have been in this program 26 years, and I have come to testify many, many times over the past 7 or 8 years. We have gone over these things. The chairman mentioned a moment ago Mr. Hébert and he is certainly right. Back in those days we were saying the same things almost as we have said here today, and even long before that we have been trying to get something done. Like Mr. Macy, we are anxious to move. We are very impatient, even though it has been so many years. The only thing we can do is bring our problems to you and hope they can be solved in that manner, sir.

Mr. MITCHELL. Thank you, Mr. Simpson. Thank you, gentlemen. Thank you, Mr. Chairman.

Mr. NEDZI. Thank you, Mr. Mitchell.

This concludes our hearing for this morning. I want to thank both of you gentlemen for taking time to help us complete our record.

[At this point, questions were submitted to the witness to be answered for the record, followed by additional statements for the record.]

Question 1. What is the position of FEMA on the proposed five year authorization of the United States civil defense program? Specify the basis for your position.

Answer. H.R. 4040, passed by the House of Representatives on September 14, 1979, called for a five-year statement of authorization to develop and implement the civil defense program, replacing the single year authorization process now contained in section 408 of the Federal Civil Defense Act of 1950, as amended. Such a provision would enhance needed planning and implementation of this program by providing authorization commitments necessary to develop and deploy systems on an orderly and effective basis. While some form of multiple year program commitments may indeed be important for the future efficiency and effectiveness of civil defense programs, FEMA is of the view that enactment of a five-year authorization, at amounts such as those cited in the House measure, should be deferred at this time.

FEMA considers the civil defense program requested by the President for fiscal year 1981 to be sufficient at this time to initiate action on the needed improvements recommended in the budget for the next twelve months. FEMA believes this action is consistent with the civil defense policies enunciated in Presidential Decision (PD) 41, as well as with findings and priorities contained in the first two sections of the House measure, which should be enacted.

Question 2. What is the position of FEMA on the proposed policy statements concerning the United States civil defense program as contained in the amendment included in the fiscal year 1980 defense authorization bill as passed by the House. Specify the basis for your position.

Answer. FEMA believes that the proposed policy statement, in the House measure noted, will provide the basis for building improved emergency readiness programs at all levels of government. The proposed policy statement is in accord with the policies for U.S. civil defense enunciated in Presidential Decision (PD) 41 and, when implemented, will ensure a significantly improved system of protection of the American people from the threat of enemy attack or other major national crises or disasters. Enactment of this provision will confirm the mutual commitments of the Congress and the President to achieve these essential goals.

Question 3. What is the position of FEMA on the proposed program components for the United States civil defense program as contained in the amendment included in the fiscal year 1980 defense authorization bill as passed by the House? Specify the basis for your position.

Answer. FEMA believes that the proposed program components, contained in the House measure noted, will provide the basis for building improved emergency readiness programs at all levels of government. The proposed program components are those necessary to implement the policies enunciated in PD–41 by providing capabilities for relocation of our urban population during a time of crisis, while maintaining a hedge to protect the population in-place should time or circumstances preclude crisis relocation. (FEMA will provide for the record a December 14, 1979 paper, "Analysis of Packages Comprising Program D-Prime," indicating that the program components specified are necessary elements of a civil defense program seeking to attain significantly improved protection for our population by providing plans and other systems and capabilities needed for effective crisis relocation.) Enactment of the measure specifying proposed program components will confirm the mutual commitments of the Congress and the President to achieve these essential goals.

Question 4. What is the position of FEMA on extending the property disposal program as provided for in H.R. 156? Specify the basis for your position.

Answer. (A) FEMA is opposed to H.R. 156 because we feel that while civil defense, fire prevention and disaster relief are necessary and extremely important functions, we do not believe they justify an exception to the universal scheme adopted, effective October 1977, by the Congress after comprehensive studies for distributing surplus property. Prior to enactment of this statute, many Federal agencies were able to obtain "excess" property still being screened for further Federal use and loan it to their grantees under a variety of different programs. To minimize this fragmentation and help establish efficiency, economy, and equity in distributing Federal property for public purposes, Public Law 94–519 established the surplus property donation program as the major system for State and local governments to obtain property from the U.S. Government, and severely restricted the circumstances under which excess property could be obtained. DCPA, as a Defense agency, could still get DoD property. As a result, the Administrator of General Services has been able to establish an equitable and effective program for distributing surplus property through State agencies for authorized public purposes. Allowing FEMA to obtain excess property on a priority basis and to furnish it to State and local governments would begin to undo much of the good the 1977 law accomplished.

(B) We are fully aware of State and local interest in this program. FEMA is undertaking a comprehensive but expedited review of State and local equipment needs in terms of disaster preparedness and response that might be available from DoD or other agencies. This survey would be closely coordinated with State and local officials. When this is completed, I am confident that we will have solid requirements on which to recommend to the Congress a future course of action. Our findings may indicate a need for new legislative action similar to H.R. 156 or administative arrangements between FEMA and other agencies consistent with current statutes.

(C) FEMA has forwarded to the Speaker proposed legislation authorizing donation to the present holders of the property now on loan. A copy of the draft bill is attached.

A BILL To authorize the Administrator of General Services to donate to State and local governments certain Federal personal property loaned to them for civil defense use and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. Federal personal property transferred by a component of the Department of Defense to the Defense Civil Preparedness Agency (DCPA) by July 15, 1979, and

which is, on the date of enactment of this law, on loan to a State or a State and local government jointly, under a written loan agreement executed by the DCPA (Department of Defense), and which property was transferred with the functions and property of the Defense Civil Preparedness Agency to the Federal Emergency Management Agency, shall be regarded as surplus property. The Administrator of General Services shall transfer title to the property to the State or local governments holding the property on the date of enactment upon receipt of a certification by the Director, Federal Emergency Management Agency that the property is being used by the State or local government concerned for a purpose consistent with that for which it was furnished.

In order to accomplish the above, the Director, Federal Emergency Management Agency shall survey such property on loan and shall, within 180 days after enactment of this Act, notify the Administrator of General Services of those items of property which are being used by the State or local government for the purpose for which the property was funished. If property on loan is not being used in a manner consistent with the purpose for which furnished, the Director shall so notify the Administrator who may transfer the property to a Federal agency or to the appropriate State agency, upon its request, for distribution in accordance with subsections 202(a) and 203(j) of the Federal Property and Administrative Services Act of 1979 (40 U.S.C. 485(a) and 484(j)). Property not transferred as above shall be otherwise disposed of pursuant to the provisions of that Act.

Question 5. What is the position of FEMA on the question of modifying current dual use authority as proposed in H.R. 151 and similar legislation? Specify the basis for your position.

Answer. Our understanding of H.R. 151 and similar bills such as H.R. 2157, is that the legislation is intended to mandate the so-called "dual use" concept of civil defense. This it accomplished by amending the definition of civil defense in the statute to include measures to cope with a natural disaster as well as attack.

The President incorporated the dual use concept in his decision that Federal emergency management authorities should be reorganized into FEMA under Reorganization Plan No. 3 of 1978. FEMA favors a sound dual use concept. This really is what we are talking about when we describe comprehensive emergency management.

However, we believe that redefining civil defense as proposed in this legislation could introduce new ambiguities into the Federal Civil Defense Act as "attack" and "natural disaster" are treated in the disjunctive. As the legislation is now prepared, it would authorize the establishment of two separate, parallel programs, one for attack preparedness and one for natural disaster preparedness, instead of one comprehensive and integrated emergency program.

Attack preparedness has always been the justification for, and the principal objective of, all programs undertaken under the Federal Civil Defense Act. Nevertheless, in the past there has been under program criteria developed by the Executive branch and endorsed by the Congress, a permissible natural and peacetime disaster use of the resources obtained for attack preparedness. This concept was reflected in the amendments to the Federal Civil Defense Act made by section 804 of Public Law 94-361. Specifically, the Declaration of Policy was amended to recognize this disaster use, and section 205 was amended to allow use of civil defense resources for disaster purposes.

The Federal Emergency Management Agency is of the view that existing law provides an adequate basis for the effective utilization of civil defense resources for comprehensive emergency management.

Question 6. Detail the steps FEMA has taken to comply with President Carter's directive to the agency "to lead all off-site emergency activities and review all emergency plans in states with operating reactors by June."

Answer. The following are the major actions initiated by FEMA to carry out President Carter's December 7, 1979 directive:

(1) *FEMA chairs Federal Interagency Central Coordinating Committee.*—NRC and FEMA agreed to FEMA's assuming the leadership role in this committee of Federal agencies with roles to play in planning for and response to a nuclear reactor accident.

(2) *FEMA/NRC Memorandum of Understanding.*—A Memorandum of Understanding was signed (effective January 14, 1980) identifying the responsibilities of the two agencies and the actions to be taken by each.

(3) *Radiological Emergency Preparedness Division.*—This Division was created within FEMA with 12 NRC's detailed effective January 14 through June 30, 1980.

(4) *FEMA participation in NRC proposed rulemaking.*—FEMA participated in NRC meetings on the NRC proposed rule on emergency planning, held in various cities in January 1980.

(5) *FEMA/NRC guidance and criteria.*—FEMA prepared and published jointly with NRC revised guidance and criteria for State and local government radiological emergency response plans and preparedness in support of nuclear power plants. This consolidated previous guidance to State and local governments with the guidance to operators of nuclear power plants and incorporated the lessons learned from the Three Mile Island accident. The publication is intended for interim use and will be final after revision by Federal, State, and local government officials, industry officials, and comments by the public.

(6) *FEMA letters to 40 Governors.*—FEMA sent letters to Governors of 40 States notifying them of the program, including accelerated review of plans and an offer of assistance (primarily through the use of the State Nuclear Civil Protection planners until June 30, 1980) to State and local officials to achieve the President's objectives.

(7) *FEMA to visit nuclear reactor sites.*—Under the terms of the FEMA/NRC Memorandum of Understanding, FEMA staff accompany NRC teams on visits to individual nuclear power stations to help evaluate and upgrade the licensee emergency plan, in relation to State and local government plans.

(8) *FEMA training session.*—On February 5–7, 1980, FEMA conducted a training program for Regional FEMA staff and Regional Advisory Committees involving personnel of other Federal agencies.

(9) *Revision of interagency responsibilities.*—A draft Federal Register Notice prepared by FEMA is being circulated to other Federal agencies for review and comment. It assigns responsibility for various aspects of emergency planning and response to relevant Federal agencies.

Question 7. What is the position of FEMA on establishing a $400,000 pilot program of designing and constructing buildings to withstand nuclear explosions as provided for in H.R. 6444?

Answer. FEMA believes that H.R. 6444 should be enacted. It provides for establishment of a pilot program to enhance the ability of the appropriate portions—generally portions of the basement—of an otherwise conventionally designed building to resist the blast effects of a nuclear weapon. This enhancement is termed "blast slanting" and has been done frequently in certain foreign countries such as Finland and Switzerland. The concepts and designs are well developed but have not been tested in the United States. A pilot program of "blast slanting" at least two building projects would (1) validate prior U.S. research on this concept, (2) provide actual cost data valuable to future considerations of blast shelter, and (3) if the projects were conducted in the Washington Metropolitan Area, provide nearby examples of the incorporation of moderate levels of blast protection into conventional structures. Since the design-construction cycle may easily extend over three or four years, the authorization for appropriated funds to remain available until expended is particularly appropriate.

Question 8. Provide a report on the reorganization and consolidation of the regional offices.

Answer. The reorganization of the regional offices is near completion. Staffing patterns were approved and distributed in November 1979.

With the receipt of the Emergency Management Series Position Descriptions, scheduled for distribution by March 7, all positions will be numbered and position descriptions completed. Vacancies in the Regional Offices are in the process of being filled. Cross training of regional staff has been accomplished in several Regions to accommodate the Emergency Management Series concept and to achieve Comprehensive Emergency Management planning and response.

Consolidation of Regional Offices has proceeded to the extent possible as space becomes available.

Six Regional Offices have been consolidated in a single location, i.e. city. Of these, three are in the same physical building.

Region—Location—Same building

Region II—New York—No
Region VI—Dallas—Yes, Denton FRC
Region VII—Kansas City—No
Region VIII—Denver—Yes, Denver FRC
*Region IX—San Francisco—No
Region X—Seattle—Yes, Bothell FRC

The best estimate schedule for physical building, consolidation is as follows:

Region I (Boston)—April/May
Region II (New York)—August/September
Region III (Philadelphia)—April/May

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*In addition to separated offices in San Francisco the Santa Rosa OS Division will also be moved to San Francisco when space is located.

Region IV (Atlanta)—Unknown
Region V (Chicago)—May/June
Region VII (Kansas City)—In Process
Region IX (San Francisco)—August/September

Question 9. Provide report and justification for the proposed move of the civil defense school from Battle Creek, Michigan, to the site for the Fire Academy at Emmitsburg, Maryland.

Answer. With the establishment of FEMA it is essential that our Training and Education (T&E) effort embrace the entire range of comprehensive emergency management responsibilities. With the exception of the U.S. Fire Administration, the only other agency consolidated in FEMA that had a significant T&E program was the Defense Civil Preparedness Agency (DCPA). In addition to supporting State and local T&E programs, DCPA operated the National Civil Defense Staff College in Battle Creek, Michigan. The College was established there in 1953 when the headquarters of the Federal Civil Defense Administration was transferred to Battle Creek as part of the Federal Government's dispersal efforts to meet the wartime threat.

FEMA considers a resident training facility—an Emergency Management Institute (EMI)—essential to meet its T&E responsibilities in comprehensive emergency management. FEMA has the nucleus for such an Institute in the National Civil Defense Staff College.

FEMA also has a National Fire Academy (NFA) located at the site of the former St. Joseph College in Emmitsburg, Maryland. FEMA decided to co-locate its two resident instructional programs on the same campus for the following reasons:

Space excess to the needs of NFA was available at Emmitsburg. Since FEMA already owned the property, co-location of EMI would optimize use of existing space.

The dormitory space in Battle Creek has to be vacated because of potential fire safety problems. New dormitory space could not be built there and the only option is to use commerical motel/hotel space.

The co-location of EMI and NFA will permit consolidation of administrative services (e.g., student registration, facility operation, security, housekeeping, etc.) and instructional services (e.g., graphics, audiovisual production, library, etc.). This will save money and personnel.

Establishment of EMI within 75 miles of Washington provides a unique opportunity to use staff from the headquarters' of many Federal agencies as guest resource people at the Institute.

The Emmitsburg site has sufficient flexibility and potential for future expansion to meet changed missions of the Institute. Battle Creek has limited flexibility.

The participants in the EMI program will include State and local government personnel, staffs of Federal agencies and members of the private sector. For the Federal audiences, EMI is well located at Emmitsburg because of the high concentration of Federal employees in Washington and the four eastern Federal regions. For State and local audiences in the eastern half of the United States, the Emmitsburg location presents no significant hardship over Battle Creek. Travel inequities will exist for those in the western half of the United States. FEMA has under consideration proposed legislative changes that would permit us to share an increased burden of participant travel in order to negate these inequities.

Question 10. Provide report and assessment on the liaison system with the Department of Defense and the National Security Council.

Answer. The question of a liaison system for civil defense matters with the Department of Defense (DoD) was moot as long as the Defense Civil Preparedness Agency (DCPA) was part of the DoD. However, the disestablishment of DCPA and the assumption of its responsibilities and programs by FEMA raised questions for all elements of FEMA involving requirements for liaison and/or operational arrangements with DoD, and for those elements of the DoD that had to interface with elements of FEMA. An Ad Hoc Working Group, composed of representatives of both organizations, was therefore established to determine how the two organizations could best work together.

To that end, the Working Group has established twelve Functional Area Committees which, using a DoD/FEMA Guide List of 29 pages containing items of possible mutual interest or concern, is examining each item to determine (1) where commonalities exist; (2) the adequacy of present liaison arrangements for dealing with a specific item; and (3) issues which may require resolution at a higher level.

The twelve Functional Area Committees are: A, Civil Defense; B, Mobilization/Resource Management; C, Continuity of Government; D, Military Support to Civil Sector (non-civil defense); E, Security; F, Intelligence; G, Warning Systems; H, Research and Development; I, Exercise Policy and Planning; J, Communications and

Automatic Data Processing; K, Residual Capability Assessment; and L, Administration/Miscellaneous.

The Committee reports are being written, and a Final Report by the Working Group is being developed on the basis of Committee recommendations. The Final Report will be submitted in April, 1980 to the Secretary of Defense and the Director of FEMA, and will include recommendations for a permanent liaison system between the two organizations.

The liaison arrangements with the National Security Council (NSC) are carried out by the highest levels within FEMA. Within the Office of Plans and Preparedness, a system used by the now disestablished Federal Preparedness Agency (the responsibilites and programs of which were assumed by FEMA) is being reactivated. In that system, a FEMA staff officer is given a specific assignment for maintaining liaison with one or more of the some 35 departments and agencies with emergency coordinators.

This includes the NSC, the White House staff, and other elements of the Executive Office of the President.

In the FEMA view, all liaison arrangements with the NSC are satisfactory, and have produced the desired degree of coordination and cooperation needed for carrying out FEMA responsibilities.

STATE AND LOCAL MANAGEMENT

Question 11. Federal matching assistance is provided under this program. Is there any limitation on the assistance for state and local personnel who are engaged in other than nuclear attack related activities? Are state and local personnel involved with all types of disaster related emergency operations and programs eligible to receive the matching support?

Answer. There is no specific limitation; however, the basic purpose of the Federal Civil Defense Act remain unimpaired. Civil defense is the primary mission. Natural disaster and other peacetime emergency services are a secondary mission, predicated upon the facts that (a) there are common, mutually benefiting elements in natural disaster and attack-oriented functions; and (b) it is impractical or uneconomical for State and local organizations to separate these functions administratively.

Funds made available to the States may be used, to the extent and under such terms and conditions as shall be prescribed by the Director, for providing emergency assistance including civil defense personnel, organizational equipment, materials, and facilities in any area of the United States which suffers a disaster other than a disaster caused by enemy attack.

Current position descriptions or equivalent statements describing specific civil defense duties and functions performed by incumbents must be in direct support of one or more of five major program areas, namely: Nuclear Civil Protection (NCP) planning, Attack Warning, Direction and Control, Radiological Defense (RADEF), and Emergency Public Information.

State and local personnel funded under the civil defense program may be used to support preparedness requirements of their State or local government for other-than-enemy-caused disaster when the facts demonstrate that a mutual benefit for both the Federal and the State or local government results.

STATE AND LOCAL MAINTENANCE AND SERVICES

Question 12. Is there any limitation on the use of the Federal assisted state and local emergency communications system for other than nuclear attack related direction and control requirements?

Answer. State and local emergency communications systems acquired for nuclear attack preparedness, with Federal financial assistance, are authorized the following additional uses: (1) to combat or relieve the effects of disasters not resulting from enemy attack in accordance with Public Law 94-361, and (2) the general use of communications equipment subject to the following restrictions: (a) that such use does not involve unauthorized removal of the equipment from its place of use for civil defense purposes, and (b) that such use does not jeopardize its immediate availability in operating condition for civil defense purposes. Daily use of equipment eliminates standby costs since local governments assume responsibility for maintenance and operation. This dual use insures maximum operational capability and enhances a state of readiness. Therefore, reliability for an attack emergency can be assured.

In addition, FEMA encourages the dual use of all FEMA Federal Communications and warning systems (National Warning System, Civil Defense National Teletype System, etc.) for State and local emergency traffic.

STATE AND LOCAL SUPPORTING MATERIALS

Question 13. Detail the basis for discontinuing this program in FY 1980. In doing so, provide a detailed report on the prototype 100% federally-funded emergency operations centers program in counterforce areas. Identify the location of the areas involved, the number of prototype centers to be built, the total scope, cost and schedule of the program, cite the authority to undertake such a program, the individual cost of a center, the differences between this type of center and existing centers, the position of state and local civil defense officials toward the program, and the necessity of such a program. Will the prototype centers be used for all types of disasters or solely for nuclear attack related disasters? Who will man them? How many personnel will be in a center? Will they operate on a 24 hour basis? What is their total square foot size and cost?

Answer. In prior years, including fiscal year 1979, the State and local Supporting Materials Program provided matching funds to assist State and local governments to procure warning and communications equipment. Obligations of Federal funds to specific projects under the program depended upon localities being able to provide their fifty percent of the required funds. If they could not do so, then no Federal funds were made available for their projects. Conversely, other localities with lower priority projects, because they were able to provide their fifty percent of the required funds, often were able to obtain Federal matching funds. This led to patchwork results, often not consistent with Federal, State and local civil preparedness communications and warning priorities. Also, the limited monies available for the program meant that FEMA could never hope to fund the limitless State and local government requests for financial assistance under the program. Therefore, the matching funds Supporting Materials Program was discontinued; no matching funds for Supporting Materials were included in either the fiscal year 1980 or fiscal year 1981 budgets.

A salient conclusion of studies conducted in 1978–79 was that past practices based on a matching funds program for state and local Emergency Operating Centers resulted in responding to opportunities where State or local matching funds were available resulting in spotty and incomplete coverage rather than developing viable State and local direction and control systems. It also was concluded that accomplishments of the past (development of facilities and systems) did not represent waste or wasted effort; rather, achievements to date provide a base upon which to build and upon which to plan a nationwide survivable state and local direction and control system capability.

In addition to the present operating centers not being in optimum locations, they have been too costly to continue development. FEMA intends to make the proposed facilities smaller in size (averaging approximately 2,000 square feet) and limit the size of the staff by authorizing between 50 and 85 square feet per person. Protection from the direct effects of nuclear weapons would not be included as in the past. The $5,500,000 requested for fiscal year 1981 is to upgrade existing facilities to make them fully operational and to construct new prototype emergency operating centers, austere in nature to provide only the minimally needed space and equipment in as many different types of locations in counterforce areas and in as many States as possible. The facilities will be developed with priority to the host areas of the 31 States having counterforce areas. FEMA has requested and the States have submitted candidate projects, but many of them were not in line with the criteria for austerity. FEMA will negotiate with States and localities and select sites which meet criteria during the remainder of the current Fiscal Year.

The objective of the program is to determine (1) costs of the system when deployed nationally; (2) the best procurement practices; (3) the most feasible structures for a given site; (4) the extent of upgrading of existing facilities that can be and needs to be done; and (5) the operational feasibility of linking State to State area and to local governments with radio communications for direction and control purposes. FEMA also intends to test the feasibility of mobile emergency operating centers by developing three of this type. The mobile emergency operating center (towed or self-propelled vehicles such as motor homes or trailers) would be located at or near the seats of government during normal or non-crisis times and used day-to-day. In an escalating crisis, or upon "attack warning" the vehicle would be moved to protective sites. The sites would be designed and constructed to protect the vehicle from fallout and also, like the fixed facilities, provide support services such as emergency power, water, sanitary facilities, external antennaes, ventilation and personnel services such as sleeping facilities, food, austere food preparation appliances and eating areas. The protective structure would be constructed above or below ground depending on soil conditions.

Like the fixed emergency operating centers, the mobile center could be used for both peacetime and wartime disasters, but during peacetime emergencies it may prove especially useful as it could be moved to the site of the disaster.

The emergency operating centers would be manned by approximately 20 to 40 emergency staff personnel during a crisis depending on the size of the locality. FEMA requires that in addition to the civil defense director and his staff occupying the center during normal duty hours, at least one other emergency service such as fire or police also will be in the center to enhance 24 hour coverage.

To this date the proposed program has been well received by State and local officials.

The authority for construction of these facilities is in the Federal Civil Defense Act of 1950, as amended; Public Law 81-920; 50 USC, App. 2251-2297; Reorganization Plan No. 3, 1978, 43 FR 4193; Executive Order 12148, July 1979, 44 FR 43239.

The types and numbers of facilities along with the estimated dollar costs are listed below:

TYPES AND NUMBER OF FACILITIES

	Number of EOC's	Dollars in thousands
Upgrade State area EOC's	10	1,118
Upgrade multijurisdictional EOC's	15	1,204
Equip existing EOC's	7	325
Develop mobile EOC's	3	518
Construct State area EOC's	6	1,362
Construct multijurisdictional EOC's	6	973
Total	47	5,500

STATE AND LOCAL EMERGENCY OPERATING CENTERS

Question 14. Why is March 31, 1977, the last report available on the operational capability of the state and local emergency operating centers?

Answer. The date March 31, 1977, was in error. We had data from the Program Status Report as of September 30, 1978. However, since only a very small amount of funds were obligated in fiscal year 1978 to complete a few ongoing projects, the data did not change materially between March 1977 and September 1978. Therefore, the balance of the state is correct.

Question 15. What is the age, value and total number of training sets to be replaced? Explain the problem of radioactive decay? Explain how they will be disposed of.

Answer. The radioactive sources currently in use by the States are from procurements of 1,000 in fiscal year 1965 and 1,029 in fiscal year 1961. The bid price in fiscal year 1965 was $30.89 per set and in fiscal year 1961 was $29.95 for a total cost of $61,708.

As of September 30, 1979, a total of 1,710 of the original 2,029 sets were still available. These sets are cobalt 60 which has a half-life of 5.3 years. This means that they have decayed through three to nearly four half-lives. Their radioactive strength is now only about 10 percent of what it was originally. For this reason, replacement of all old source sets as soon as possible is required.

Today's replacement price ($500 per set) far exceeds the earlier price because, when the present sources were procured, the radioactive materials were provided by the government at costs well below real production costs. We must now pay the full commercial price.

Disposal of the old source sets will be made as radioactive waste by shipping them to a licensed radioactive waste disposal site utilizing the resources of the Department of Defense, Defense Logistics Agency.

RADIOLOGICAL EQUIPMENT PROCUREMENT

Question 16. Describe the conditions under which the equipment may be used for peacetime emergencies.

Answer. Equipment useful only when emergency response personnel are carefully trained in its use for: Transportation accidents involving radioactive materials; and nuclear power plant accidents.

Equipment is used in peacetime by many States and localities. Users include emergency services and radiological health departments.

Very specialized training is required because:

A large variety of radioactive materials in various chemical and physical forms are involved;

Civil defense instrumentation is limited to the measure of penetrating gamma radiation. Alpha and beta radiation are possible hazards in peacetime emergencies;

Auxiliary equipment such as air samplers are required to detect the presence of radioactive materials that may be ingestion hazards, e.g., radioiodine from nuclear power plants.

STATE RADIOLOGICAL DEFENSE OFFICERS

Question 17. Provide explanation of why only 19 states have state level personnel assigned full time for radiological defense. Did other states receive Federal assistance for the program? If so, identify them and the amount of funds they receive. Compare those recipients with the 31 counterforce states designated to receive assistance for such personnel.

Answer. States view the radiological problems that would result from an enemy attack as being the responsibility of the Federal government.

In general, States have given low priority to a full time RDO. After over 25 years under matching funds, only 19 States have included a full time RDO in their Staffing Pattern. Eleven of these States are counterforce States. These are: Maine, New Jersey, New York, Florida, California, Georgia, North Carolina, Ohio, Arkansas, Louisana, Oklahoma.

With the emphasis on crisis relocation, radiological defense preparedness planning and response must be coordinated at the State level. Localities must have State leadership in order to provide the crisis relocation option for their citizens.

Based on past experiences, it appears that the only way to get the technically competent full time RDO's at State level in every State that are required to properly manage and lead the radiological defense programs is through 100 percent Federal funding.

EQUIPMENT ENGINEERING

Question 18. What is the anticipated unit cost of the low cost radiation instrument set? What is the cost of the total program? What is the total procurement envisioned? Provide procurement schedule.

Answer. Unit cost depends heavily on quantities procured. In quantities exceeding 500,000, cost per set composed of one dosimeter ($10), one ratemeter ($10) and one charging unit ($5) is estimated at $25 each.

Costs may be further reduced if accelerated engineering and development program pays off.

Seven million sets are required according to a recent study by DOE's Oak Ridge National Laboratory.

A total program for seven million sets would cost $175 million.

Sets can be procured over a five year period.

The latest five year program calls for procurement of approximately three million sets by 1985.

EQUIPMENT PROCUREMENT

Question 19. Provide details on quantity, schedule, source, cost and storage of long lead procurement items.

Answer. The following are present best estimates:

Radiation resistant plastic for insulators

Quantity: 10,000 pounds at $25.
Cost: $250,000.
Schedule: Delivery September 1981.
Source: Monsanto.
Storage: Defense Logistics Agency (DLA) at no additional cost under existing agreement.

Radiation resistant capacitor film

Quantity: 2,000 pounds at $50.
Cost: $100,000.
Schedule: Delivery July 1982 (Must be made from plastic above).
Source: Monsanto, 3M.
Storage: FEMA Test Facility under controlled conditions.

Aluminum capacitor foil

Quantity: 10,000 pounds at $5.
Cost: $50,000.
Schedule: Delivery July 1981.
Source: Republic Foils.
Storage: FEMA Test Facility under controlled conditions.

Carbon fiber loaded polycarbonate electrically conducting plastic for housing

Quantity: 25,000 pounds at $4.
Cost: $100,000.
Schedule: Delivery September 1981.
Source: General Electric.
Storage: DLA (see above).

Electrically conducting polypropylene plastic for detection assemblies

Quantity: 10,000 pounds at $2.
Cost: $20,000.
Schedule: Delivery September 1981.
Source: Union Carbide.
Storage: DLA (see above).

Plastics for optical system

Quantity: 5,000 pounds at $1.
Cost: $5,000.
Schedule: Delivery January 1981.
Source: Rohn and Haas; Dupont.
Storage: DLA (see above).

Carbon fiber indicators

Quantity: Develop, test and maintain in-house capability to manufacture this specialty item in quantities sufficient to produce materials for producing seven million sets over five years.
Cost: $75,000.
Schedule: Capability in-place December 1981.
Source: FEMA Test Facility.
Storage: FEMA Test Facility.

Molds and mold blocks

Quantity: 5 sets at $50,000.
Cost: $250,000.
Schedule: Delivery March 1982.
Source: Various.
Storage: FEMA Test Facility under controlled conditions.

Jigs and fixtures

Quantity: 5 sets at $25,000.
Cost: $125,000.
Schedule: Delivery March 1982.
Source: Various.
Storage: FEMA Test Facility under controlled conditions.
Total: $975,000.

Question 20. Provide details on arrangements or agreements with manufacturing plants designated to produce low cost radiation instrument sets.

Answer. Plan to locate manufacturers with the following capabilities: injection molding of nondefense related production facility; precision plastic components in large quantities; clean room assembly area; optical design; and physical scientists on staff.

Examples: Eastman Kodak, Polaroid, Bauch and Lomb, selected scientific apparatus manufacturers.

Negotiate agreement for change over to radiological instrument production upon declaration of a national emergency or upon request of the President.

Negotiate agreement on formula for determining costs and allowable profit.

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Negotiate agreement whereby manufacturer makes radiological instruments available to individual citizens at a price equivalent to that charged the government plus a nominal allowance to cover cost of marketing.

PROGRAM STAFF

Question 21. Clarify the total number of personnel supported by the $557,000 for program staff.

RADEF and Technological Hazards Branch

Headquarters staff:

Supervisory physical scientist	GS–15
*Hazardous materials scientist	GS–14
*Physical scientist	GS–14
Health physicist	GS–14
Health physicist	GS–13
Secretary-steno	GS–6
Clerk-steno	GS–5

Radiological Test Facility (Located in Building 22, Washington Navy Yard):

Supervisory health physicist	GS–14
Physicist	GS–12
*Physicist/health physicist	GS–11
Electronic engineer	GS–13
Electronic technician	GS–13
Electronic technician	GS–12
Mechanical engineering technician	GS–12
Instrument maker	WG–14
Toolmaker	WG–13
Toolmaker	WG–13
Secretary-steno	GS–6

*Vacancy—Recruit Action Initiated

SHELTER STOCKS

Question 22. Provide report on study of storing water and sanitation kits at military depots. Identify depots, space requirements, costs, transportation arrangements, proximity to shelters, and vulnerability of depots.

Answer. The Defense Logistics Agency (DLA) is responsible for providing logistic support to the national civil defense program. A recent DLA study indicates the DLA is capable of supplying all logistic support needed for a civil defense shelter stock program, including stockage, procurement, accounting, and distribution.

Storage requirements based on a crisis relocated population have been identified and military sites identified. These are listed by location in the study. In addition to the national study, a detailed study of three host areas was conducted. In all cases, a military storage area was available for warehousing.

Shelters are generally within 3 to 4 hours of travel time from warehouses. Military depots with warehousing are located within risk areas, for the most part. However, the concept for shelter stocking is that stocks would be distributed from warehouses to shelters during a preattack crisis period, so that the potential vulnerability of the warehouse sites is not a major concern.

The Defense Logistics Agency and DoD military components operate an integrated distribution system which is designed for quick reaction and response to emergency situations. The distribution of shelter supplies will be handled through this system if the DLA is the Logistics Support Activity. However, planning must include provision for designating destination points for drop-off of supplies. Planning must also provide for enlisting local freight and transportation companies when an emergency is declared.

DLA can furnish warehouse space, handling, housekeeping, security, and inventory control at DoD component facilities on a common service basis. If General Services Administration (GSA) warehouse space is used, the charge will be comparable to commercial rates.

PACKAGED VENTILATION KITS

Question 23. Provide information on total program scope, schedule and cost.

Answer. For fiscal year 1981, the $100,000 budget will be sufficient to develop a Production Data Package for a Class E procurement, Form 1, in conformance with MIL Standard D–1000, including production drawings and procurement specifications and preproduction of Packaged Ventilation Kits. This will include the fabrica-

tion of five preproduction models using the production data package and to test them to verify the preproduction model and the deployment and operating instructions.

Unit cost, based on quantities of 100,000 units each, would be about $131.48 at today's costs. Larger quantity procurements may further reduce the unit cost. To accommodate evacuee needs for host area use would require procurement of 600,000 Packaged Ventilation Kits over a seven year period. The schedule would involve procurement of 20,000 kits in fiscal year 1982 ($2.63M), 30,000 kits in fiscal year 1983 ($3.94M) and 110,000 kits in each of the fiscal years 1984 through 1988 ($14.46M/year). Total cost over a 7 year period for procurement of 600,000 units is estimated to be $78.89 million. An additional $1.2 million would be required for storage and transportation of units over the 7 year period.

MOBILIZATION DESIGNATION PROGRAM

Question 24. How many reserve personnel participate in the program? What type of training do they have for the job?

Answer. As of December 31, 1979, there were 1,411 reservists, consisting of 1,268 officers and 143 enlisted men assigned to over 500 different civil defense agencies.

Each civil preparedness director/coordinator reviews his emergency staff needs, considers how he will operate on a 24-hour emergency basis for a sustained period and defines the program areas which need developing in the agency. These needs are for planners and operational types of specialty areas such as public information, communications, engineering, emergency medical, radiological defense, liaison with industry or military installations, shelter analyst, instructors or emergency operations.

The director/coordinator seeks to recruit a reservist living within commuting distance of his agency who has developed skills in either military or civilian experience which will contribute to his agency's requirements.

Reserve officers and enlisted men in their military training experience have developed skills and specialties which are required and utilized in military training and operations. Many of these specialty skills are directly applicable to civil defense operations which would need only adaptation to the requirements of the civil defense director/coordinator.

For example, most combat engineers are trained to operate under difficult combat conditions which can be applied to debris removal, bridge restoration, building fallout protection analysis, damage assessment, removal of explosive ordnance, rescue evacuation and emergency medical. Other services can apply their special skills in restoration of facilities and utilities, including transportation, communications, power, fuel, water and other essential services. There are military personnel trained in radiological monitoring and decontamination to include identifying contaminated areas. There are those trained in recovery, identification, registration and disposition of deceased persons. Elements of the military are well versed in maintenance of law and order to include general police and law enforcement; emergency highway traffic and control and supervision; security and protection of vital facilities and resources; enforcement of economic stabilization measures as may be required in the immediate post-attack phase. There are those who are trained in the issue of food and essential supplies and material to include collection, safeguarding and issue of critical items in the initial post-attack phase.

STATE AND LOCAL DIRECTION AND CONTROL COMMUNICATIONS

Question 25. What is the relationship, if any, between this communications upgrade program and the proposed $5.5 million request for the emergency operating centers program?

Answer. The $5.5 million is intended for the development of facilities (Emergency Operating Centers) in host areas. These facilities being outside areas at risk to the direct effects of nuclear weapons will be provided with at least a fallout protection factor of 100 and would be capable of functioning for at least 14 days around-the-clock.

The other category of facilities are in areas at risk to the direct effects of nuclear weapons. Approximately 400 of these facilities need to be "linked" by radio communications to host localities and the State or State Area Emergency Operating Centers as part of the State wide direction and control system. The $1.9 million will be used to purchase communications equipment to "link" approximately 52 existing counterforce area command centers to the State wide direction and control system. Therefore, the communications upgrade program and the proposed Emergency Operating Center program together provide the basis for State wide direction and control systems.

NUCLEAR CIVIL PROTECTION PLANNING

Question 26. To date, what is the total amount of funds authorized, appropriated, obligated and expended for nuclear civil protection planning (crisis relocation and in-place sheltering)? When will the program be completed?

Answer. The development of in-place shelter use plans (i.e., Community Shelter Plans) was initiated in fiscal year 1966 and continued for ten years. Plans were developed for areas containing approximately 80 percent of the U.S. population. In fiscal year 1976, crisis relocation planning was initiated on a nationwide basis and has been the primary planning effort for the past 5 years. A total of $46.828 million has been expended for Nuclear Civil Protection planning over the past 15 years (through fiscal year 1980), with crisis relocation planning for the past 5 years accounting for $19.724 million.

If the proposed fiscal year 1981 level of funding were to be continued (i.e., $120 million for civil defense, including $7.1 million for NCP planning), initial crisis relocation plans would be completed by about 1988. Plans would then have to be maintained and updated.

Question 27. What is the status of crisis relocation planning efforts for the densely populated areas of the United States?

Answer. Crisis relocation planning includes development of plans for risk areas, host areas, and combined risk-host areas. The following table identifies the number of plans required for these types of area and the number and the number completed as of October 1, 1979.

	Plans required	Plans completed
Risk areas	704	36
Host areas	2,246	306
Combined risk-host areas	454	57
Total	3,404	396

Question 28. Under crisis relocation planning, how many people will be moved or evacuated?

Answer. Some 400 areas in the United States are designated as potential high risk areas, and they contain approximately 140 million residents—about two-thirds of our total population. Guidance for the crisis relocation planners indicates that plans should provide for evacuating all risk area residents. However, experience in actual natural disaster evacuations suggests that not all will evacuate, and that up to perhaps 20 percent of the risk area population (some 25 to 30 million persons) might stay behind.

Question 29. How many host areas will be involved? How much in place sheltering is planned? What will be the cost of maintaining this system?

Answer. Approximately 2,400 jurisdictions—mostly counties—have been designated as host areas.

In-place sheltering is one of the two options incuded in Nuclear Civil Protection planning, the other being planning for crisis relocation. In-place sheltering plans are required for the entire population, because if time or circumstances did not permit crisis relocation people would need to seek shelter in best-available protection at or near their homes or places of work.

In-place sheltering plans would be needed, even if crisis relocation had been directed, for the residents of about 945 non-risk, non-host jurisdictions. These are areas not likely to be subjected to direct weapons effect and not needed as host areas for crisis relocation.

If crisis relocation plans were executed, in-place shelter would be needed for both residents and evacuees in host areas. Because there is a deficit of shelter in most host areas, additional fallout protection would have to be produced by actions taken during the crisis (e.g., piling earth beside and atop buildings identified by the host area shelter survey as having potential for "crisis upgrading"). Current estimates are that the fallout protection of some 400,000 buildings would need to be improved by crisis actions. (Existing shelter in host areas, estimated to total some 43 million spaces, would of course also be used in sheltering plans.)

Detailed plans are required, covering crisis actions to upgrade the fallout protection of the estimated 400,000 buildings. The proposed fiscal year 1981 civil defense program provides for pilot-testing guides for crisis-upgrade planning in 11 States.

Question 30. What is the status of developing the necessary infrastructure lines for supporting the relocated population?

Answer. Considerable research has been completed analyzing problems and developing approaches and guidance for accommodating the needs of the relocated population. Based on this research, information has been provided to planners concerning food system support, reception and care planning, plans for production and maintenance of electric power, management of medical problems, impact of crisis relocation on transportation, impact of crisis relocation on U.S. economic and industrial activity, utilization of equipment in host areas, and emergency sewage procedures. While crisis relocation would obviously involve a number of problems, research has indicated that these are not insurmountable. For example, to provide for the food requirements of the relocated population, the planners are requested to contact the major food suppliers for a given risk area, and discuss with them approaches for redirecting the existing food distribution system so that food supplies can be diverted to host areas during the relocation period. Emphasis is being placed on redirection of existing distribution systems rather than creating new systems. The industry is advised of the relocation plans (i.e., how the risk population will be redistributed to host areas) and initial plans for meeting population requirements are developed in conjunction with industry representatives. Such information is reflected in State-level and local crisis relocation plans, including plans to augment the vehicles and drivers as necessary to meet the redistribution requirements. Industry officials who have been contacted have indicated that existing systems can be redirected to meet new requirements.

Question 31. What length of time is involved in the relocation effort? How long will it take?

Answer. It is important to note that crisis relocation planning is not intended to provide a capability for rapid evacuation, as may be required in response to a threat such as flash flooding. Rather, the objective is to be able to evacuate risk areas in three days or less.

Estimates are that people could relocate from nearly all U.S. cities within three days—within considerably less than three days for the smaller metropolitan areas. It would likely take at least an extra day for New York City's residents to relocate, and up to four extra days for the last one-quarter of the people in Los Angeles and San Francisco.

These are estimates based on traffic and transportation studies. The time crisis relocation would actually take would be affected by various real-world factors. For example, the estimates are based on relocation of 100 percent of the risk areas' populations. In an actual crisis sufficiently severe to justify relocation, a considerable number of people would leave early on their own initiative. Also some percentage would not leave their homes despite official advice to do so. These factors could reduce the time needed significantly.

Factors that might increase the time required include inadequate planning and inadequate training of key local and State officials to familiarize them with their duties in executing crisis relocation plans. The proposed fiscal year 1981 program includes provision to provide on-site exercises for officials in areas associated with U.S. counterforce military installations, to give them practice in the decision-making required to execute crisis relocation plans effectively.

Question 32. What percentage of the U.S. population is expected to survive as a result of crisis relocation?

Answer. Given good though not perfect execution of crisis relocation plans, and the development prior to attack of the necessary supporting systems and capabilities, on the order of 80 percent of the U.S. population would survive a heavy attack on military and urban/industrial targets.

The exact percentage of estimated survivors would depend on the detailed design of the assumed attack, the proportion of the risk population which evacuated cities prior to attack, the level of fallout protection available for evacuees and residents in host areas, and related factors. Total survival approximating 80 percent would require that about four-fifths of the population of U.S. risk areas be evacuated prior to attack (a figure consistent with experience in hurricanes and other peacetime emergencies requiring evacuation), and that adequate fallout protection be developed in host areas.

A number of supporting systems and capabilities would also be required to achieve total survival on the order of 80 percent. These include detailed plans for producing additional shelter during a crisis, austere shelter stocks, shelter management, warning, Direction and Control (e.g., Emergency Operating Centers, as well as

pre-crisis exercises for key local and State officials), Radiological Defense, and capabilities to provide emergency information and instructions to the public during the crisis, attack, in-shelter, and post-shelter periods (including a network of protected broadcast stations). FEMA will provide for the record a December 14, 1979, paper, "Analysis of Packages Comprising Program D–Prime," which indicates that the foregoing program components are necessary components of a civil defense program stressing development of crisis relocation capabilities, with a hedge for protecting the population in-place if time or circumstances preclude crisis relocation.

FEMA's proposed fiscal year 1981 program provides for pilot-testing the foregoing components of a balanced civil defense program in and near areas associated with so-called counterforce military installations (ICBM complexes, SAC bases, ballistic missle submarine ports).

Question 33. What is the status of planning for postattack living? Various reports suggest that life as we know it today will not exist or be possible after nuclear attack. What is FEMA's assessment of this perspective?

Answer. Those who have devoted years to the study of civil defense in general, and postattack problems in particular, do not agree that recovery would be impossible. If a large-scale nuclear war should ever occur, the result would be a massive disaster for the societies involved. However, in years of research, no insuperable barrier to recovery has been found.

The potential obstacles to recovery have been the subject of numerous research studies. They include: inadequacies in life support—food, water, and shelter; epidemics and diseases; late radiation effects; and genetic effects.

A recent report by the International Center for Emergency Preparedness, "Recovery from Nuclear Attack and Research and Action Programs to Enhance Recovery Aspects," by Greene, J. et al. discussed these problems and lead to the conclusion that none of these obstacles, when subjected to in-depth analysis, need to be overriding nor are, in toto, likely to preclude survival and recovery of the Nation.

Studies have shown that there is no intrinsic reason why life support requirements for the survivors of a nuclear attack should not be met. The basic problem would be to get the more than adequate surviving supplies of food and water to the people who need them. Prototype studies have been made and sample plans developed for selected localities. What is needed is the development of individual plans tailored to meet the needs of individual localities and situations throughout the country.

The specter of pestilence and disease stalking the land in the aftermath of a nuclear attack is not believed to be a realistic probability. Few reservoirs of epidemic disease exist in the modern world. Moreover, sources of broad spectrum antibiotics could be rapidly developed and surviving stocks of household bleaches could be used to augment the reduced supplies of water treatment chemicals to reduce the possibility of disease outbreak.

Radiation exposure of the survivors of a nuclear attack will cause long-term effects such as an increase in leukemia and other cancers as well as genetic abnormalities among the offspring in future generations. The magnitude of these effects are small in comparison with direct effects of an attack and would be an unimportant social, economic and psychological burden on the surviving population.

The Office of Technology Assessment of the Congress of the United States published a report in 1979, "The Effects of Nuclear War," which identified many of the problems of survival following a nuclear war but did not deny the existence of a viable postattack society.

To date most of the effort on postattack survival has been directed towards developing survival systems—shelters and supporting elements—that would enable most of the U.S. population to survive a nuclear attack and advance into the recovery period. It is our belief that the principal impediment to long-term survival in the postattack period is the inability to survive the immediate, direct effects of a nuclear attack.

NATIONAL SHELTER SURVEY

Question 34. An additional $448,000 is identified for this program in fiscal year 1981. Explain the decrease in the total number of facilities to be surveyed as compared to fiscal 1980.

Answer. In fiscal year 1981 most of the survey effort will be devoted to "all-effects" surveys in counterforce risk areas, to identify best-available blast protection in existing structures. In fiscal year 1980, by contrast, most of the effort is being devoted to surveys in host (low-risk) areas.

The host area survey identifies buildings with adequate existing fallout protection, those buildings whose fallout protection could be improved by crisis actions (e.g., piling earth beside and atop the structure), and buildings suitable for tempo-

rary lodging of evacuees (e.g., schools, churches, commercial structures). It takes about seven times as long to survey a building in a risk area because of the additional analyses needed to determine the resistance of the building to blast effects.

Thus, even though the total number of surveyors will be increased in fiscal year 1981, the total number of buildings surveyed will be less than in fiscal year 1980 because of the emphasis on "all-effects" survey in risk areas associated with counterforce military installations (ICBM complexes, SAC bases, and ballistic missile submarine ports).

RESEARCH AND SYSTEMS DEVELOPMENT

Question 35. Clarify the research and systems development to be undertaken in fiscal year 1981 which is related to civil defense. Is research and systems development as it relates to natural hazards and technological hazards included in the civil defense authorization request. If so, why? If so, indicate the amount of funding allocated for such efforts.

Answer. The research and systems development to be undertaken in fiscal year 1981 which is related to civil defense is categorized in the elements National Security and Systems Development. The entire Mitigation and Research program has been discussed at this point in the budget. There is a relationship between research on National Security and other hazardous issues. National Security research activity lends strength to other hazardous areas and vice versa. Learning how to design to withstand blast effects is very similar to the design problems presented by tornadoes or earthquakes. By considering civil defense issues with those of other natural and technical hazards we can take advantage of the symbiotic relationship. Multiple use will in all likelihood increase the applications of civil defense designs. This strategy is consistent with PD 41.

The funds proposed under this element will be used for civil defense and civil defense related research activities as has been done in the past.

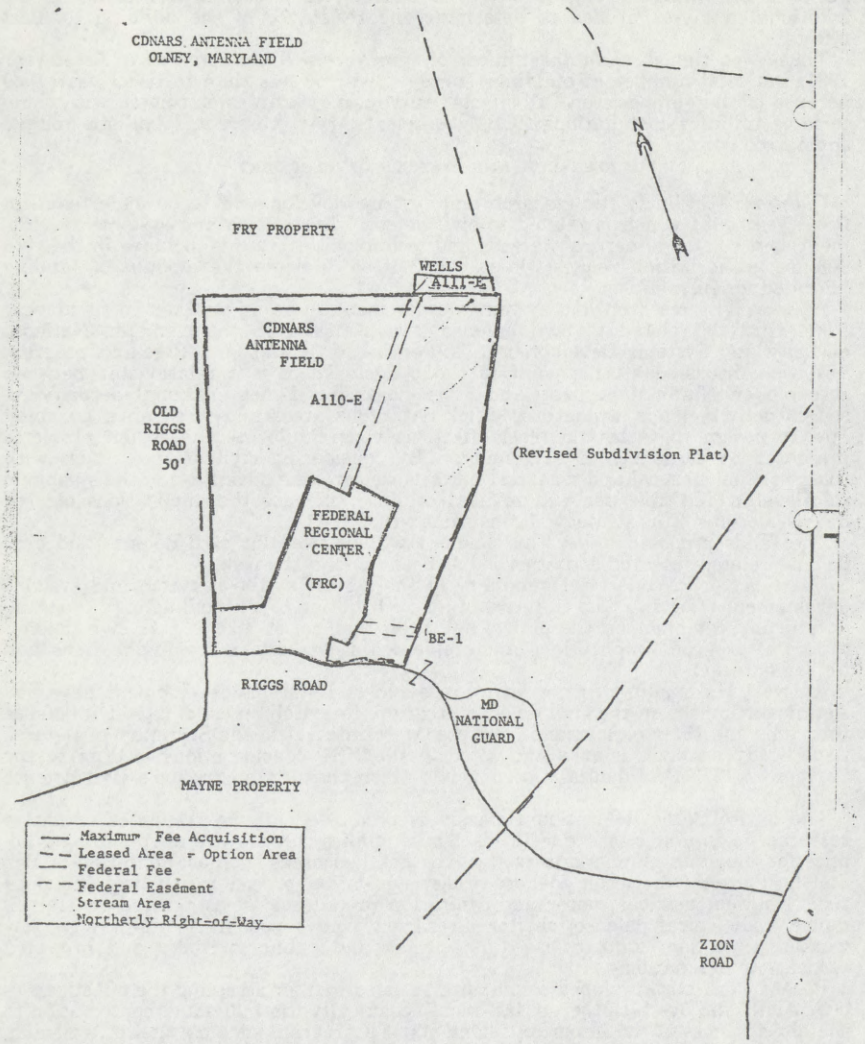
Question 36. Provide brief summary of the results of the research and systems development efforts to date in terms of its contribution to the civil defense program. Specifically comment on the efforts and their application to the U.S. civil defense program, program implications and implementation, and policy implications and implementation.

Answer. The results of prior years' research and systems development have had significant impact on the civil defense program. Research on candidate civil defense programs and their performance and cost were integral to the Secretary of Defense issue study on civil defense and later to the NSC considerations leading to the September 1978 Presidential Decision No. 41 on the Administration's civil defense policy.

The entire Crisis Relocation Program is predicated on the results of extensive research beginning in the mid-1970's. These studies covered overall planning guidance for the state planners, as well as the detailed areas such as: definition of risk and host areas; allocation to host areas; evacuation procedures; police; fire; food redistribution; medical, water and sanitation procedures; direction and control; finance; radiological defense; shelter assessment and expedient shelter design; key worker protection; industry-based relocation; and public attitudes and projected response to evacuation.

Recent work has developed a computer assisted tool for assessing the effectiveness of not only the overall program but more specifically the individual contribution to the effectiveness of the important elements of a program such as: shelter, warning, emergency information, radiological defense, police and fire services, direction and control, etc. These are combined into a Program Analysis Model which describes the posture of the people with respect to protection as a result of the operating capabilities of the preparedness program. This model is used to describe inputs to the Population Defense Model which then incorporates the attack scenario and produces outputs of the detail specified in the run with respect to casualties in Risk, Host, or Neither areas at National level or below. By incorporating program element costs, the cost-effectiveness of various program components may be estimated.

Recent research in redesign of a Packaged Ventilation Kit incorporating the latest technology of plastics has produced prototype procurement specifications for future procurement of pedal operated ventilating devices which will allow a more efficient population loading of shelter space without jeopardizing life. The program implication of incorporation of such devices is that more people will be able to be placed in shelter areas offering the better protection against the hazards of nuclear attack. Projected costs of a 300 person capacity PVK have been reduced by almost 40 percent to an estimated $140 per unit.


CDNARS ANTENNA FIELD
OLNEY, MARYLAND
FRY PROPERTY
WELLS
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ANTENNA
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OLD
RIGGS
ROAD
50'
(Revised Subdivision Plat)
FEDERAL
REGIONAL
CENTER
(FRC)
BE-1
RIGGS ROAD
MD
NATIONAL
GUARD
MAYNE PROPERTY
Maximum Fee Acquisition
Leased Area - Option Area
Federal Fee
Federal Easement
Stream Area
Northerly Right-of-Way
ZION
ROAD

WARNING AND COMMUNICATION

Question 37. Provide details on acquisition of the antenna facility at Olney, Maryland. What is the cost estimate based upon? Has a formal appraisal been made? What is the date of the appraisal? Who made the appraisal? Under the present lease arrangements, what use does the current owner have of the property? Provide map of the area to be acquired.

Answer. The area proposed for purchase, located in Olney, Montgomery County, Maryland, consists of 59.38 acres of land adjoining on three sides to the Federal Regional Center, FEMA Region III, situated on 15.3 acres of Government-owned land. The major portion of the property (58.38 acres) is presently under lease for a period ending June 30, 1980 at an annual rental of $66,000. Lease costs have continually risen over the past several years (and is expected to continue) making outright purchase a desirable action. An antenna field and fencing have been constructed thereon by the Government. The remaining one acre contains the water wells for the Federal Regional Center and is now designated as an easement to the Federal Regional Center acreage. In a report dated March 16, 1979, the Richard L. Bowers Appraisal Service, 128 South Potomac St., Hagerstown, Md. informed the U.S. Army Corps of Engineers (acting as FEMA's agent) that the fair market value of the 58.38 acres was $512,000.

The area of land surrounding the water wells consists of a parcel 150 feet deep and 300 feet wide (45,000 square feet). The Chief, Appraisal Branch, Baltimore District Corps of Engineers estimated the value of this parcel to be $4,000 in a report dated 18 April, 1979. Procurement of this additional acre of land which is owned by another land owner will allow better control of the water source and enable FEMA to erect safeguards (e.g., extend security fencing) for security protection.

A copy of the land appraisal will be furnished the Committee for the record. Also to be furnished separately for the record is a request to the Committee to allow FEMA to acquire fee title to this property. This is required by Section 201(h) of the Federal Civil Defense Act.

The valuation and analysis in the appraisal report was based on the highest and best use of the property which is for the proposed residential development as platted by the owner. Funds requested for fiscal year 1981 reflect an inflationary increase from the estimates made in March and April 1979. A map of the well area and antenna field showing the location with respect to the Federal Regional Center is attached.

Under the current lease arrangements the owner has the right to enter the land for the purpose of pasturing with livestock. Additional details can be provided the Committee on the property acquisition. We expect to use the Corps of Engineers to handle the real estate transactions as they have handled the lease transaction in the past.

Question 38. What is the status of the satellite communications program? What happened with the proposed acquisition of the satellite from the state of California? What are FEMA's plans to acquire such capability? If a satellite is acquired, would it be used exclusively for civil defense or would it be used in all disasters?

Answer. FEMA has reviewed the Emergency Satellite Communications System (ESCS) developed and designed by the Defense Civil Preparedness Agency (DCPA) in 1978. Small, unsophisticated, inexpensive and highly transportable earth terminals, a high powered satellite, and uncongested frequencies to simplify terrestrial and orbital coordination were essential requirements of this system. Such a system had been proposed to the state of California by Hughes Aircraft Company, using communications satellite SYNCOM IV. Proposition 13 ended this negotiation. Hughes was expected to bid on the DCPA Request for Quotation, however they cancelled production of SYNCOM IV. Other industry proposals received in January 1979 were not responsive to the requirements.

FEMA has also reviewed the Emergency Response Communications Program (ERCP) concepts completed in mid-1979. The development of the ERCP was the result of a request of the Department of Defense to the Interagency Committee on Search and Rescue (ICSAR) to undertake the evaluation of emergency communications needs and the capability of existing communications systems to meet those needs on a national scale. A satellite system, with equipment characteristics similar to the DCPA ESCS, was recommended. Land mobile terminals for emergency medical services were also included.

The Director of FEMA has held discussions on the development of an emergency response communications capability with Lloyd Mosemann, Deputy Assistant Secretary of the Air Force (Logistics), under whose cognizance the ERCP was developed; with Bardyl Tirana, former director of DCPA, responsible for the ESCS; and with Dr. Robert Frosch, Administrator, NASA.

Action is underway to establish an interagency committee, chaired by FEMA, to further consider an emergency response satellite communications capability. Membership on this committee will include DoD, NASA, the National Telecommunications and Information Administration (NTIA) of the Department of Commerce, and the Automated Data and Telecommunications Service (ADTS) of the General Services Administration.

As a first step, the committee will consider an inventory of the existing government assets, both DoD and non-DoD, that might be used to provide a national emergency response satellite communications capability in peacetime as well as wartime.

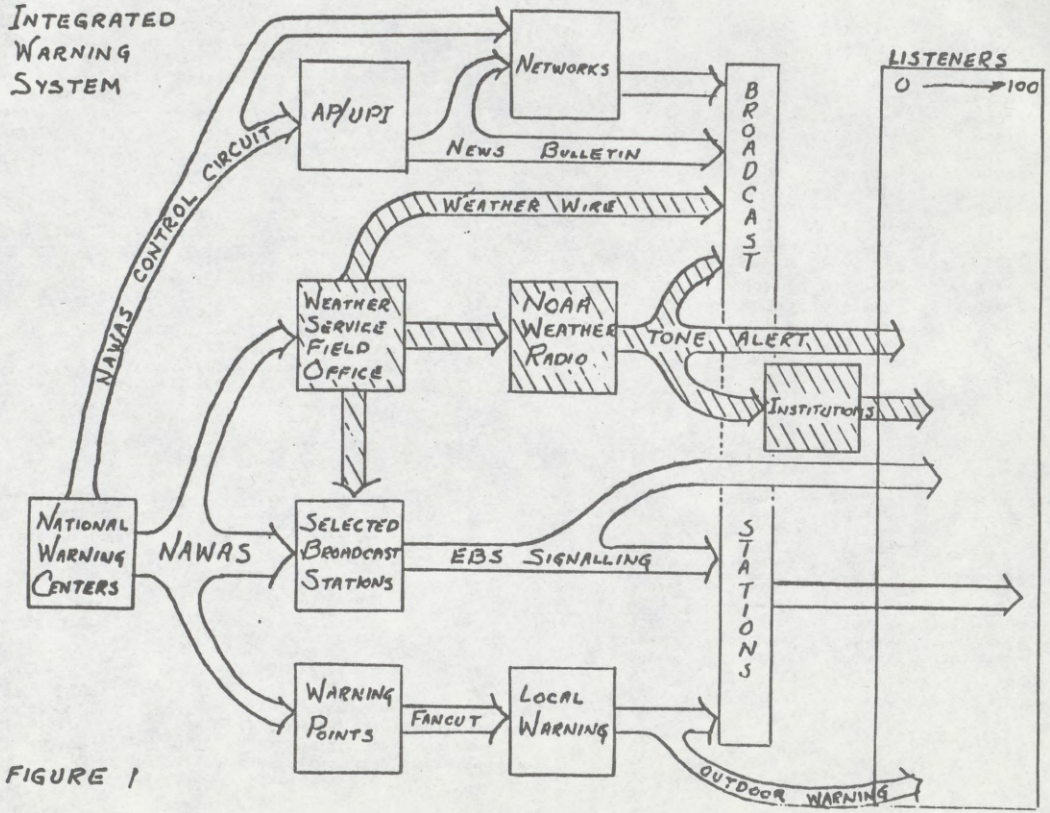
INTEGRATED WARNING SYSTEM
NATIONAL WARNING CENTERS
NAWAS CONTROL CIRCUIT
NAWAS
AP/UPI
NETWORKS
NEWS BULLETIN
WEATHER WIRE
WEATHER SERVICE FIELD OFFICE
NOAA WEATHER RADIO
TONE ALERT
INSTITUTIONS
SELECTED BROADCAST STATIONS
EBS SIGNALLING
WARNING POINTS
FANCUT
LOCAL WARNING
OUTDOOR WARNING
BROADCAST
STATIONS
LISTENERS
0 → 100

FIGURE 1

PLEASE NOTE

This schedule represents only those portions of the Emergency Planning, Preparedness and Mobilization appropriation that relate to Civil Defense programs as authorized by the Armed Services Committees.

Federal Emergency Management Agency
FY 1981 Budget Estimate
Emergency Planning, Preparedness and Mobilization
(In thousands of dollars)

	Page No.	Actual 1979	Budget Estimate 1980	Current Estimate 1980	Budget Estimate 1981	Increases + Decreases - 1981 vs 1980
Financial Assistance to States	3	37,393	39,034	39,034	39,034	0
State & Local Management	3	32,154	37,100	37,100	37,100	0
State & Local Maintenance & Services	3	1,780	1,934	1,934	1,934	0
State & Local Emergency Operating Centers	3	3,412	0	0	0	0
State & Local Supporting Materials	3	47	0	0	0	0
Plans and Preparedness	8	38,456	44,591	40,180	58,227	+ 18,047
Radiological Defense	11	3,320	4,168	4,168	7,542	+3,374
Equipment Engineering	11	229	250	250	725	+475
Equipment Procurement	11	140	149	149	2,125	+1,976
Equipment Logistical Support	11	235	245	245	245	0
Maintenance & Calibration of Radef Equipment	11	2,478	3,000	3,000	3,000	0
Fallout Forecasting	11	8	11	11	10	- 1
State Radiological Defense Officers	11	0	0	0	880	+880
Program Staff	11	230	513	513	557	+ 44
State Local Civil Protection and Planning Assistance	16	27,077	29,479	28,068	40,570	+ 12,502
Nuclear Civil Protection Planning	16	4,791	5,039	5,039	7,110	+2,071
National Shelter Survey	16	2,084	3,939	2,239	2,687	+448
Engineering Support Services	16	3,634	0 1/	0 1/	0 1/	0
Shelter Marking	16	0	0	0	100	+100
Shelter Stocks	16	0	0	0	100	+100
Packaged Ventilation Kits	16	0	0	0	100	+100
Crisis Upgrade Planning	16	0	0	0	325	+325
Mobilization Designation Program	16	0	0	0	2,355	+2,355
Regional Emergency Operating Centers	16	121	0	0	0	0
Emergency Operating Centers	16	0	4,000	0	5,500	+5,500
Red Cross Advisors	16	206	0	216	270	+ 54
State & Local Direction & Control Communications	16	0	0	0	1,900	+1,900
Program Staff	16	16,241	16,501	20,574	20,123	- 451

	Page No.	Actual 1979	Budget Estimate 1980	Current Estimate 1980	Budget Estimate 1981	Increases + Decreases - 1981 vs 1980
Research & Systems Development	27	8,059	10,944	7,904	10,115	+2,071
Research & Mitigation	27	5,047	7,644	5,235	6,517	+1,282
Systems Development	27	2,057	2,110	1,519	2,110	+ 591
Program Staff	27	955	1,190	1,190	1,488	+ 298
Warning and Communications	33	8,645	12,660	8,640	11,749	+3,109
National Communications & Warning Systems	33	5,190	5,133	5,133	6,253	+1,120
US Army Support Detachment	33	0	0	0	557	+557
Purchase of Antenna Field	33	0	0	0	571	+571
Broadcast Station Protection	33	327	265	265	1,121	+856
Satallite Communications	33	0	4,020	0	0	0
Program Staff	33	3,128	3,242	3,242	3,247	+5
Information and Education	42	6,579	7,891	7,141	10,990	+3,849
Training and Education	42	5,353	5,427	5,802	9,651	+3,849
Emergency Information	42	1,226	2,464	1,339	1,339	0
Total Civil Defense-Related Programs		91,073	104,176	94,995	120,000	+25,005
Civil Defense portion of Executive Direction in Hazard Mitigation and Disaster Assistance appropriation.		4,354	4,424	4,105	- 2/	- 2/
Total Civil Defense-Related Programs		95,427	108,600	99,100	120,000	+25,005

1/ Personnel associated with this program were transferred from the Corp of Engineers to FEMA under Reorganization Plan No. 3 of 1978 and are now funded as program staff in this activity.

2/ Commencing in FY 1981 all Executive Direction will be authorized and funded in the Hazard Mitigation and Disaster Assistance appropriation.

DECISION INFORMATION DISTRIBUTION SYSTEM

Question 39. Summarize the results of the program to integrate and upgrade the capabilities of the other communication systems.

Answer. A plan to implement an Integrated Warning System was developed by the NOAA and DCPA. The plan used the resources of NOAA Weather Radio (NWR), the National Warning System, and selected commercial broadcast stations (see figure 1).

To date NOAA has completed the installation of 323 of the 349 planned stations. NAWAS warning points have been installed in all NWS offices which have the capability to broadcast warning over the NWR. Procedures for broadcasting the attack warning are in place. The NWR serves approximately 50 percent of the land area of the United States and must be supplemented by DIDS and standard broadcast stations to provide effective warning to a relocated population.

WRITTEN STATEMENT OF WILLIAM E. MURRAY, CIVIL DEFENSE DIRECTOR, CASCADE COUNTY, MONT.

My name is William E. Murray. I have been Civil Defense Director in Cascade County, Montana since 1968. Prior to that, for ten years I served on a volunteer commission that administered the program in Great Falls and Cascade County.

Since the program was created by the Civil Defense Act of 1950, we at the local level have watched the constant shifting in programs, agencies, policies and objectives at the Federal level.

About the only thing the Federal Civil Defense budget has been useful for is as a barometer of international tension. Whenever we as a nation have felt threatened, millions of dollars has been poured into Civil Defense.

But as soon as the threat diminishes, the funding plummets to what is known Federally as a "minimum sustaining level."

So the real purpose of my testimony here today is not to add statistics and graphs in support of the Federal Emergency Management Agency budget request for nuclear preparedness.

It is my goal to attempt to give you some perspective on how the federal funding affects us at the local level, and to establish the need for stability on the federal level.

Over the years, when we "locals" appear at hearings such as this, we usually are considered to be seeking greater federal shares. It has even been suggested that our very jobs depend on your favorable action on the federal budget.

To dispose of that perception, I would point out that most localities view their local Director as just that—a local employee who provides the leadership in preparing for and responding to any disaster that may face the community.

Despite declining federal participation, those communities that face the threat of natural or man-caused disasters continue to finacially support their local program.

So that brings us to the nuclear related aspects of our job.

Despite thirty years of federal funding, we and our local citizens are little better prepared today to attempt to survive a nuclear attack than we were in 1950.

Constant shifts in Federal policy have seen the following occur:

1. First, an evacuation program that was designed to get people out of our major population areas in the face of manned bomber attack.

2. Following that, a period of little or no activity except the maintenence of paper plans and a skelton crew.

3. Then came the Berlin crisis. The Civil Defense budget shot upward and the Shelter Program began. Studies were undertaken and existing buildings offering shelter were located. The Federal Government built a school in Artesia, New Mexico to demonstrate the value of underground construction.

4. Then came another dip in funding and activity, until the Cuban Crisis. At that time, a crash program was started. Millions of dollars were budgeted and the public was treated to the reassuring sight of truckloads of crackers being loaded into private buildings that offered shelter.

Following the Cuban crisis came the steady decline in nuclear preparedness. In the past 15 years, we have watched as every single program the federal government offered dwindled, to be replaced by "paper programs," "studies," and other projects that offered no immediate protection to the citizens.

If the Iranian or Afghanistan situation should escalate today, or if Russia should move on Yugoslavia, our federal government assures us there are contingency plans for military security.

But what of Civilian security? Since the increase in international tension, we at the local level are facing a rising demand from our citizens for information the taxpayer has been led to believe would be readily available.

Yet every single program the federal government prepared for public information, education or guidance has lost its funding over the past few years.

FEMA has informed us they do not have money in the budget you are reviewing to provide public information. They have also indicated they have no intention of seeking such funds in the next fiscal year.

So we are once again in the same position locally as we have been for the past 30 years. We have nothing to provide our local citizens except the finest warning system the world has ever seen.

This warning system is tucked away in the "impregnable" Cheyenne Mountain. It can flash the warning to the Regional Centers—six of which are blast hardened.

The warning then goes to the states, most of which have marginal Emergency Operating Centers. It then comes to us at the local level, who have little or no capabiltiy to do anything except tell our citizens how long they have to live.

I for one am weary of treking back here every few years in an attempt to get the Federal government—both the Administration and Congress—to accept their responsibility in this area.

Congressmen protest "the taxpayer will not stand for a shelter program." Yet we see a six billion dollar ABM system discontinued without ever being deployed.

We are told by Federal Civil Defense officials that it is not possible to survive a nuclear exchange.

Yet we see the Federal Government spend many billions of dollars protecting missiles, control centers, government operating centers and protective locations for "essential" federal personnel.

The Office of Management and Budget tells the President that passive defense (a shelter program) is not "economically nor strategically effective." Yet this decision is made without study or confirmation.

We at the local level have watched as the Federal Government spends more money on the "migratory habits of south sea island birds" than they do on Civil Defense. Yet we are told the taxpayer won't stand for more Civil Defense.

So I am in the paradoxical position of asking you to approve the budget you have before you, while knowing this budget is inadequate and without immediate value to the citizens of my community.

Yet unless the program is kept alive, we have little chance of making it effective.

I am not here to plead for survival of my position in Great Falls, Montana. It has survived the repeated reductions in federal funding.

I am here to plead for survival of our civilian population. If that sounds like a rhetorical phrase, I invite you to join me some dark midnight when the National Attack Warning System tells me the nation is at "DEFCON TWO", or when citizens call me to quote Clark Clifford as saying we will "go to war if Russia heads for the Persian Gulf."

What would YOU tell a Mayor or County Commissioner who has been secure in his belief that 30 years of Civil Defense expenditures must have bought us SOME local protection.

Right now, today, we at the local level are in this position:

1. There are enough shelter spaces located to offer fallout protection to 50 per cent of our population. But there are few stocks, little ventilation and the Community Shelter Plan is ten years old.

2. It will be a minimum of 18 months before the latest hope of salvation from the Federal Government (the Crisis Relocation Plan) will be completed for Cascade County.

3. For our 100,000 people, I have four thousand copies of a booklet that assures them we have a fully responsive Civil Defense Program and all they have to do is turn to their "local authorities" for guidance.

So in conclusion, I ask you to approve the proposed FEMA Nuclear Civil Preparedness budget.

But I ask you to announce to FEMA that you expect something more from them before next budget session regarding long range programs that will offer assured protection for local citizens.

Thank you very much for listening.

Mr. NEDZI. The subcommittee will stand recessed until 10 o'clock Tuesday morning.

[Whereupon, at 12:40 p.m., the subcommittee recessed to reconvene at 10 a.m., Tuesday, March 4, 1980.]

MARKUP

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
MILITARY INSTALLATIONS AND
FACILITIES SUBCOMMITTEE,
Washington, D.C., Tuesday, March 4, 1980.

The subcommittee met, pursuant to notice, at 10:50 a.m., in room 2337, Rayburn House Office Building, Hon. Lucien Nedzi (chairman of the subcommittee) presiding.

Mr. NEDZI. The subcommittee will come to order.

We will proceed and await the presence of an additional member before we take a vote on the matter. In the meantime we can discuss what should be included in the markup for the purpose of marking up the fiscal year 1981 Civil Defense Request and for recommending target figures for civil defense and military construction for the first concurrent fiscal year 1981 budget resolution.

The subcommittee will not meet tomorrow for the purpose of marking up the military construction bill, H.R. 6493. Additional material and review is necessary before markup. We should be able to schedule markup within the next 2 weeks.

With respect to civil defense, it is my recommendation that the authorization and budget target figures be set at $120 million. This level is identical to the administration's request. As Director Macy noted in his appearance before the subcommittee last Friday, the fiscal year 1981 request is sufficient at this time to initiate action on the needed improvements recommended in the budget for the next 12 months. Given the administration's efforts to hold down spending and in fact reduce the Federal budget wherever possible, it is recommended that we try to hold the line as much as possible.

The Federal Emergency Management Agency budget request for fiscal year 1981 will permit the agency to initiate a 3-year civil defense pilot program for the 51 counterforce areas of the country and to continue with the regular crisis relocation program for the 400 high-risk areas of the country. The purpose of the pilot program is to determine the most appropriate protective measures to be taken for producing the most cost-effective methods of survivability.

While I have some questions about emphasis being placed on the less populated areas—these are the counterforce areas—I believe we should allow FEMA the opportunity of conducting its test before authorizing additional funds for an expanded program at this time. The demonstration program may produce new methods for protection at a lower cost.

I realize that there is support for a multiyear authorization. In my view, multiyear authorization is not desirable. FEMA does not support such action. Moreover, it denies the House Armed Services

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Committee the opportunity of working its will on an annual basis. In effect, such an authorization forecloses active participation by the committee and allows the Appropriations Committees to decide what the civil defense program will be for the next 5 to 7 years. As the members recall, it was for this very reason several years ago that the House Armed Services Committee insisted upon annual authorization as compared to the then existing permanent authorization. I think we should protect our prerogative and work our will.

In conclusion, I recommend that we report to the full committee the text of H.R. 6676 as an amendment in the form of a new title to H.R. 6495, the fiscal year 1981 Defense Authorization bill.

The members will note that section 2 of H.R. 6676 authorizes FEMA to acquire land, now being leased, on which the antenna facility is located and which contains the facility water wells. The cost of the acquisition is $571,000, which is included in FEMA's budget. Section 201(h) of the 1950 Civil Defense Act requires specific authorization by the Congress when land is to be acquired in fee title.

For military construction, I would recommend a budget target figure of $5.5 billion. The fiscal year 1981 request is $5.2 billion. Hopefully, once the subcommittee and full committee have completed consideration of H.R. 6493, the military construction authorization bill, the adds and cuts will approximate a net figure of $5.2 billion, which is identical to the original budget request.

The reason for recommending an additional $300 million for military construction is because the administration is contemplating requesting $200 to $300 million for Middle East basing initiatives and further buildup of Diego Garcia.

The requests may be in the form of a combination of a fiscal year 1980 supplemental bill and fiscal year 1981 budget amendment. Whatever the case, I would think that the subcommittee could consolidate the requests and either fold them into the regular fiscal 1981 military construction bill or consider them as a single legislative measure.

The Chair is ready to proceed with consideration of the Civil Defense Authorization bill.

Mr. Mitchell.

Mr. MITCHELL. Mr. Chairman, I have an amendment to section 1. I move to strike the figure of $120 million for civil defense and insert the amount of $167 million. This would be the required funding for the first year of The D-Prime program, my 7-year comprehensive civil defense program for our Nation.

The amount is $138 million, corrected for inflation, which has passed 3 years straight at the subcommittee and full committee levels. For 3 years heads of DCPA and FEMA have stated readiness to embark on the program.

I want to say I have the greatest respect for our chairman, and I am with him 99.9 percent of the time. Unfortunately, we do have a mild disagreement here in civil defense; passage that the chairman suggests, which is a good step in the correct direction, would only protect about 5 percent of our population and would cost $120 million.

In hearings on Friday we learned that at this rate a comprehensive civil defense program for our entire Nation would take 20 years to put in place. And in fact, they told us it never would be finished by the time we got to the year 2000, we would have to change it again because the demographics have changed drastically.

The area of priority targets that would be cared for in the administration's request of $120 million would in my estimation be only about 2 or 3 minutes ahead of the areas attacked in the rest of the country. There is no way I can see, or anyone else for that matter, whether they are going to attack a few missile silos and factories. By adding the additional funds I am suggesting in my amendment we would be on the first rung of a 7-year ladder for a comprehensive program for our entire population.

In other words, we spend $47 million more and we can protect the entire Nation, not just the area located near where the weapons are stored. We are assured by Mr. Macy the D-Prime program we have had 3 years in a row is FEMA's defense program. This is the one they want.

There was concern last year we would wait for a new director to find out if they wanted this. He assured us at the hearing they can spend the money wisely. Mr. Tirana, who was the Defense Civil Preparedness Agency chief last year and the year before, also said he could spend the money wisely and D-Prime was his program also. He could proceed and there would be no wait.

I submit, Mr. Chairman, they are ready for this program. Poll after poll taken in the Nation shows the people are ready for the program. I think they are spending four times more than what we are for civil defense. So we can vote for D-Prime. So we can provide the comprehensive program for the entire Nation, instead of just 5 percent of it. Without D-Prime, our population has no defense whatsoever from nuclear attack.

When we see the events in the world with the Soviets invading Afghanistan, and we can see nuclear war is not entirely out of the picture, if the Soviets move further. So by spending this small amount, which represents incidentally, less than one-tenth of 1 percent of the rest of the defense budget, we can have a cost-benefit ratio that is very, very favorable.

If I could take 1 minute more to show this chart that goes along with D-Prime. This is a chart designed by the interagency study on civil defense. It was designed as part of the study at the request of the President. It shows us the options we have in civil defense; what we can spend, and the benefits we accrue.

These are the percents of Americans that would survive from a nuclear attack. These are the costs for the various programs. Right now the program would be where we are now if we didn't do anything at all.

What we are doing now we would have roughly 30 percent of the Americans survive. That means 60 million—we would lose about 160 million. If we just spend a little bit more money, a little more than a billion dollars, than we are spending now over the next 7 years it will take us to D-Prime, as it is called. If the Soviets do not target population, then this number of Americans can survive, 85 percent.

So by just spending a little more than a billion dollars, we can save more than 100 million American lives. This is about the best cost benefit ratio anyone has ever heard of, which is about $10 per American life.

It is a good program; one I have recommended for the last 3 years. It is one we passed for 3 years. It would urge adoption of the amendment.

Mr. NEDZI. Any further discussion?

Mr. CHARLES WILSON. Who has been recommending it?

Mr. MITCHELL. Our experts on civil defense, the interagency study is the one that designed it. And they had it——

Mr. CHARLES WILSON. The heads of the agency have not recommended it, have they?

Mr. MITCHELL. They all admit it is the ultimate defense. This is the program designed by our experts, our agencies for civil defense. The problem is generally budgetary, to come up with enough money.

Mr. NEDZI. Are there any further questions or discussions?

Let me just say there is really not much to add to what I said originally. We are in a very serious budgetary crunch. Everybody is talking about balancing the budget. So we are swimming against that tide.

I think history has proven beyond any doubt that the Senate is not going to be responsive to any such move on our part. And even if they were, the probability is that the Appropriations Committee is going to come out with appropriations that will be next to zero. So it does become something of pure conjecture. But I think the only way to resolve the question here is to take a vote.

Mr. MITCHELL. I am very sympathetic with the budgetary crunch. We both attended a meeting this morning when they went over the problem, and it is of great concern.

I think this committee can provide some leadership for other Members of Congress; when we started out hardly anyone was talking about civil defense, but now more people are aware of it.

Last year the House did pass this particular program in so many words in the form of Ike Skelton's amendment. I think more and more Senators are becoming aware of the problem.

If you can get it into the strategic equation it makes a great deal of sense. It is really a savings in money because it helps to balance the strategic equation. Everyone agrees we want peace. The United States has the weaponry, but they can protect their population in Russia better than ours, even though we have more weapons. We can find war expensive, and destructive weapons to kill more of the potential enemy, or we can devise a way to save American lives.

This is not only saving American lives but protecting our constituents from attack. It is only about $1 billion over 7 years.

Mr. BEARD. This doesn't mean you are going to stop voting for the weapons, inhuman, that are killing people.

Mr. MITCHELL. We are also going to balance the budget.

Mr. NEDZI. Without objection, the question is ordered.

The question is on the motion of the gentleman from New York to increase the authorization to $167 million.

The Clerk will call the roll.

[Rollcall vote taken.]

Mr. SCRIVNER. On this vote, 6 voting aye, 3 no.

Mr. NEDZI. Six in the affirmative, three in the negative. The motion is carried.

Are there any further amendments to H.R. 6676?

Mr. MITCHELL. I have one more amendment, Mr. Chairman.

Mr. NEDZI. Mr. Mitchell is recognized.

Mr. SCRIVNER. Mr. Chairman, excuse me, this gentleman just handed a proxy to me from Congressman Davis. It doesn't indicate—it is obviously for your discretion.

Mr. NEDZI. The vote is 6 to 4.

Mr. MITCHELL. Mr. Chairman, I would like to offer the text of H.R. 6444 as an amendment in the form of Section 3 to H.R. 6676.

H.R. 6444 is a program built to establish a pilot program for designing buildings to withstand nuclear explosions. Nations like Switzerland and Norway and Sweden have required that all new buildings incorporate protection from blasts. It doesn't take a great deal of modification or slanting, as they say in the trade, to accomplish protection.

It can be done for as little as $3 a square foot increase in cost. We take into account the reduced maintenance cost, the energy savings and the reduced vandalism. You can probably actually save money by this slanting technique. But we don't really know this.

We have a lot of research on it but we don't have any actual projects. We have done a great deal of slanting research and we designed concrete slabs that provide 35 pounds per square inch overpressure protection. But this would just select two or three buildings as projects. We would interest the owners in cooperation, and all the Federal cost would be directed towards the slanting cost.

In other words, any construction costs are not involved except the reinforcement costs. We can find out if the studies are accurate and valid.

We can provide examples of this procedure for congressmen to see, using the metropolitan area for it. Experts in the civil defense agencies say we need $400,000 to do it. If you believe civil defense is a good idea, then certainly we need some kind of an increase to find out if we can protect buildings in this way.

This is a bill that FEMA does definitely support as originated by someone in their shop.

Mr. CHARLES WILSON. How much money?

Mr. MITCHELL. $400,000.

Mr. CHARLES WILSON. Would that be added to the other or would it be a separate section?

Mr. MITCHELL. It would be an add-on.

Mr. CHARLES WILSON. Can't we send our experts over to these other countries that have done so much and check them out and find out without having to build a building ourselves?

Mr. MITCHELL. I don't know how much it would cost to send them over to other countries.

Mr. CHARLES WILSON. A heck of a lot less than $400,000.

Mr. NEDZI. It occurs to me that FEMA is authorized to engage in that kind of research, are they not?

Mr. MITCHELL. They need money.

Mr. NEDZI. We have already given them an extra $47 million. If they take $400,000 of that——

Mr. MITCHELL. The chairman makes a good point.

As far as the legislative intent is concerned I prefer it be incorporated in the additional sums we have already designated, $167 million.

Mr. WHITEHURST. What you are saying is it is in this direction——

Mr. MITCHELL. Direct $400,000 of that amount to this program.

Mr. WON PAT. $400,000 can be included under the $167 million?

Mr. MITCHELL. Yes.

Mr. NEDZI. Is there any further discussion? Is there any objection to the gentleman's request that $400,000 of the sum authorized be earmarked for slanting research or slanted research?

Without objection, the amendment is agreed to.

[The following information was received for the record:]

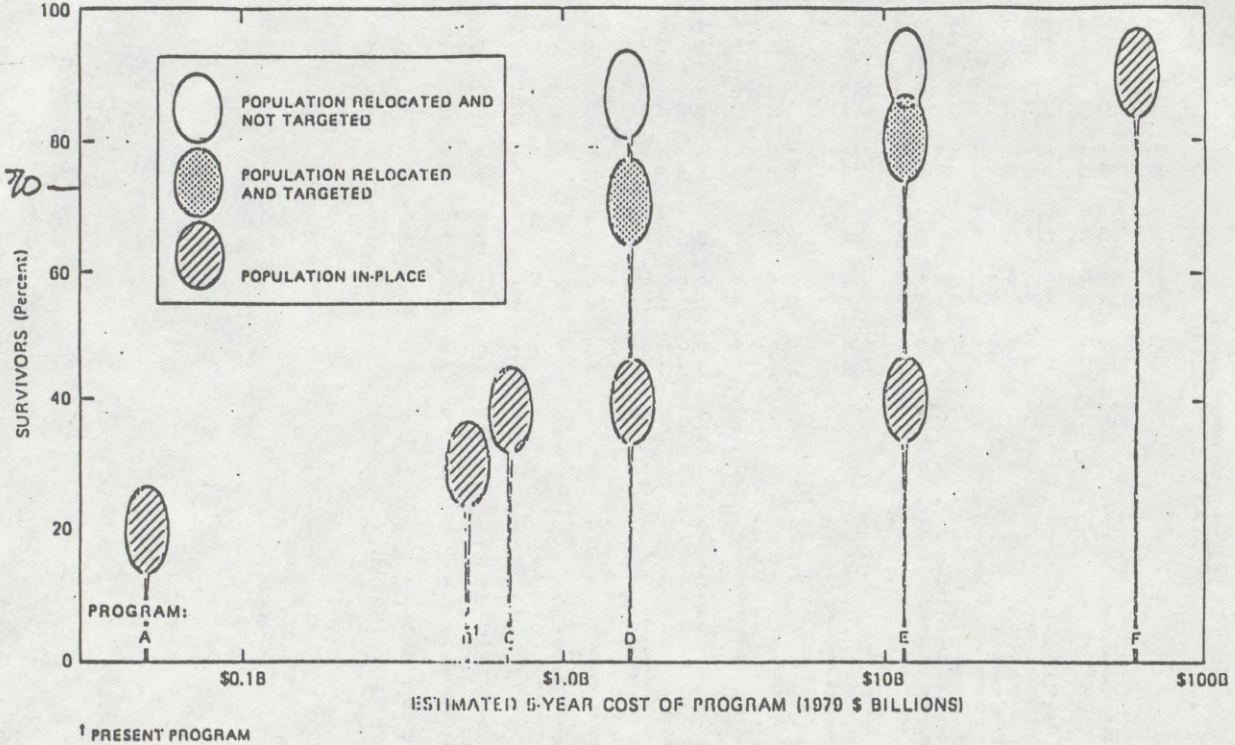

FIGURE 1. COMPARISON OF EFFECTIVENESS AND COST OF CD PROGRAMS
(Large-Scale Mid-1980s Soviet Attack Versus U.S. Military and Industrial Facilities, and Population)

FY 80-86 CIVIL DEFENSE PROGRAM
(In Millions of Dollars)

	1980	1981	1982	1983	1984	1985	1986
Warning and Detection	20.0	22.0	23.0	23.0	25.0	29.0	29.0
Warning and Communications Systems	10.0	10.0	10.0	10.0	10.0	12.0	12.0
Radiological Defense	10.0	12.0	13.0	13.0	15.0	17.0	17.0
Emergency Operations	16.2	22.0	40.0	40.0	48.0	66.0	74.0
Training and Education	5.0	5.5	9.0	9.0	11.0	16.0	20.0
Emergency Information	2.3	3.0	7.0	7.0	8.0	13.0	14.0
Systems Development	2.5	2.3	2.8	2.3	2.3	2.3	2.3
Broadcast Station Protection Program	3.2	4.5	8.2	8.0	9.0	14.0	17.0
Red Cross	.2	.2	1.0	.2	.2	1.2	1.2
Citizen Training Instructions	.5	.5	1.0	.5	.5	1.5	1.5
Shelter Management Training	.5	2.0	5.0	7.0	10.0	8.0	8.0
Test and Exercises - EOS	2.0	4.0	6.0	6.0	7.0	10.0	10.0
Financial Assistance	36.8	36.9	38.1	39.3	39.7	40.5	40.9
Management (P&S)	35.0	35.0	35.6	36.2	36.4	36.8	37.0
Maintenance and Services	1.8	1.9	2.5	3.1	3.3	3.7	3.9
Management	24.1	24.1	25.9	27.7	28.3	29.5	30.1
Personnel Services	17.9	17.9	18.5	19.1	19.3	19.7	19.9
Travel	1.0	1.0	1.6	2.2	2.4	2.8	3.0
Administrative and Housekeeping	5.2	5.2	5.8	6.4	6.6	7.0	7.2
Shelters	23.9	44.0	71.0	96.0	95.0	148.0	118.0
Survey	6.0	12.0	17.0	15.0	10.0	10.0	10.0
NCP Planning	16.0	26.0	41.0	56.0	56.0	56.0	56.0
In Place Protection	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Crisis Evacuation	(10.0)	(20.0)	(35.0)	(50.0)	(50.0)	(50.0)	(50.0)
Shelter Marketing	1.0	1.0	1.5	1.0	.5	.5	.5
Shelter Stocking	.1	4.0	6.0	15.0	20.0	50.0	35.0
DIDS	.1	.2	.3	.4	.5	.5	.5
Expedient Shelter Planning	0.0	.1	.5	.9	.3	.3	.3
FRC Improvement	.6	.6	.6	.6	.6	.6	.6
Vent Kits	.1	.1	4.1	7.1	7.1	30.1	15.1
Emergency Operating Centers	3.0	15.0	28.0	39.0	40.0	60.0	62.0
EOCs	2.0	8.0	20.0	30.0	30.0	50.0	50.0
Supporting Materials	1.0	7.0	8.0	9.0	10.0	10.0	12.0
Research and Development	14.0	16.0	17.0	18.0	17.0	20.0	21.0
TOTAL	138.0	180.0	243.0	283.0	293.0	393.0	375.0

INTRA-OFFICE

MEMO

REP. DONALD J. MITCHELL

TO: DATE:

FROM:

SUBJECT: FILE:

WARNING AND DETECTION

Warning and Communications Systems

The present civil defense system is a combination of federal, state and local systems which are designed to convey warning of enemy attack to governments at all levels and to the civilian population. The communications network involves teletype, voice and radio (for backup purposes) systems to convey warning messages.

Radiological Defense

Because of the dangers of fallout radiation, it is essential that the civil defense system including a radiological defense capability consisting of instrumentation to measure the intensity of harmful gamma radiation and the cumulative exposure of the population to this radiation, a system and plan for deployment of these instruments, trained personnel for operating the instruments, and a means of communicating radiological information to key government officials and to the public.

EMERGENCY OPERATIONS

Training and Education

The training and education program provides instruction to a wide spectrum of persons involved in civil defense. The objectives are to: (1) Train state and local civil defense staff who work continuously on emergency planning and operations; (2) Provide emergency operations orientation for state and local elected officials having a responsibility for protecting their citizens; and (3) Provide orientation to leaders in the private sector on disaster consequences and the contributions they can make to emergency rediness.

Emergency Information

A public information mission has been assigned to DCPA to: (1) Designate information about the purpose and status of the national civil defense program; and (2) Develop and distribute instructions and information to government, private institutions, and individuals. This information must provide for an awareness which will result in the appropriate response prior to, during, and after a nuclear attack or peacetime emergency.

Systems Development

This program produces and field tests guides for state and local governments on developing and using an effective capability for saving lives and protecting property in the event of a crisis or nuclear attack.

Broadcast Station Protection

DCPA in conjunction with the Federal Communications Commission established the broadcast station protection program to insure nationwide Emergency Broadcast System Presidential programming coverage under fallout conditions. The federal government pays for the cost of protecting selected EBS radio stations to provide fallout-protected studios, emergency generators, radio links to local government emergency operating centers, electromagnetic pulse protection, and emergency programming equipment.

Red Cross

Under the Red Cross Advisory Services program an experienced Red Cross disaster planner is assigned to each DCPA Regional Office to serve as a resident advisor to the regional staff in community disaster planning and to provide assistance and guidance to state and local government emergency preparedness planners.

Citizen Training Instructions

Develops a capability which in a crisis could provide survival information to citizens locally if and as demanded by them.

Shelter Management Training

Development of a system to train a nationwide cadre of shelter managers to function as "leaders" for occupants of a facility in a shelter environment.

Test and Exercises

Provides for conducting on-site training exercises for key local and state officals, in directing operations for a simulated disaster environment.

FINANCIAL ASSISTANCE AND MANAGEMENT

Funds provide for the management of the civil defense system at the national level. Includes personnel compensation and benefits, travel, rent, communications, utilities, printing and grants and contributions to state and local governments for civil defense purposes.

SHELTERS

Survey

Inspection of facilities to ascertain their abilities to function as a fallout shelter or to provide some degree of blast protection. Also, surveys are conducted to determine those buildings suitable for housing population who might be evacuated from areas of high risk during an intense crisis.

NUCLEAR CIVIL PROTECTION (NCP PLANNING)

The development of plans to provide protection for the public "in-place," that is in existing buildings which provide best available protection against nuclear weapons effects near where the people live. A second option in NCP planning involves crisis evacuation, or the ability to relocate the population from larger cities in areas close to high value military targets, over a period of several days during a civil crisis, to areas considered to be a lower risk.

Shelter Marking

Providing shelter marking signs for those buildings that are to be utilized as shelters in the NCP plans developed by a community.

Shelter Stocking

Provision of stocks for shelters [i.e., containers for water and for use in sanitation].

DIDS

The Disaster Information Distribution System (DIDS) provides a low frequency radio communication network to warn and inform public officials of a nuclear attack or disaster. The prototype facility at Edgewood, Maryland is to be "mothballed" and kept in caretaker status.

Expedient Shelter Planning

Detailed planning for actions to develop additional shelter during a crisis (e.g., to upgrade the fallout protection of existing buildings as by adding earth beside and atop the structure, and/or to construct expedient shelters during a crisis).

FRC Improvements

Six DCPA Federal Regional Centers have been constructed and funds are required to maintain the facilities and to replace equipment and other items that have worn out.

Vent Kits

Packaged ventilation kits provide for increasing the ventilation flow in shelter environment, thus increasing capacity of below grade shelter area. The vent kits are "fans" which can be operated manually or by electric power if available.

EMERGENCY OPERATING CENTERS

EOCs

The facilities constructed by state and local governments that provide a centralized location for officials to receive essential information, consider alternatives, make crisis decisions and communicate these decisions to operating forces.

Supporting Materials

Matching funds are provided for state and local governments to obtain supporting materials for use in EOCs. These materials include equipment for warning, communications, radiological defense, and emergency public information.

RESEARCH AND DEVELOPMENT

Research projects are initiated to evaluate hazards associated with advancing technology in nuclear weapons effects; develop and evaluate means or techniques for (a) reducing vulnerability to these effects; (b) upgrade the technical basis for emergency operations and (c) permit analyses at various levels of civil preparedness and its interfacing strategic systems.

Mr. NEDZI. Are there further amendments to H.R. 6676?

If not, the question is on reporting H.R. 6676, as amended, to the full committee.

Mr. SCRIVNER. Mr. Chairman, this would be reported to the full committee as a new title to H.R. 6495, is that correct?

Mr. NEDZI. I thought after we passed this I would ask unanimous consent to do that.

Mr. SCRIVNER. All right.

Mr. NEDZI. All those in favor of reporting H.R. 6676 will answer aye when their names are called, and those opposed, no.

[Rollcall vote taken.]

Mr. SCRIVNER. Eleven voting in the affirmative, none in the negative.

Mr. NEDZI. Eleven in the affirmative, none in the negative. H.R. 6676 will accordingly be reported to the full committee.

I would now ask the subcommittee for unanimous consent in lieu of taking up H.R. 6676 in the full committee, I be authorized to offer on behalf of the subcommittee the text of H.R. 6676, as amended by the subcommittee as a new title to H.R. 6495, the fiscal year 1981 defense authorization bill, during the markup of that bill.

If there is no objection, it is so ordered and H.R. 6676 is laid upon the table.

[Bill tabled.]

Is there any further business that needs to be conducted by the subcommittee at this time?

Mr. SCRIVNER. To report or recommend to the full committee a civil defense target figure and also a military construction figure.

Mr. NEDZI. Without objection, the civil defense target figure will be the figure which the subcommittee has agreed to in the bill just reported.

It is so ordered.

The question now is the amount of the budget target figure for military construction, which the Chair has recommended be $5.5 billion. That is the original request plus a possible or probable add-on.

Mr. WHITEHURST. I so move.

Mr. NEDZI. It has been moved the $5.5 billion target figure for military construction be reported to the full committee.

All those in favor respond by saying aye.

Opposed no.

The ayes have it.

That figure will be accordingly recommended.

If there is no further business anybody has to bring up before the subcommittee, the subcommittee will stand adjourned until further call of the Chair.

[Amendment to H.R. 6495 follows:]

[CIVIL DEFENSE AUTHORIZATION]

AMENDMENT TO H.R. 6495 OFFERED BY MR. NEDZI (ON BEHALF OF THE SUBCOMMITTEE ON MILITARY INSTALLATIONS AND FACILITIES)

Page 9, after line 25, insert the following new title (and redesignate the succeeding title and section accordingly):

TITLE VII—CIVIL DEFENSE

AUTHORIZATION OF APPROPRIATIONS

SEC. 701. There is hereby authorized to be appropriated for fiscal year 1981 to carry out the provisions of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2251–2297) the sum of $167,000,000.

AUTHORIZATION TO ACQUIRE CERTAIN LEASED REAL PROPERTY AT THE FEDERAL EMERGENCY MANAGEMENT AGENCY FACILITY AT OLNEY, MARYLAND

SEC. 702. The Director of the Federal Emergency Management Agency is hereby authorized to acquire, in accordance with the provisions of section 201(h) of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2281(h)), fee title to those parcels of real property which are currently leased by such agency at the facility of such agency in Olney, Maryland, which (1) are used as a site for a communications antenna, or (2) contain the water wells for such facility.

PILOT PROGRAM TO STUDY DESIGN AND CONSTRUCTION OF BUILDINGS TO MINIMIZE EFFECTS OF NUCLEAR EXPLOSIONS

SEC. 703. (a) the Director of the Federal Emergency Management Agency shall establish a pilot program of designing and constructing buildings to enhance the ability of the buildings to withstand nuclear explosions and to minimize the damage to such buildings caused by a nuclear explosion. Such program shall include the designing and constructing of at least two building projects chosen by the Director so that the buildings in the projects will be able to better withstand nuclear explosions and so that any damage to the buildings in the project caused by a nuclear explosion will be minimized.

(b) The Director of the Federal Emergency Management Agency shall submit a report to the Senate and the House of Representatives not later than April 1, 1981, on the establishment under subsection (a) of the pilot program.

(c) Of the sums authorized to be appropriated under section 701, $400,000 shall be available to carry out the pilot program established pursuant to subsection (a).

[Whereupon, the subcommittee was adjourned at 11:15 a.m. until further call of the Chair.]

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