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HEARING  
BEFORE THE  
COMMITTEE ON ARMED SERVICES  
UNITED STATES SENATE  
NINETY-SIXTH CONGRESS

SECOND SESSION

ON

NOMINATION OF

CHARLES W. SNODGRASS TO BE ASSISTANT SECRETARY OF  
THE AIR FORCE FOR FINANCIAL MANAGEMENT

JUNE 12, 1980

Printed for the use of the Committee on Armed Services

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UNITED STATES SENATE  
WASHINGTON, D.C.

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## NOMINATION OF CHARLES W. SNODGRASS TO BE ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL MANAGEMENT

THURSDAY, JUNE 12, 1980

U.S. SENATE,  
COMMITTEE ON ARMED SERVICES,  
*Washington, D.C.*

The committee met at 8:07 a.m., pursuant to notice, in room 212, Russell Senate Office Building, Senator Carl Levin presiding.

Present: Senator Levin.

Staff present: John C. Roberts, general counsel; John T. Ticer, chief clerk; Christine E. Cowart, assistant chief clerk; Judith P. Barr, and Karen A. Love, clerical assistants.

Also present: Frank Krebs, assistant to Senator Cannon and Greg Pallas, assistant to Senator Exon.

Senator LEVIN. Good morning. The first item on our agenda this morning is the hearing on the nomination of Charles W. Snodgrass to be Assistant Secretary of the Air Force for Financial Management.

First of all, we welcome you, Mr. Snodgrass.

### STATEMENT OF CHARLES W. SNODGRASS, NOMINEE TO BE ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL MANAGEMENT

Mr. SNODGRASS. It is a privilege to be here, Senator Levin.

Senator LEVIN. Since we expect great efficiency out of you in your new job, we can show you how to do it, and you will be out of here in 7 minutes this morning, unless you raise matters that surprise us.

Mr. SNODGRASS. I hope not to do that, Mr. Chairman.

Senator LEVIN. As I have indicated, the committee has before it this morning the nomination of Charles W. Snodgrass to be Assistant Secretary of the Air Force for Financial Management.

Mr. Snodgrass has had a varied career in financial program analysis positions. He has served with the Office of Management and Budget, with the Agricultural Subcommittee of the House Appropriations Committee, and for the past 6 years has been the principal staff member of the House Appropriations Committee for intelligence and communications programs. He brings a wealth of experience to the financial management job in the Air Force.

[The nomination reference and report and biographical sketch for Charles W. Snodgrass follows:]

NOMINATION REFERENCE AND REPORT

AS IN EXECUTIVE SESSION,  
SENATE OF THE UNITED STATES,

March 7, 1980.

(Under authority of the order of the  
Senate of March 6, 1980).

Ordered, That the following nomination be referred to the Committee on Armed Services:

Charles William Snodgrass, of the District of Columbia, to be an Assistant Secretary of the Air Force, vice John Arnot Hewitt, Jr., resigned. \_\_\_\_\_, 1980.

Reported by Mr. \_\_\_\_\_ with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

BIOGRAPHICAL SKETCH—CHARLES WILLIAM SNODGRASS

Date of birth: August 7, 1940.

Native of Marietta, Ohio.

Education: B.A. (History and political science) Marietta College, Marietta, Ohio. Senior year selected as best graduating student in History Department. M.A. (Public Administration) American University Washington, D.C.

WORK EXPERIENCE

*Summary*

The work experience described below, spanning a period of 14 years, includes all aspects of the budgetary process from an agency budget office, to the Office of the Secretary of HEW, to OMB, to the Congress. This experience has been at increasingly higher levels, and in the past five years has included experience with senior officials of both the Executive and Legislative branches. The experience has also included a wide range of subject matters, from health research at the National Institutes of Health; to consumer issues at the Food and Drug Administration, the Federal Trade Commission, and the Office of Consumer Affairs; to labor issues including Job Corps, Unemployment Insurance and Workman's Compensation; to Defense issues with specialization in communications and intelligence.

*From 1974 to present: Staff Assistant, Defense Subcommittee, House Appropriations Committee.*—Responsible for reviewing multi-billion dollar budget requests for all DOD communications and intelligence programs, including budgets of CIA, DIA, NSA and other classified activities and making recommendations to the House Appropriations Committee as to the amount of funds that should be provided for these programs. Responsibilities include all aspects of Congressional budget review including selection of hearing topics and agendas, selection of witnesses, preparation of Committee questions, interaction with Surveys and Investigations staff, drafting of Committee reports and floor speeches, and assistance in House/Senate conferences.

Other responsibilities include representing the Committee at various national conferences and symposium on intelligence and communications including various speaking engagements. Duties require interaction with the highest levels of the intelligence and communications hierarchies, and with senior members of the House and Senate. During the past five years have visited major defense installations throughout the United States and overseas. Responsibilities for CIA programs have required visits to many Embassies throughout the world, and access to highest levels of intelligence reports, which has enhanced my familiarity with the issues facing the U.S. military establishment, both at home and abroad. Eight years of Hill experience has given a broad insight into the workings of the legislative process, and has given a deep familiarity with the senior staff people and Members (on both sides of the aisle) responsible for Defense matters.

*From 1971 to 1974: Staff Assistant, Agriculture Subcommittee, House Appropriations Committee.*—Responsible for reviewing budget requests of Federal Trade Commission, Food and Drug Administration, Office of Consumer Affairs. Also helped on a time available basis with review of other items in the Department of Agriculture and Environmental Protection Agency.

*From 1968 to 1971: Budget Examiner, Office of Management and Budget.*—Responsible for reviewing budget requests of various Department of Labor programs, including Bureau of Labor Statistics, Federal Workman's Compensation, and Unemployment Insurance program. Duties included working with White House Staff on major changes to unemployment insurance laws. Also participated in review of Job Corps and other manpower training programs involved in the "War on Poverty." Experience at OMB was of sufficient length and breadth to give total familiarity with how the OMB and White House handle major budgetary issues.

*From 1965 to 1968: Management Intern, Department of Health, Education and Welfare.*—Selected as part of a nation-wide, highly competitive, and highly selective program for a three year management development program to develop future senior leadership of HEW. Program included four intern assignments of nine months each designed to cover all functional management areas (i.e., budget, personnel, and general administration). Assignments included duty at National Institutes of Health (Office of the Director and National Institute of Mental Health), Vocational Rehabilitation Administration, and Office of the Secretary. Program gave visibility to highest levels of HEW management, and insight into and experience with most of the human resources programs of the government. Program also gave experience in all management disciplines.

Military experience: U.S. Navy, 1958-1963.

Clearances: Possesses Top Secret, Codeword, and Q clearances, including highest level SIGINT clearances.

Address: 13 Ninth Street, S.E., Washington, D.C. 20003.

Wife: Catharina; son: Charles Eric.

Senator LEVIN. We welcome you. We understand you have some members of your family with you this morning. Would you care to introduce them to us?

Mr. SNODGRASS. I have my wife, Catharina, who has been a real support to me throughout the years. As you know, some of these Washington jobs are very tough on families. She has always been able to help me.

In addition, I am proud to introduce her grandmother, Margit Dahlberg, from Stockholm, Sweden, who is 90 years old and has made the trip all the way from Sweden and is really glad to be here at the hearing today. She is having a lot of fun.

Senator LEVIN. We are delighted to have her here. I presume she came in an Air Force plane?

Mr. SNODGRASS. No, we brought her on Pan American.

Senator LEVIN. That takes care of the conflict of interest question. I don't have to ask that.

Mr. Snodgrass, I understand from the staff that you have complied with the committee's practice concerning avoidance of any possible conflict of interest.

Mr. SNODGRASS. Yes, sir. As a long-time government employee, I have no conflicts of interest and have few assets, but a lot of experience.

Senator LEVIN. That will only get worse by the time you get done with this job.

The Democratic Caucus of the Senate has adopted a policy with respect to every nomination which requires that each nominee be asked the following question; I would like to think I ask it even if the Democratic Caucus did not adopt the policy:

Do we have your commitment to respond to requests to appear and testify before any duly constituted committee of the Senate?

Mr. SNODGRASS. I answer unequivocally, "Yes." I spent the last 8 years working on Capitol Hill. I think the Congress has made our national defense much better. I will appear any time, as a privilege, before this committee, if I am asked to appear, or any other committee.

Senator LEVIN. In your discussions with the Secretary of the Air Force about your new role, have you decided on any changes that you want to pursue?

Mr. SNODGRASS. At this point, Senator, the directions from the Secretary of the Air Force are that I have two or three major responsibilities that historically fall under the purview of the Assistant Secretary of the Air Force for Financial Management.

The first of those is that I am the senior automatic data processing authority in the Air Force. As you know, the Air Force from time to time has had some difficulties with the Congress in getting various ADP proposals approved. We are going to try to work very hard to work more constructively with the Congress.

We are going to strengthen my ADP staff by adding both civilian and military people to it, so that the Air Force can make sure that we are able to procure and maintain a first-rate computer capability.

Second, as financial manager of the Air Force, I am responsible for the \$46 billion budget which the Air Force will have in fiscal year 1981. We want to strengthen the review of that budget to make sure that the right dollars are spent in the right places.

Those are basically the two areas we are going to concentrate on, making sure we have a good budget to present to this committee and making sure that we have a first-rate ADP program.

Senator LEVIN. You know what unexpended and obligated balances are?

Mr. SNODGRASS. I am very aware of it. I have been working for Chairman Addabbo of the House Appropriations Committee for the last few years. He is always concerned about unobligated balances.

Senator LEVIN. What are they? I am becoming an expert on those, so I want you to put it in nice, simple language for me.

Mr. SNODGRASS "Unobligated" means that you have not made a commitment to anybody. It is like having money in your checkbook.

I would consider the appropriations to be the deposit in the checkbook. It is just like when you make a deposit in the bank. At that time you have money in the bank but nobody else has the right to it. When you write the check it becomes obligated and the equivalent of writing a check would be signing a contract with Boeing, say, for the cruise missile. At that point you have obligated the money.

When Boeing actually cashes the check, you have expended the money as well, I would say, in simple terms.

Senator LEVIN. Do you have any idea as to what is the unobligated balance total of the Air Force?

Mr. SNODGRASS. I regret to say that I don't. I know that in the Defense Department as a whole it is in the billions of dollars. The unexpended balances, the last time I checked, were almost \$100 billion. They are very substantial.

I would hasten to add that the primary reason for that, Senator, is that the Congress, and I believe wisely, has insisted that we have full funding of all of our major procurement programs. For example, last year when the Congress decided to add another nuclear aircraft carrier, Congress had to appropriate over \$2 billion for that one ship. It will take almost 10 years to build that carrier.

So if you look at the books today, the Navy probably hasn't spent any of that money, so the Navy has a \$2 billion unobligated balance.

As the years go by, that percentage will get lower and lower until all of it is spent.

We find almost no money, in fact we find no money, that I would call excess. For example, the Air Force now, as you know, has very serious operation and maintenance problems. We are having to consider such things as grounding aircraft in the last part of this fiscal year, if we do not find relief through the supplemental and some of the other things that are pending before this and other committees.

Even though there is \$100 billion in unexpended balances that is sitting in the bank, there is no way that I, as Secretary-designate for Financial Management in the Air Force, can lay my hands on a dime of that \$100 billion. It is all committed for the aircraft carriers, cruise missiles, all of the other variety of weapon systems which Congress has provided. I would contend that it is very misleading to focus on those unobligated balances. In fact, one should focus on the unmet requirements which we have and which we calculate in the Air Force alone is several billion dollars for the current fiscal year.

Senator LEVIN. When you talk about unobligated balances in excess, does the word "excess" mean excess to current programs?

Mr. SNODGRASS. When I say that they are excess—

Senator LEVIN. I know you said there are no excess funds. I am not suggesting you said anything to the contrary; but the term, "excess funds" means excess to current programs?

Mr. SNODGRASS. I would consider "excess" to mean excess to validated needs for which you are going to have to sooner or later spend the money.

Senator LEVIN. For specific programs?

Mr. SNODGRASS. For specific weapon systems.

Senator LEVIN. That are still currently needed and still currently sought?

Mr. SNODGRASS. That is correct.

Senator LEVIN. Still currently, authorized or previously authorized?

Mr. SNODGRASS. That is correct.

As you know, the Congress does not give us new undesignated funds. You very specifically, line item by line item, with great care and diligence, tell us where you would like the money to be spent. You appropriate it and authorize it for those specific purposes. We have no choice except to use it for that purpose unless we come back for reprogramming.

Then the Congress does validate the fact that we can take it from the original need and spend it on something else.

I might say that even when we do that, people sometime accuse us of having had excess funds, but that is not true. If you will look carefully at those reprogramings, in most of them we are having to take funds from something which we think is necessary to put them on something which is absolutely urgent.

In an ideal world, we would like not to reprogram, but to have extra money appropriated; but there is not time or there is not money available because of the budget resolution ceilings, or whatever, and we have to make these very difficult and unpleasant choices and take it from what, for lack of a better term, I call lower priority but still important priority programs and elevate it to a higher priority need.

Senator LEVIN. Have funds recently been returned to the Treasury as excess from DOD?

Mr. SNODGRASS. I am not aware that any have. I will say that one thing that you have to be somewhat careful of, and I am aware of it because I am the person who will go to jail if we violate it, is something called the Antideficiency Act. With any prudent management on a \$46 billion budget, there is probably bound to be a few hundred thousand or maybe a few million dollars that might in fact go back to the Treasury at the end of the fiscal year; but on a \$46 billion budget that is an infinitesimal amount and one must be careful not to violate the Antideficiency Act, because it is a criminal act with criminal penalties attached.

Senator LEVIN. Relative to the reprogramming point, you said when money is reprogrammed it is reprogrammed from one real need to a higher priority need. Have there been cases that you know of in recent years where money has been reprogrammed from a program which is now considered either obsolete or not needed to a higher priority need?

Mr. SNODGRASS. Yes, sir; that has happened from time to time, and I think that is to the credit of the Defense Department and OSD.

Senator LEVIN. May I interrupt you there?

I agree with you as to the credit. There is no problem about that.

How would you describe the program from which it is being reprogrammed, an obsolete program?

Mr. SNODGRASS. It is sometimes an obsolete program, but more frequently, Senator, it is something that is in research and development. We have had some sort of test at White Sands or someplace else and that test reveals serious problems with the weapon system. Sometimes those problems can't be fixed. It is sort of a generic problem. In that case, we will cancel the program and that makes money available.

In another case, it is a problem which can be fixed but will take time to fix. We won't be spending money at the rate we expected and therefore we have some money which is temporarily available, but which will need to be restored in some subsequent fiscal year once the problem is fixed and the weapon system becomes of the quality that we are willing to put it into production.

Senator LEVIN. The two types that you mentioned are canceled programs, like in R. & D. for the reason you gave, or a temporarily available source of money which will have to be restored.

Have there ever been any programs that were simply obsolete? Does that word strike a bell? Is that a term that is ever used or not?

Mr. SNODGRASS. There is a third type, and it is an unfortunate type, and I know this committee is very aware of it. As a matter of fact, I think you are going to wrestle with the problem today.

Unfortunately, as you know, in the last several years from time to time there have been difficulties in fully manning the armed services. We always budget hoping that we will fill all of the positions at the end of the year. In August and September, if it turns out we have had a strength shortfall, sometimes that makes money available which can be used for other purposes.

As to a program that is obsolete, I don't really recall such a program.

I think more typically it is a research and development program that is delayed or it is a personnel shortfall or it is something of that type.

Senator LEVIN. We know that you get up early, because you have read the Washington Post already this morning.

Mr. SNODGRASS. Yes, sir, I did. It is a very difficult problem. I am glad you are handling it and not me, sir.

Senator LEVIN. I have had an amendment to the DOD Military Authorization bill before the committee for about a week to restore that strength for the Army. That is what we will be debating today, my amendment to do just that.

The committee is delighted to have you come before us. You have been very forthcoming, candid, and helpful.

We will mark up your nomination, as we put it, as soon as possible. That is about as good a commitment as I can give these days.

There is no controversy surrounding it, so I would hope we can expedite it.

Good luck to you, and it is nice to have had your family with you.

Mr. SNODGRASS. Thank you, Senator. I look forward to working with the committee. It is a distinguished committee. I am sure the Air Force and the committee will have many productive relationships in the next few months and years.

Senator LEVIN. That is a lot.

[Whereupon, at 8:21 a.m., the hearing was concluded.]







