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FISCAL YEAR 1981 DEPARTMENT OF DEFENSE
SUPPLEMENTAL AUTHORIZATION

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HEARING

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BEFORE THE

COMMITTEE ON ARMED SERVICES

UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

S. 694

TO AUTHORIZE SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 1981 FOR PROCUREMENT OF AIRCRAFT, MISSILES, NAVAL VESSELS, AND TRACKED COMBAT VEHICLES, AND FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AND TO INCREASE THE AUTHORIZED PERSONNEL STRENGTH FOR MILITARY AND CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE, AND FOR OTHER PURPOSES.

MARCH 23, 1981

Printed for the use of the Committee on Armed Services



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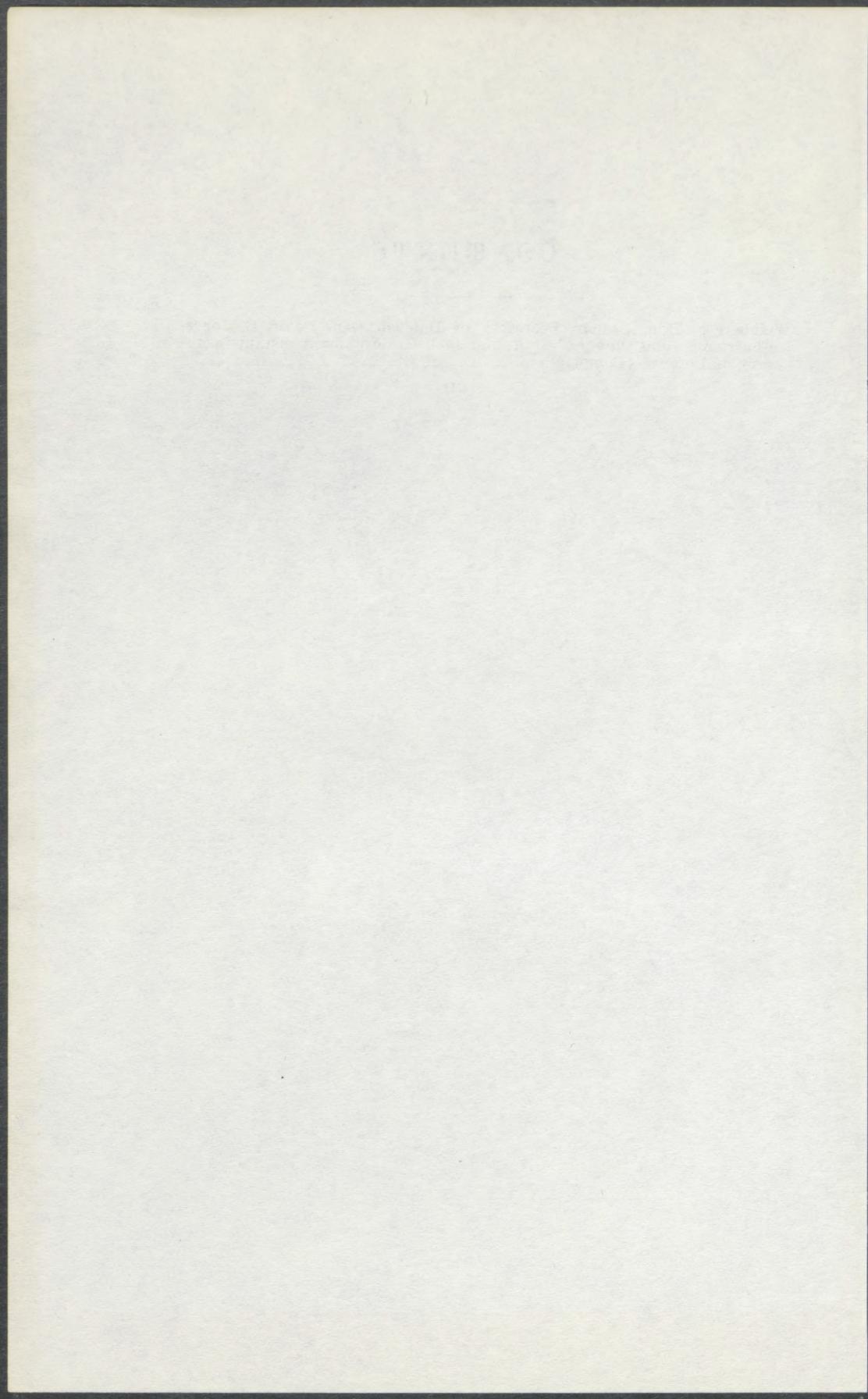
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FISCAL YEAR 1981 DEPARTMENT OF DEFENSE SUPPLEMENTAL AUTHORIZATION

MONDAY, MARCH 23, 1981

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

The committee convened in executive session at 2:05 p.m., pursuant to notice, in room 212, Russell Senate Office Building, Senator John Tower, chairman, presiding.

Present: Senators Tower, Thurmond, Goldwater, Warner, Humphrey, Cohen, Quayle, Denton, Jackson, Cannon, Byrd, Nunn, Exon, and Levin.

Staff present: Rhett B. Dawson, staff director and chief counsel; Francis J. Sullivan, minority staff director; James F. McGovern, general counsel; Paul C. Besozzi, minority counsel; William L. Ball III, chief clerk; Christine E. Cowart, assistant chief clerk; L. Wayne Army III, Robert S. Dotson, Frank J. Gaffney, Louise, R. Hoppe, Alton G. Keel, Jr., Edward B. Kenney, James R. Locher, Anthony J. Principi, E. George Riedel, James C. Smith, George F. Travers, professional staff members; Ralph O. White, Jr., research assistant; Ann E. Sauer, special assistant, and Frances B. Frazier, staff assistant.

Also present: Dennis P. Sharon, assistant to Senator Goldwater; Chris Lehman, assistant to Senator Warner; George Kohl, assistant to Senator Humphrey; Jim Dykstra, assistant to Senator Cohen; Paul Schreiber, assistant to Senator Denton; Robert Nichols, assistant to Senator Jackson; Frank Krebs, assistant to Senator Cannon; Gray Armistead, assistant to Senator Byrd; Arnold Punaro, assistant to Senator Nunn; Bill Lind, assistant to Senator Hart; Greg Pallas, assistant to Senator Exon, and Peter Lennon, assistant to Senator Levin.

[The bill S. 694 follows:]

[S. 694, 97th Congress, 1st session]

A BILL To authorize supplemental appropriations for fiscal year 1981 for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, and for research, development, test, and evaluation, and to increase the authorized personnel strength for military and civilian personnel of the Department of Defense, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Supplemental Authorization Act, 1981".

TITLE I—PROCUREMENT OF AUTHORIZATION AND APPROPRIATIONS

SEC. 101. In addition to the funds authorized to be appropriated under title I of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 or the use of the Armed Forces

of the United States for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles, as authorized by law, in amounts as follows:

AIRCRAFT

For aircraft: for the Army, \$128,000,000; for the Navy and Marine Corps, \$143,600,000; for the Air Force, \$716,625,000.

MISSILES

For missiles: for the Army, \$27,000,000; for the Air Force, \$209,369,000; for the Marine Corps, \$10,700,000.

NAVAL VESSELS

For naval vessels: for the Navy, \$317,700,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, \$796,000,000; for the Marine Corps, \$11,300,000.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

SEC. 201. In addition to the funds authorized to be appropriated under title II of the Department of Defense Authorization Act, 1981, funds are hereby authorized to be appropriated for fiscal year 1981 for the use of the Armed Forces for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, \$79,500,000; for the Navy (including the Marine Corps), \$146,900,000; for the Air Force, \$330,000,000; for the Defense Agencies, \$41,000,000.

TITLE III—ACTIVE FORCES

SEC. 301. Section 301 of the Department of Defense Authorization Act, 1981, is amended to increase the active duty personnel end strengths of the Navy, Marine Corps, and Air Force by striking out "537,456", "188,100", and "564,500" and inserting in place thereof "540,456", "190,600", and "569,000".

TITLE IV—RESERVE FORCES

SEC. 401. Section 401(b) of the Department of Defense Authorization Act, 1981, is amended to increase the number of Reserve component members authorized to serve on fulltime active duty with the Marine Corps Reserve for the purpose of organizing, administrating, recruiting, instructing, or training by striking out "67" and inserting in place thereof "133".

TITLE V—CIVILIAN PERSONNEL

SEC. 501. Section 501(a) of the Department of Defense Authorization Act, 1981, is amended by striking out "986,000" and inserting in place thereof "1,013,900".

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

Mr. Secretary and General Jones, we are delighted to have you back to present the case for the fiscal 1981 supplemental authorization request. We hope to consider and mark up this bill, S. 694, prior to April 1 and get it into the appropriation process as early as possible.

We have to be assured that the request is fully justified. As you know, Mr. Secretary, and you certainly know, General Jones, we ordinarily only include urgent matters in the supplemental and we delay anything that can be legitimately and safely delayed until the fiscal 1982 authorization bill.

We hope you will give this matter your highest priority and we believe it is in your best interests to do so, so that we can move expeditiously on this bill.

Certainly the members of the committee will have many questions to ask and I would at the time ask the members of the committee to please limit their questions today to matters that are relevant only to the supplemental bill. If you would withhold any questions you might have on the fiscal 1982 authorization for some other time, I would appreciate that, so that we can devote our time today totally and fully to the supplemental request.

Mr. Secretary, you may proceed as you see fit.

STATEMENT OF HON. CASPAR WEINBERGER, SECRETARY OF DEFENSE; ACCOMPANIED BY GENERAL DAVID C. JONES, CHAIRMAN OF THE JOINT CHIEFS OF STAFF; AND JACK R. BORSTING, ASSISTANT SECRETARY OF DEFENSE (COMPTROLLER)

Secretary WEINBERGER. We appreciate again being here, Mr. Chairman. We appreciate particularly the high priority that you have placed on this very important supplemental request.

We are about halfway through the fiscal year now and our proposed changes we do feel are very important, and if we are to reap this full benefit we must move quickly. So, we are grateful for the opportunity to cooperate with you in moving the supplemental forward.

My staff, at your request, has already provided the committee with the information on those aspects of the request that require authorization. We are fully at your disposal, of course, today to answer questions and to try to either furnish or take down your requests in order to furnish additional information later.

\$6.8 BILLION REQUESTED

As you said, it is a request for \$6.8 billion, designed to increase readiness and generally to enhance defense capability. Some of it of course is to continue the required funding for the salary increases, rather modest salary increases that were voted last November, which we feel have to be continued and should not be funded through the reduction of other programs.

Personnel authorizations are requested for an increase by 10,000 and there is a revision to the military construction program; all of this is before you. Basically this military construction is for shortfalls, finishing and designing, and construction which are needed within the period of time of this fiscal year.

I believe in view of the time factors, Mr. Chairman, and we are grateful to you for recognizing them also, the best thing for me to do is suspend any formal statement and simply leave the maximum time possible for your questions and those of the members of your committee.

Chairman TOWER. Thank you.

General Jones, do you have anything?

General JONES. I don't have anything to add, Mr. Chairman.

Chairman TOWER. Senator Byrd?

Senator BYRD. What is the figure for the supplemental, first for NOA and then for spending?

Secretary WEINBERGER. The new obligational authority is \$6.8 billion, Senator, and of that I believe \$3 billion requires authorization.

Senator BYRD. That is \$3 billion that would culminate in spending, and \$6.8 billion in new obligational authority. Is that right?

Secretary WEINBERGER. No; I think \$3 billion is the amount requiring authorization and \$6.8 billion is the total. Outlays will be increased by \$1 billion as a result of our request.

Senator BYRD. Thank you.

Senator GOLDWATER. I don't think I have any questions.

Senator WARNER. Mr. Chairman, I will try and draft my questions following your guidance to adhere to the supplemental.

MX SYSTEM

Nevertheless, the supplemental raises the strategic area and again the fundamental questions relating to the MX system.

By way of introduction, Mr. Secretary, is there any change with respect to the schedule that you announced previously when you would inform the Congress of your decision on the basing mode?

Secretary WEINBERGER. No, sir, there is no change. We are pushing the new group that we formed to move as rapidly as possible and give us a report by June, so that we can advise the Congress some time at the end of June or at the very latest, early July, as to what our formal recommendation would be, based on the findings of that group, which, of course, are not in any sense conclusive. They are just advisory, but we do want to have that additional advice in.

Senator WARNER. I know the Department's reluctance over that and many Secretaries have had this reluctance. Nevertheless, this is such an unusual situation, to what extent informally might those of us who have at the direction of the chairman a special responsibility in the area been able to acquaint themselves with the material prior to the June timeframe?

I say that only that it would assist us in performing our duties once the formalized announcement comes from the Department to the Congress in preparing whatever additional hearings, and so forth.

Secretary WEINBERGER. First of all, Senator, the material that the new commission or new study group will be utilizing is initially all of the studies with which you are familiar and which are available. If you don't have them, we would be delighted to make them available. They would then be applying their knowledge to the basic problem itself and I do not know if at this point in time they would be drafting very many preliminary reports. I presume they will have some discussion back and forth among themselves and ultimately will start the preparation of a report to me. Certainly, very shortly after I have the report I will want to make my recommendation to the Congress.

I don't think, in other words, there is going to be a long gap in time. There can't be, within the time available for a series of reports and then to have me transmit something to the Congress. I think it will all be part of a rather continuous flow. They would like more time, of

course, and I pushed them very hard to agree not only to serve on the committee but to get their report in as early as possible, as a condition of their serving.

Senator WARNER. What would you think about the advisability of designating persons sitting in just as observers on their deliberations?

Secretary WEINBERGER. Well, I have told them that they would have complete freedom to consider the matter right from scratch, so to speak, and we want them to feel complete freedom to do in any way what seems best to them.

I would not want them to feel in any way constrained by observers, not that congressional staff would necessarily constrain them, but I think we are apt to get a much more independent, fresh look at the thing if they do not have people who have been otherwise familiar with it in the past, following their procedures on a day-to-day basis.

It is very hard to find people who haven't already made up their mind on this issue. To the greatest extent we can, we want to have qualified people and we think we have very qualified people. As far as we know they have not made up their minds on the issue. My only concern would be that if there are people who are clearly familiar with all of the ramifications and permutations of what has taken place in the past and they were observing the work of the group, it might convey itself to the commission.

LAND BASED SYSTEM

Senator WARNER. We have naturally followed press reports and some have indicated that you may be leaning to something other than a land based system and you might be leaning away from the 1986 deployment date.

I would presume that this is no more than normal press speculation, and you have thus far officially not taken any position contrary to theirs.

Secretary WEINBERGER. Officially and unofficially, Senator, I certainly have expressed publicly some of the reasons why I thought a fresh look was necessary. Basically the fresh look is due to the fact that we will have, or I will have, the responsibility for carrying out in the foreseeable future a fundamental decision which will employ a very large amount of our assets in an extremely important venture, the strengthening of one of the arms of the Triad.

I want to assure myself that it will be something I can conscientiously recommend to you and the other Members of Congress. There is no doubt at all about the idea of strengthening it and no doubt about the need to have a strongly enhanced missile, but there has been a great deal of concern about the basing mode.

CONVERTING POLARIS SUBMARINES

Senator WARNER. You made that quite clear, and I just want to get into that. In today's paper there is an article by Evans and Novak, in which there is an allegation that Secretary Lehman of the Navy has quietly floated the conversion of older type Polaris submarines capable of firing nuclear weapons. Would you comment on that?

Secretary WEINBERGER. I would comment on it first by saying that thus far in the administration and during the transition, I found that every single column that Evans and Novak wrote has been wrong. So we will start with that.

Senator WARNER. Mr. Secretary, you can stop right there, and I won't take more of your time.

Secretary WEINBERGER. I was going to say this is no exception.

Senator WARNER. Thank you very much.

BALLISTIC MISSILE DEFENSE

There is \$39 million in 1981 supplemental for the ABM system. What is the view of the administration toward the ABM? Does this indicate a strengthening interest?

Secretary WEINBERGER. I think there is bound to be a continuing interest in ballistic missile defense. We have a situation in which there is a very strong first strike Soviet capability and [deleted] thus, there is a need to strengthen what we have because of the improved accuracy and strength of the Soviet capability.

I think anything that would help guard us against the effects of such a first strike has got to be a matter of continuing interest. We have a lot of research going on. I have asked to be brought up to date on what we are doing, to see if we can work out any kind of much more comforting defense against an incoming attack. There is just no question that the administration has an increasing interest in this.

We have a treaty which comes up for review and possible revisions in 1982, but basically my feeling is that if we are able to develop a much more credible and much more reliable kind of defense against an incoming attack, it will be to all of our interests.

I understand some of the game theories are the other way and what that does to the Soviet threats and all of that, but if it is possible to work out a system that can guard the country better than we are now guarded against the effects of a first strike I would certainly want to bend every effort to do that.

CHEMICAL WARFARE

Senator WARNER. I have one last question on the chemical warfare item which is likewise in the jurisdiction of the subcommittee on which I serve. I notice you have \$20 million in this. Does that likewise indicate a more serious concern by the President and yourself toward rectifying this imbalance?

Secretary WEINBERGER. That is a fair way to characterize it; yes. Chemical capability is one I think we need. Our potential opponents have it and I would simply say the answer to your question is "Yes."

Senator WARNER. Thank you, Mr. Chairman.

Chairman TOWER. Senator Jackson?

Senator JACKSON. Mr. Chairman, I would just like to ask a general question of the Secretary as to his judgment dealing with this period ahead, the next 4 or 5 years.

It is one of great danger, obviously, from a strategic standpoint, meaning that the element of risk-taking on the part of Soviets is apt

to increase. Have you had time to think through what we might be doing to fill this void with systems that are available to us? Obviously you are looking down the road and we have MX and we talk about ballistic missile defense, but what in your judgment is the most effective thing that we can do over the next 3 or 4 years that will have a deterrent effect on the Soviets?

I know it is a hard question, but I think it is a very important one if the President is going to be able to be credible in implementing his foreign policy.

Secretary WEINBERGER. I guess I have to say it is the question. There is no question as to its importance. What I believe, I am always a little chilled by the question: "Have you thought it all of the way through?" I can't really confess I have.

Senator JACKSON. I will modify that.

Secretary WEINBERGER. I will feel better about it. I have though a great deal about it. It does seem to me that what we are seeking in the 1982 budget are the very necessary steps to be taken now. There is no question that the next 4 to 5 years are a very dangerous period, and in fact the 10-year period has been correctly characterized as a dangerous decade.

The Soviet desire for overwhelming superiority and acceptable risks of U.S. retaliation are theories they have followed for many years, and, I believe, they will continue to follow. From that it follows that we would then be in a stronger position if we make it clear to them that beginning now and certainly to a greater extent as we gain more of our strength that we are starting now, we do have a capability of inflicting a very, very costly response no matter what form their first strike might be.

STRENGTHENING MINUTEMAN

I think in this connection you may well be thinking of the possibility of strengthening the existing Minuteman arm of the Triad. I worry about investing any large sum in that. It is already a very vulnerable system and at the same time a system which is capable of delivering a significant response.

But if 85 or 80 percent, or 75 or 71 percent should be rendered inoperable on a first strike, it is not as much of a deterrent as possibly it should be. We do have two other arms that are being strengthened and continuously being strengthened. It is, I may say parenthetically, the reason I have been so unhappy about the progress or lack of it on Trident. But I think the short answer to your question is to do what we are seeking to do, which is to strengthen all three arms of the Triad, to move ourselves into an increasingly strong position to make immediate and powerful responses to any first strike, and finally, perhaps most of all, to demonstrate we have the will and resolve to do it.

In many ways, that may be the most important. I think there has been a growing perception in the last few years that either we were not a reliable ally of our friends or we were unwilling to make the sacrifices and take the strong measures necessary to respond to a Soviet attack. Their probes, one after another have succeeded, and without opposition in many cases, or with ineffective opposition in the case of Afghanistan, so far.

UNITED STATES CHANGE OF ATTITUDE TOWARD RUSSIA

So I suppose one of the best and strongest things we can do is what I have tried to do, and what I think the President has tried to do every minute since the election, to demonstrate we do have a total change of policy toward the Soviets and change of heart and change of plan. This again adds to, I hope, the cumulative feeling in Russia that an attack on the United States would bring an unacceptably high cost of retaliation to them.

Senator JACKSON. Well, it seems to me that the most effective thing we can do is to strengthen our relationship with our allies in Western Europe.

Secretary WEINBERGER. I agree with that.

Senator JACKSON. That is essential in order to have a platform for our cruise missiles. I don't think that there is anything that would strengthen our hand more in dealing with the Soviets than to have them face that which drives them crazy, a lot of GLCM's being placed in Europe. The ability, it seems, to address the strategic problem is tied with our ability to deal more effectively with our allies.

Therefore, it is clear to me that the Soviet foreign policy is dealing addressing this issue, namely, two objectives. To separate us from our allies, that is why they go about the big peace offensive, and second, to bring about a reduction in our defense expenditures that we have already targeted. If I were on the other side, that is what I would do, because when you place the GLCM's in Western Europe, you have compounded his problem in a way in which he is going to have to respond with a great investment in his defensive programs.

STRENGTHEN ALLIED RELATIONSHIPS

So it seems to me that we really acknowledge being effective with the strategic weapons available to us in a total way that we should be effective unless we can really get our allies to come around. I would point out that we are in the beautiful position where our response to their deployment of the SS-20, which is a first strike system, would be a second strike system, namely, the cruise missile, which will serve I think a very useful purpose. It is highly mobile, you don't have to rely on fixed installations, and you would beef up your tactical aircraft which is now assigned for these very applications; that is, to have a nuclear strike by tactical air. I just throw it out on the table for what it is worth, looking ahead for the next 4 or 5 years. That is in addition to all of the other things you are doing.

You are going with the ALCM's aboard the bombers, and if we could just get Electric Boat to move, you would have it.

Secretary WEINBERGER. I think we have their attention, Senator.

Senator JACKSON. I think what you did the other day, and I am looking at John Warner now and it must have had some impact. I know what I have thrown out on the table here is no easy assignment but I don't know of any other answer.

Secretary WEINBERGER. I think you are absolutely correct and we are spending a great deal of time on it. I myself interpreted your question initially to mean that it related only to the strategic system.

STRATEGIC ARMS GLCM'S

Senator JACKSON. When I am talking about GLCM's, I am thinking strategic terms. It is an air breather against a ballistic system. But you see when they talk about SALT you remember that the limitation under the SALT agreement, that is the protocol which stipulated a 375-nautical-mile limitation, or 600 kilometers, 375 statute miles, in effect really it is ridiculous. But that runs out this year, and there was no limitation placed on the SS-20's, which I think is beginning to have a political impact in Europe.

But I think our biggest problem in this interim period for the next 5 years specifically is the left wing of the labor parties in Europe, such as SPD in Germany. France is turning out to be more reliable and dependable, but even in Britain they have nuclear problems. But if we can really push this I think that we can bring about some stability and bring them to the conference table or bargaining table.

Secretary WEINBERGER. I agree, and we are devoting a lot of effort to that. As a matter of fact, I just came from a meeting with the Dutch Defense Minister, and we had a serious problem in that country, as you know, and they have an election coming up shortly. We are making every effort today, and we will continue to do so, to impress upon them the importance of continuing with the December 1979 agreement and allowing the deployment of these weapons on their soil.

They report serious problems, and certainly Germany's recent budget action was not comforting, although they explain it by saying that it is a very minimal effect. In addition, there is the formation of a new political party in England as well as the Labor Party commitment to nuclear pacifism, as Ms. Thatcher called it. All of these things are major worries. The thing I point out to the people—and they have been coming through in tremendous numbers since the inauguration, sometimes three or four a week—is that the one thing which seems to disturb the Soviets more than anything else is the insistence we have made upon the carrying out of the terms of that agreement of December 1979, and discussions of perhaps even more effective weapons against their huge tank surplus against the central front.

So this is a continuing effort and it is part of what I said. We are trying to show we are a far more reliable and dependable ally, and we need the help of these other countries.

Senator JACKSON. Thank you.

Chairman TOWER. Senator Thurmond?

Senator THURMOND. Thank you, Mr. Chairman.

Mr. Secretary, you have a supplemental request for military construction authorization for the fiscal year 1981. As chairman of the Military Construction Subcommittee, I am interested in these matters of course and I am just wondering why these projects are so urgent they have to be accomplished in fiscal year 1981.

RAPID DEPLOYMENT FORCES

Secretary WEINBERGER. Yes, sir, we have asked for a supplemental of \$352 million and the facilities planning portion would go to support

the Rapid Deployment Forces specifically. We have also asked for additional authorization requests for family housing as part of making the military service much more desirable and for improved retention in the military service of trained and skilled people whom we want to keep.

There are always shortfalls and they are apparent now, in both the planning and design funds, or construction that is urgently needed in the balance of the fiscal year, and also for some increased operating plans costs that have arisen as a result of some of the previous estimates being too low.

I think that is what essentially is called for in broad terms on the military construction side, but there may be additional specifics. Members of my staff would be glad to supply any additional data.

Senator THURMOND. In order to assist us to defend this bill on the floor, I just wondered if you could have your staff prepare a detailed justification for the record.

Secretary WEINBERGER. We certainly will do that, yes, sir.

[The information follows:]

Detailed justification data for Army, Navy, Air Force, Air National Guard, Defense Agencies, and family housing projects in the fiscal year 1981 supplemental military construction authorization bill are attached:

ARMY: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, VILSECK, GERMANY
(AMMUNITION IGLOOS)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Primary facility.....				\$1,246
Ammo igloos (2,000 ft ² each).....	EA	8	\$152,000	(1,216)
Guard tower.....	EA	1	20,000	(20)
Guard shed.....	EA	1	10,000	(10)
Supporting facilities.....				364
Water, gas, sewer.....			LS	(37)
Paving, walks, curb, and gutter.....			LS	(118)
Site improvement.....			LS	(32)
Fence and lighting.....			LS	(115)
Communications.....			LS	(62)
Subtotal.....				1,610
Contingency (5 percent).....				80
Total contract cost.....				1,690
Supervision, inspection and overhead (6.5 percent).....				110
Total request.....				1,800
Total request (rounded).....				1,800
Installed equipment—Other appropriations.....				

DESCRIPTION OF PROPOSED CONSTRUCTION

Construction of eight ammunition igloos complete with required utilities services, guard tower and shed, access road, security fencing and lighting, site improvements and communications. Not sited in a flood plain. Requirement 8 EA; Adequate: None; Substandard: None.

Project

Provision of igloos in which to store ammunition at Vilseck.

Requirement

This project is an increment of a construction program to provide facilities for increases in personnel, equipment and materiel of field artillery units and

is necessary to properly protect ammunition from the elements and provide for its physical security. These facilities are the minimum essential to meet operational needs.

Current situation

There are no appropriate facilities available at the installation for the storage of increased ammunition stocks resulting from the augmentation of the artillery units.

Impact if not provided

Ammunition will have to be stored in the open on pallets or under expedient shelters, thus subjecting it to deterioration by the elements and pilferage or theft. Safety and security regulations will be violated unless waivers are granted. Increased use of guards will be required. These conditions will jeopardize combat readiness and mission accomplishment.

NATO infrastructure category

This project is not within an established NATO Infrastructure Category (including the Reinforcement Support Category) for common funding, nor is it expected to become eligible.

NAVY: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, MARINE CORPS AIR STATION, EL TORO, CALIF. (TACTICAL SUPPORT VAN PAD)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Tactical support van pad.....	LS			\$1,806
Subtotal.....				1,806
Contingency (5 percent).....				90
Total contract cost.....				1,896
Supervision, inspection, and overhead (5.5 percent).....				104
Total request.....				2,000
Total request (rounded).....				2,000
Equipment provided from other appropriations.....			Nonadd	0

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete paving for van parking; access roads, gate and sentry house, two personal-relief buildings, security fencing and lighting, utilities. Requirement: N/A.

Project

Provides tactical support van pad with attendant facilities.

Requirement

A van pad is required to support intermediate level mobile maintenance facilities.

Current situation

Existing facilities can adequately support 70 mobile maintenance vans. The addition of 169 vans, in support of the F-18, requires new facilities.

Impact if not provided

Because many of the F-18 aircraft maintenance support functions have been van-configured, failure to provide adequate van support facilities will seriously jeopardize the effective F-18 maintenance capability.

Additional

An economic analysis has not been prepared as there is no alternative to meet the requirement.

AIR FORCE: FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, LAUGHLIN AIR FORCE BASE, TEX.
(LOGISTICS COMPLEX)

[Cost estimates]

Item	U/m	Quantity	Unit cost	Cost (thousands)
Logistic complex.....	LS			\$3,860
Warehouse.....	SF	89,200	\$31.00	(2,765)
Administration.....	SF	16,850	65.00	(1,095)
Supporting facilities.....	LS			403
Electric.....	LS			(147)
Water, sanitary sewer, gas.....	LS			(126)
Site improvements.....	LS			(81)
Roads, parking and walks.....	SY	3,290	13.70	(45)
Communication support.....	LS			(4)
Subtotal.....				4,263
Contingency (5 percent).....				213
Total contract cost.....				4,476
Supervision, inspection and overhead (5 percent).....				224
Total request.....				4,700

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete foundations and floors, masonry walls, steel frame and built-up roof. Included are supply warehouse, administrative space, support space and utilities. Air Conditioning—40 Tons. Requirements: 106,050 SF; Adequate: 0; Substandard: 116,684 SF.

Project

Construction of a logistics complex.

Requirement

A facility of adequate size and configuration is required for the storage of bulk and bin items to support base and flying operations. Functions associated with these support activities include receiving, processing, storing, controlling and issuing parts and supplies.

Current situation

Currently these activities are housed in a twenty-eight year old facility that was built with a ten-year life expectancy. The timber room trusses have been failing with increasing frequency over the past several years. Although major repairs have been accomplished, they have been merely stop gap measures. The condition of the facility is such that all or part of the roof structure could fail without warning at any time. Wind loads, coupled with already overloaded truss members due to load shifts caused by failures in adjacent truss members, contribute to the high potential risk of a domino effect major failure.

Impact if not provided

High value materials and assigned personnel will continue to be subjected to increasing safety hazards due to the potential structural failure of the roof system.

AIR FORCE: FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, K. I. SAWYER AFB, MICH. (SOUND SUPPRESSOR SUPPORT)

[Cost estimates]

Item	U/m	Quantity	Unit cost	Cost (thousands)
Sound suppressor support.....	LS			\$390
Supporting facilities.....	LS			100
Subtotal.....				490
Contingency (5 percent).....				24
Total contract cost.....				514
Supervision, inspection and overhead (5 percent).....				26
Total request.....				540
Equipment provided from other appropriations.....		Nonadd		(1,500)

DESCRIPTION OF PROPOSED CONSTRUCTION

Reinforced concrete foundation and slab; electric; utilities; and necessary support. Requirement: As Required.

Project

Provide support construction and utilities to accommodate installation of a sound suppressor (Hush House) facility at K. I. Sawyer AFB, Michigan. The Hush House will be furnished through use of 3080 funds.

Requirement

Sound suppressed facilities are required to perform aircraft engine test, inspection, calibration and repair. Engine runup is conducted while engines are mounted on an engine test stand and/or while still mounted on the aircraft (power check pad). The Hush House features sound suppressant qualities which eliminate health/occupational safety hazards and environmental problems associated with high noise levels created by aircraft engines operating in military power and afterburner modes.

Current situation

Adequate sound suppressed facilities are not available to satisfy engine test stand and power check pad requirements. Engine runup results in extreme noise levels which pose an occupational health hazard for maintenance personnel and are an irritant to the neighboring community and work area.

Impact if not provided

Engine runup will continue to be conducted without adequate sound suppression. Excessive noise will be an occupational health hazard for personnel and will adversely affect base/community relations.

AIR FORCE: FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, VARIOUS LOCATIONS (MINOR CONSTRUCTION, SPECIFIED SOUND SUPPRESSOR SUPPORT)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Sound suppressor support (2 each).....	LS			\$860
Equipment provided from other appropriations.....		Nonadd		(3, 000)

DESCRIPTION OF PROPOSED CONSTRUCTION

Reinforced concrete foundation and slab; electric; utilities; and necessary support. Requirement: As Required.

Project

Provide support construction and utilities to accommodate installation of a sound suppressor (Hush House) facility at 2 bases (Luke AFB, Arizona, \$440.0 and Cannon AFB, New Mexico, \$420.0). The Hush House will be furnished through use of 3080 funds.

Requirement

Sound suppressed facilities are required to perform aircraft engine test, inspection, calibration and repair. Engine runup is conducted while engines are mounted on an engine test stand and/or while still mounted on the aircraft (power check pad). The Hush House features sound suppressant qualities which eliminate health/occupational safety hazards and environmental problems associated with high noise levels created by aircraft engines operating in military power and afterburner modes.

Current situation

Adequate sound suppressed facilities are not available to satisfy engine test stand and power check pad requirements. Engine runup results in extreme noise levels which pose an occupational health hazard for maintenance personnel and are an irritant to the neighboring community and work area.

Impact if not provided

Engine runup will continue to be conducted without adequate sound suppression. Excessive noise will be an occupational health hazard for personnel and will adversely affect base/community relations.

AIR FORCE: FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, UNSPECIFIED (SUPPORT FACILITIES)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Special facilities.....	LS			\$50,000
Total request.....				50,000

DESCRIPTION OF PROPOSED CONSTRUCTION

Provides facilities for special project.

AIR NATIONAL GUARD: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, BARNES MAP WESTFIELD, MASS (COMPOSITE SQUADRON OPERATIONS FACILITY)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Squadron operations.....	SF	9,734	\$79.82	\$777
Squadron operations.....	SF	(8,331)	(78.38)	(653)
USAF command post.....	SF	(1,403)	(88.38)	(124)
Supporting facilities.....				127
Electric.....	LS			(7)
Transformers.....	LS			(16)
Sanitary sewer.....	LS			(7)
Heat plant.....	LS			(43)
Storm drainage.....	LS			(5)
Site improvement.....	LS			(15)
Parking and walks.....	LS			(22)
Water system and hydrants.....	LS			(12)
Subtotal.....				904
Contingency (2 percent).....				18
Total contract cost.....				922
Supervision, inspection and overhead (3 percent).....				28
Total request.....				950

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete foundation and floor slab, masonry walls, built-up roof, administration, storage, classroom/training room. Weather Shops, Command Post, Records storage, latrines, mechanical room and utilities. Requirement: 9734SF; Adequate: 0; Substandard: 6745SF.

Project

Provides a combined Squadron Operations Facility to support the 104th Tactical Fighter Group.

Requirement

The management, training and administration of the Squadron Operations function requires a composite facility designed specifically for those activities unique to flying operations. Flight planning, flight briefing, debriefing, personnel equipment, command posts, weather, etc., are functions which must be consolidated and centrally located close to the flight lines area to assure maximum operational effectiveness. Operations functions located in several inadequate facilities are less effective, are irritating to personnel, and are recruiting obstacles.

Current situation

Present facilities are makeshift and do not include space for all required functions. Ground training is difficult at best and manhours are lost getting to and from, including the transportation of personal equipment and training materials. Crew locker room is small and overcrowded and personal equipment is located in another building. The Command Post is functionally inadequate for professional training.

Impact if not provided

Combat crew training effectiveness will be compromised and the group can not function at peak efficiency nor will the overall training mission of the base be fully realized. The squadron will continue to operate under substandard conditions.

AIR NATIONAL GUARD: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, BARNES MAP, WESTFIELD, MASS. (FUEL SYSTEM MAINTENANCE DOCK)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Fuel system maintenance dock.....	SF	11,000	\$99.00	\$1,089
Supporting facilities.....				120
Electric.....	LS			(18)
Transformers.....	LS			(11)
Water.....	LS			(9)
Sanitary sewer.....	LS			(9)
Parking and walks.....	LS			(25)
Oil separator.....	LS			(11)
Storm drainage.....	LS			(14)
Site work.....	LS			(23)
Subtotal.....				1,209
Contingency (2 percent).....				24
Total contract cost.....				1,233
Supervision, inspection, and overhead (3 percent).....				37
Total request.....				1,270

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete footings and foundation, slab on grade, masonry walls, structural framing, built-up roof, administration and tool storage, bladder maintenance, mechanical equipment, utilities room, dock and washrack. Requirement: 11,000 SF; Adequate: 0; Substandard: 0.

Project

Provides a complete facility for Aircraft Fuel System maintenance for the 104th Tactical Fighter Group.

Requirement

A covered maintenance dock is required for the disassembly inspection and repair of aircraft fuel systems. Periodic maintenance of these systems is essential to providing safe and operational aircraft to aircrews. Maintenance of these systems exposes personnel to hazardous fuel fumes which necessitates special design consideration such as explosion proof electrical fixtures, special ventilation systems, and oil/water separators. The facility will also enable aircraft washing and minor corrosion control activities to be accomplished indoors in inclement weather.

Current situation

Existing hangar must be purged of all other activity when any fuel cell repair is required. At best this provides an inadequate facility for the work and presents certain hazards due to lack of proper ventilation.

Impact if not provided

Lack of adequate facilities will continue to reduce the number of aircraft available for training flights, thus degrading the mission readiness.

AIR NATIONAL GUARD: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, BARNES MAP, MASS. (MUNITIONS MAINTENANCE SHOP)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Munitions maintenance shop.....	SF	4,780	105.65	\$505
Supporting facilities.....				114
Electric.....	LS			(23)
Water.....	LS			(14)
Sanitary Sewer.....	LS			(11)
Heat.....	LS			(16)
Storm Drainage.....	LS			(9)
Site Improvement.....	LS			(17)
Roads, Parking & Walks.....	LS			(24)
Subtotal.....				619
Contingency (2 percent).....				12
Total contract cost.....				631
Supervision, inspection and overheads (3 percent).....				19
Total request.....				650

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete foundation and floor slab, masonry walls, frangible roof, Administration, storage, munitions build-up area, latrines and mechanical room. Air-conditioning: 3 tons. Requirement: 4,780 SF; adequate: 0; substandard. 288 SF.

Project

Construction of a Munition Maintenance Shop to support the 104th Tactical Fighter Group.

Requirement

A special facility is required to store, test and assemble rockets to ensure their proper operation during aircrew training missions. This facility must meet current explosive safety criteria, provide a safe working environment for assigned personnel, and provide the required degree of security from theft.

Current situation

The functions which now support the F-100 aircraft are too small and in an unheated steel structure. When the unit converts to A-10 aircraft this area will be totally inadequate to do proper operations. Also an area must be provided in which to do automatic loading of systems.

Impact if not provided

Without this facility the unit will be unable to satisfactorily establish mission effectiveness once it converts to the A-10 aircraft.

Current situation (added)

Existing facility will be demolished when new facility is completed.

AIR NATIONAL GUARD: FISCAL YEAR 1981 SUPPLEMENTAL MILITARY CONSTRUCTION PROJECT DATA, BARNES
MAP, WESTFIELD, MASS. (AVIONICS/WEAPONS RELEASE SHOP)

[Cost estimates]

Item	U/M	Quantity	Unit cost	Cost (thousands)
Avionics/weapons release shop.....	SF	18,656	\$76.33	\$1,424
Weapons release.....	SF	(10,700)	(75.05)	(803)
Avionics.....	SF	(7,956)	(78.05)	(621)
Supporting facilities.....				129
Electric.....	LS			(36)
Water.....	LS			(7)
Sanitary sewer.....	LS			(5)
Heat.....	LS			(9)
Storm drainage.....	LS			(5)
Site improvement.....	LS			(32)
Roads, parking.....	LS			(35)
Subtotal.....				1,553
Contingency (2 percent).....				31
Total contract cost.....				1,584
Supervision, inspection and overhead (3 percent).....				46
Total request.....				1,630

DESCRIPTION OF PROPOSED CONSTRUCTION

Concrete foundation and floor slab, masonry walls, build-up roof, administration, storage, classroom, Weapons Release and Avionics Shops, instrument/auto-pilot, and utilities. Air-conditioning—30 tons. Requirement: 18,656 SF; adequate 0; substandard 6,734.

Project

A combination Avionics and Weapons and Release Systems Shop for the 104th Tactical Fighter Group.

Requirement

Modern fighter aircraft rely heavily on advanced avionics to perform their mission. Also, maintenance of guns and externally mounted weapons supports are essential to the success of the mission. Adequate facilities are essential to properly maintain the complex avionics components of advanced fighters and to maintain and store guns and externally mounted rocket systems for these aircraft. Components must be inspected, checked, repaired, partially disassembled, cleaned, and prepared for reinstallation or temporary storage. Most Avionics shops require temperature and humidity controls; other shops require adequate ventilation.

Current situation

The functions are located in the Maintenance Hangar. The space was not intended to house these functions and is totally inadequate to handle all the avionics equipment. Future aircraft also requires additional equipment and floor space for these functions. The vacated space will be utilized to meet deficiencies in aircraft maintenance shops.

Impact if not provided

Continued operations of the Avionics and Weapons functions with a storage of space, no environmental control, inadequate facilities and crowded working conditions will only prolong the unsafe and inefficient operation.

OFFICE OF THE SECRETARY OF DEFENSE: FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, VARIOUS LOCATIONS (MINOR CONSTRUCTION FACILITIES)

Item	U/M	Quantity	Unit cost	Cost (thousands)
Minor construction facilities, specified locations inside the United States.	LS	-----	-----	\$900

DESCRIPTION OF PROPOSED CONSTRUCTION

Specified and exigent construction projects within the concepts of Title 10 USC 2674 not otherwise authorized by law (except family housing) having a funded cost of \$500,000 or less, including construction, alteration, or conversion of permanent or temporary facilities. Requirement: N/A.

Title 10 USC 2674 provides authority to the Secretary of Defense, the Secretaries of the Military Departments and the Director of a Defense Agency to acquire, construct, extend, alter or install permanent or temporary facilities costing less than \$500,000 not otherwise authorized by law. Included are: (1) exigent projects, those items required for which a need cannot reasonably be foreseen nor justified in time to be included in a Military Construction Program, but are so exigently required that financing cannot be deferred until legislation in support of a new program is enacted; and (2) specified projects, those items specifically identified and listed on subsequent sheets.

DEFENSE (NSA): FISCAL YEAR 1981 MILITARY CONSTRUCTION PROJECT DATA, NATIONAL SECURITY AGENCY/ CENTRAL SECURITY SERVICE, FORT GEORGE G. MEADE, MD. (MINOR CONSTRUCTION FACILITIES)

State and installation	Cost (thousands)	Requirement and description of work
Maryland: Fort G. G. Meade.....	\$230	Relocatable buildings. Site preparation and utilities extension for 2-800 ft ² buildings which are to be sited in the inner courts of the Operations Bldg. Additional interim space is required to provide facilities for operational missions and associated equipments.
Do.....	495	COMFY LEVI. This project provides for a 6,600 ft ² prefabricated building to house the ESC Emergency Airborne Reaction System. Establishment of an airborne contingency collection system in an environment where Air Force Reserve individual mobilization augments can be recruited and trained to provide COMINT support for worldwide contingencies.
Do.....	175	Automatic waste collection utilities enclosure. The project provides for construction of a prefabricated structure to enclose the electrical substation and the main collection system blowers to provide protection of the equipment during inclement weather.

FAMILY HOUSING, DEFENSE: FISCAL YEAR 1981 SUPPLEMENTAL SUMMARY OF AUTHORIZATION REQUEST

[Dollar amounts in thousands]

	Total construction	Total O. & M., leasing, and debt payment
Authorized by Public Law 96-418 (94 Stat. 1767) of Oct. 10, 1980.....	\$276, 100	\$1, 880, 760
Appropriated by Public Law 96-436 (94 Stat. 1867) of Oct. 10, 1980.....	222, 962	1, 803, 182
Plus fiscal year 1981 program supplemental request ¹	18, 000	93, 600
Total program appropriation requested for fiscal year 1981.....	240, 962	1, 896, 782
Additional authorization required and requested.....	None	16, 022

¹ Excludes \$17,938,000 for pay supplemental for which we have standing authority.

Senator THURMOND. Are the designs for these projects sufficiently advanced so that contracts for construction can be awarded in fiscal year 1981?

Secretary WEINBERGER. My information is generally—and again I will ask the staff to fill in anything right here—that the moneys we have asked for in fiscal year 1981 can be expended within the balance of this year if there is reasonably prompt action on both sides. That is correct.

Senator THURMOND. If you could provide for the record the design status and include the design completion date, it would be helpful.

Secretary WEINBERGER. We will do that.

[The information follows:]

DESIGN STATUS AND COMPLETION DATES

Design Status and design completion dates for all projects in the proposed fiscal year 1981 Supplemental Military Construction Authorization Program follow:

	Percent complete	Completion date
Army: Vilseck, Germany—Ammunition igloos.....	35	November 1981.
Navy: MCAS El Toro, Calif.—F/A-18 aircraft support facilities.....	60	September 1981 ¹
Air Force:		
Laughlin AFB, Tex.—Logistics complex.....	45	Do.
K. I. Sawyer AFB, Mich.—Sound suppressor support facility.....	50	July 1981.
Cannon AFB, N. Mex.—Sound suppressor support facility.....	10	Do.
Luke AFB, Ariz.—Sound suppressor support facility.....	10	June 1981.
Various locations—Classified support facilities—TIADS.....	50	May 1981.
CONUS		
Air National Guard: Barnes MAP, Mass.—A-10 aircraft beddown (4 projects).....	100	
Various locations—4 sound suppressor support facilities.....	85	June 1981.
Defense agencies: Fort George Meade, Md.—3 specified location minor construction projects for NSA.	99	April 1981.
Family housing: Additional authorization.....	(2)	Not available.

¹ Construction funds will be obligated in September 1981 to the German Government which in turn will make the award to industry in March 1982.

² Not available.

Senator THURMOND. And I have a couple of other questions but to save time you can answer those for the record, and I would like to move to one or two other things.

M-60 TANKS

Mr. Secretary, I was pleased to see included in the fiscal 1981 supplemental a request for 120 additional M-60 tanks at a cost of \$143 million. I believe this will keep the M-60 production line open an additional 4 months, is that correct?

Secretary WEINBERGER. That is correct, yes, sir.

Senator THURMOND. Do you anticipate foreign sales by that time to maintain the production line into the mid-1980's?

Secretary WEINBERGER. Yes; there has been a lot of interest expressed by several countries in the M-60 tank, although we haven't had anything formally signed yet. We did want to keep the line open. We think the tank is valuable in and of itself for our own purposes and we think it will be increasingly popular with some of the foreign countries. So we do want to keep the line open, having in mind how much more costly it would be if the line had to close down.

Chairman TOWER. I want to support what the Secretary said in that connection, that there are several countries in the Middle East and I

think it is essential for the security system for that. That can be very healthy in helping our friends and allies against the threat, and I want to endorse what you said there.

Senator THURMOND. I want to endorse the chairman's statement, too.

Secretary Weinberger, did the Army request an additional number of M-60 tanks be included in the fiscal year 1982 budget, and if it did why was this request not approved?

Secretary WEINBERGER. There was none that I know of. The Army did not request it, I imagine, because they are hoping to put their main effort on the other tank. We do want to keep the line open, primarily for foreign military sales. I think their feeling is they have enough of the M-60's now. I know there was some suggestion that we allow the line to go down, but we did not want to do that.

ROLAND AIR DEFENSE SYSTEM

Senator THURMOND. Secretary Weinberger, moving briefly to the Roland air defense system, have the technical problems of this system been corrected and have these corrections been fully tested?

Secretary WEINBERGER. They have been largely corrected. The testing, I have to ask someone else to supply you with that. We believe the corrections have been made, and on the full testing I am not able to answer you directly.

Senator THURMOND. Will you answer that for the record?

Secretary WEINBERGER. Yes.

[The information follows:]

ROLAND AIR DEFENSE SYSTEM TESTING

Senator THURMOND. Have the recently applied Roland Technical Corrections been fully tested?

ANSWER. No. There are two major test efforts that deal with correction of previous Roland technical problems. The first, Reliability Evaluation Testing, used Army troops and was concluded at Fort Lewis, WA in December of last year. During this operational test, the system was available for 560 hours and performed operational combat day scenarios in an all-weather field test environment. Results indicate that system reliability is following the projected growth curve and that system reliability goals will be met.

The second, ongoing Special Evaluation Testing (SET), began in September 1980 and is expected to be completed by June 1, 1981. These contractor/developer tests, consist of ground tests, tracking tests, and live firings to verify fixes to certain [deleted] problems discovered during the system test program. In firings last year, a problem was experienced with the [deleted].

[Deleted] and the firing tests were temporarily suspended. The cause of the problem was isolated and [deleted] action has been taken. SET firings resumed and the only missile fired since then was an unqualified success (direct hit). Results to date indicate that verification of all fixes will be successfully completed this year.

COMMUNICATION COMMAND AND CONTROL

Senator THURMOND. Finally, Mr. Secretary, I grow more concerned every day when I read and hear about the communication command and control problems being experienced by the services. All of the weapons systems we are paying great sums of money to procure will not be effective if we are unable to move data around the battlefield and in the air.

I would suggest that you lend your personal prestige to a study of these problems in order that we can move rapidly to correct the C3 problems affecting all of our military services.

Secretary WEINBERGER. I agree fully with you on that, and I have done one thing initially which seems very essential to me. The American Telephone & Telegraph network is the most important communication net we have to service our strategic systems in this country. Because of the discussions I have had concerning the effect of the Department of Justice suit that would break up part of that network, I have written to the Attorney General and urged very strongly that the suit be dismissed, recognizing all of the problems that might cause and because of the fact it seems to me essential that we keep together this one communications network we now have, and have to rely on. As for other systems, the command and communications and intelligence is an extraordinarily important part of it all. As you say, none of the systems are going to be useful if we can't tie them together in an effective communications net, so that is a high priority.

Senator THURMOND. Thank you, Mr. Secretary.

Chairman TOWER. Senator EXON?

Senator EXON. Mr. Secretary, I am not sure this is directly related but I will try and keep to the suggestion made by the chairman. I have a brief comment.

ELF PROGRAM

There is a story that the Navy may shelve the ELF program. Did that reach your desk yet?

Secretary WEINBERGER. I brought it to my desk, Senator, after reading about it in the Chicago Tribune. The situation seems to be that Admiral Hayward was in the process of reexamining the need for communications with the sub, the existing systems that we now have, and the potential systems that we may have very shortly, one of which is the ELF system. He had reached the conclusion that the existing system was far more expensive than had originally been thought, and that it has a somewhat higher degree of vulnerability, although I think everybody knew, and he certainly felt, that it did have a vulnerability after a very short time of use. Time is an extremely important factor at the beginning of or what could appear to be the beginning of a nuclear attack. On the basis of his reexamination, I think he had about concluded—and was preparing a report to the Secretary of the Navy, who in turn would have sent it to me—that we not proceed further with the ELF system in full development, and possibly that we maintain some backup for it by some kind of a low maintenance effort, and meanwhile put assets in the future behind other systems which, while possibly almost as expensive, would at least have a longer survivability rate.

He has not completed that report and the Secretary of the Navy has not transmitted it to me. My questions this morning and over the weekend indicate that is indeed his opinion.

We haven't yet had any formal action to the Congress, but we may well have to, under these circumstances, seek your concurrence for some sort of reprogramming, or other disposition of the \$34.8 million, that was set aside for this system in the supplemental.

Senator EXON. Mr. Chairman, I just would suggest that with all of the assurances we have had from the Navy and others, that that might be something that the appropriate subcommittee might look into. Let me move on.

Chairman TOWER. I think Senator Warner's subcommittee has that.

Secretary WEINBERGER. We had an extended discussion about it this morning with the admiral, and with the Secretary of the Navy, and we will continue to have. One way or another, we have to keep in communication with those subs, but there certainly have been long reported assurances that this was the best way of dealing with it.

Senator EXON. I serve on that subcommittee, Mr. Chairman, and I would be interested in getting into what is going on in that area.

Secretary WEINBERGER. Let me correct the statement I made. General Jones points out to me, the \$34.8 million is in the 1982 amendment and not in the 1981 supplemental.

BUILDUP OF NAVAL FORCES

Senator EXON. I have reviewed briefly the letter that you wrote to Chairman Tower, evidently in response to an inquiry, and could you expand a little bit on what I read through the thread of this? This is highlighted by a suggestion of shipbuilding, suspending competitive bidding in ship construction and going to an allocation procedure. Isn't that going to be tremendously more costly than what we had anticipated, recognizing we need a rapid buildup of our naval forces?

Secretary WEINBERGER. It would be very much against our interest as a Department and against the interest of the Government, if it turned out to be more costly. We do need speed and we are very anxious to try to get on line just as soon as we can those things that may be voted on and authorized during the year and later. There are on the books now some rather substantial restrictions and things which slow down procurement in a number of ways.

We are making a full-scale study of the whole procurement cycle and process, and the goal is to get us more of what we need more quickly and more effectively, and certainly that includes lower costs, and part of it obviously depends upon the industrial base.

What we need in that specific situation is something which can give assurances to industry that we will be a far better customer than we have been in the past and that there will be a steady allocation of work. But we would not move to any system that added substantially to the cost with or without the benefit of speed. It is worth paying something to get things on the line sooner, and that is the hope.

MEETING MANPOWER REQUIREMENTS

Senator EXON. Thank you, Mr. Secretary.

As a member of the Manpower and Personnel Subcommittee of this committee, I am very much concerned, as I am sure you are, about the manpower requirements and the need to meet them. Field officials have indicated to us in past testimony here that we must be more comparable and competitive in pay in the military. I believe you would agree that some of the skills in the military are more competitive than others. If that is true, then this across-the-board approach we keep

hearing about in a whole series of areas seems to me to be an all-too-broad brush approach to the problem, as some of us see it. What comment do you have on that?

Secretary WEINBERGER. I certainly would share that view after we have caught up, Senator. We were so far behind with fair and reasonable salaries for the entire military that across-the-board increases are justified. As we move toward greater comparability—and you are right there are some military skills that have no comparison, unfortunately, in the civil side of the economy—it is important that we do recognize the special needs, the bonuses, and other inducements necessary to obtain and retain people with those skills.

But initially when we are as far behind as we are, I think across-the-board increases are justified. You voted one last fall with which we fully agreed, and which is having a good effect. We have requested another one in July, and there is a request in for an addition in October, the precise form of which isn't yet identified.

There is also pending at this time a study authorized by the Congress, which attempts to determine what form of educational benefits are the greatest inducements to retaining able, trained people. That study is proceeding and has been funded, and we are testing out a number of different benefits in order to report to you what seems to work the best. But ultimately, yes, we are going to need special bonuses, and special inducements for people with particular skills, and at that time we will move away from the across-the-board raises. I feel when we are able to get the present requests granted and in place, we will have caught up.

Senator EXON. Well, you may be right, and I guess I am a little bit concerned about the fact that we have some people who are more nearly equal to pay in the private sector now than others. Wouldn't it be more constructive to target some of the increases now rather than to keep going ahead? It seems to me that if you have inequities in the service now which we all admit we have, an across-the-board approach just exacerbates that situation and makes it more difficult to correct in the future, does it not?

Secretary WEINBERGER. I think most of the inequities with which I am familiar at the moment have been inequities of a general falling behind of the pay of the uniformed services, and it was necessary to catch up by across-the-board increases. We are decreasing those inequities with the requests we are now making. There has been some targeting with the use of enlistment and reenlistment bonuses.

General Jones may have a specific word here.

General JONES. Senator Exon, in many cases where we have non-comparability with the private sector, it is with some of the hardest people to recruit, combat infantrymen and people of that nature. If the idea is to go to comparability with the private sector and to target pay to those that are comparable for competitive reasons, that doesn't solve the other problem of the difficulty of recruiting people in the jobs that are not as comparable, and where you don't have the same type of training and the same opportunity when they get out of the service. One of our biggest concerns is in pay compression, particularly in the NCO grades. Today, if you are an NCO, the numbers won't be exactly right but I think if you start out as an E-1 and end

up as an E-9, the pay is about 2.8 times what you got as an E-1, and it used to be about seven times. We would like to see the 5.3 percent, which catches us up with comparability of 1972, and then address the issue of compression and comparability and a more sophisticated look at the personnel action.

PAY COMPENSATION

Senator EXON. People from the Department of Defense have been before our Manpower and Personnel Subcommittee and suggested some things like a \$10,000 bonus for an 18-year-old going into service as an infantryman. When you talk about pay compression, it seems to me that if you are going on such a scale you really have problems with compression.

General JONES. Yes, I agree.

Senator EXON. My time is up.

Chairman TOWER. Let me say again that I would urge you to confine your questions to matters in the supplemental, and let us focus specifically on that this afternoon.

Senator HUMPHREY. I am somewhat at a loss for words because I wanted to pursue the ELF matter since I have had an interest in that for some length of time, and as a matter of fact received a letter from Admiral Hayward a few weeks ago saying the system was essential. But I will abide by the request of the Chair and pass on this round.

Senator NUNN. Mr. Chairman, why don't you go ahead with someone else, and let me catch up.

Chairman TOWER. Senator Cohen?

Senator COHEN. I was interested in your statement that you were going to ask the Attorney General to consider the security implications of the antitrust suit against A.T. & T. I am just wondering if that subject will be vetoed by the Secretary of State. Would that be subject to a veto by the Secretary of State?

Secretary WEINBERGER. I don't think any of these actions would be.

Senator COHEN. I would hope not.

Secretary WEINBERGER. I don't think there is any veto.

Senator COHEN. I am afraid someone is going to jump on the press bandwagon and hold a press conference and accuse us of having an inconsistent domestic policy, as well as an inconsistent foreign policy.

Secretary WEINBERGER. It doesn't sound right.

B-52

Senator COHEN. I would agree with that. I would like to refer to that document. An article by Evans and Novak appeared in the paper this morning. It talked about a secret study. You indicate it is a discredited article, and I accept it on that basis. However, it spoke of a secret study involving quick fixes for the survivability of our strategic forces, but one inconsistent with SALT I and SALT II. You also indicated earlier to Senator Jackson that our other arms are being strengthened, namely, I assume, the B-52 and our seapower force. That is where the emphasis is going now?

Secretary WEINBERGER. Yes; we also have funds for a manned bomber and for the MX missile and funds for additional Trident submarines. All of the arms of the Triad are required, and funds are being requested to strengthen each.

Senator COHEN. Are we developing a cruise missile with a range greater than 600 kilometers?

Secretary WEINBERGER. I am not sure of this.

General JONES. We have been, all along.

Senator COHEN. OK. The question I have is, when will you be able to employ such a missile?

AIR-LAUNCHED CRUISE MISSILES

General JONES. We will have a squadron of the air-launched cruise missile operational next year and we will have the ground-launched cruise missile with a long range in late 1983.

Senator COHEN. Are there any plans on the part of this administration to either restrict the capability of the cruise missile or to delay its target date, IOC?

General JONES. No.

Senator COHEN. Even if there were to be an informal adherence to SALT I and SALT II by virtue of the termination of the protocol, under no circumstances would we be considering the restriction of the range on the GLCM and SLCM?

Secretary WEINBERGER. That would be my memory.

General JONES. There are two plans.

LSD-41

Senator COHEN. Last year, the Congress appropriated funds for the construction of the first LSD-41. In addition, we had some \$47 million appropriated in the long lead time to support procurement of an LSD-41 for fiscal year 1982. But, there is no LSD-41 in fiscal 1982, and I am told that the Defense Department is seeking to reprogram the \$47 million for other purposes. The fiscal year 1981 supplemental request does have an item of some \$21.8 million, the long lead funding for the LSD-41 for fiscal year 1983. I was just wondering what the rationale is for setting aside the 1982 procurement of this ship, which was an important congressional initiative?

Secretary WEINBERGER. I would have to get additional information and furnish it for the record, Senator Cohen. I know one is in there in 1981, and I would have to get the information as to why it was formally dropped out. I can hazard a guess but I would rather not do that.

[The information follows:]

PROCUREMENT FOR THE LSD-41

The Carter administration initially considered funding the first follow-ship of the LSD-41 Class in fiscal year 1982. However, because of the complexity of this class ship, it was determined that the normal procedure of allowing a one year gap between the funding of the leadship and the first follow-ship should apply. This procedure has been established to reduce the risk of the cost growth and schedule slippage which may occur on complex leadships from impacting follow-on ships. Thus, the \$47.0 million of fiscal year 1981 long lead time funds

was to be applied to the purchase of the first follow-ship of the class in fiscal year 1983. Subsequently, it was determined that funds would not be programed for any follow-on LSD-41 class ships, due to their relatively low priority and the total amount of funds to be made available to the Department of Defense by the Carter administration.

At the same time, the Carter administration recognized the need to find a source of funds totaling \$162.0 million to fully fund the latest cost estimates for the two fiscal year 1981 CG-47 AEGIS Cruisers and for the second SSN-688 Class submarine which had been added by the Congress. Of the \$140.2 million required for the cruisers, the sources of funds proposed in the Carter budget were \$131.0 million from CG-47 Advance Procurement funding added by the Congress in fiscal year 1981 and \$9.2 million of the \$47.0 million of the LSD-41 Class ship Advance Procurement funding added by the Congress in fiscal year 1981. Of the total of \$21.8 million required for the second SSN-688, all of it was proposed for transfer from LSD-41 Class Advance Procurement funding. In summary, a total of \$31.0 million of the \$47.0 million appropriated for LSD-41 Class Advance Procurement was proposed for transfer in the Carter budget. The remaining \$16.0 million was available for Congressional withdrawal, since no fiscal year 1982 or outyear construction of LSD-41 Class ships was planned.

The Reagan amendment has recognized the need for additional LSD-41 Class construction and has added \$34.0 million to fiscal year 1982 to fund a total of \$50.0 million toward the fiscal year 1983 construction of the first follow-ship. This ship as not proposed or fiscal year 1982 funding for the management considerations stated earlier. This action considers that \$16.0 million of funds appropriated in fiscal year 1981 will be available for purchase of long leadtime items for the fiscal year 1983 ship.

During the development of the fiscal year 1981 supplemental request, this administration identified the need for additional funding for fiscal year 1979 FFG-7 Class Guided Missile Frigates (as well as fiscal year 1981 FFG-7s and fiscal year 1981 CG-47 AEGIS Cruisers) which is caused by cost growth associated with purchase and installation of LAMPs MK III Anti-Submarine Warfare-related shipboard equipment. To enable these ships which are currently under construction to be completed on schedule and without additional increased cost, funds must be identified for transfer. Thus, the Reagan supplemental for fiscal year 1981 has requested that the \$21.8 million of funding originally requested for transfer to the SSN-688 program from LSD-41 Advance Procurement funding now be funded by the fiscal year 1981 Supplemental. This action negates the need for transfer of \$21.8 million from LSD-41 Advance Procurement for the SSN-688 program and makes a like amount available for transfer to help solve the LAMPs MK III related funding shortfall. The effect of these changes is to fund the SSN-688 program at the level requested in the Carter budget but to raise the amount of fiscal year 1981 funding for LSD-41 Advance Procurement by \$21.8 million, from \$16.0 million to \$37.8 million. A reprogramming action will be submitted for approval which will transfer the \$21.8 million and other funds to the FFG-7 and CG-47 programs, to resolve the funding shortfall related to the LAMPs MK III shipboard equipment.

Senator COHEN. That is all I have, Mr. Chairman.

Chairman TOWER. Senator Nunn, do you have questions?

Senator NUNN. Yes.

PROCUREMENT INFLATION RATE

Mr. Secretary, I notice on this summary of supplemental items that has been given out, there is a reduction for inflation on aircraft and several other items. You have a reduction for inflation. Does this reflect your lowering of the estimate of inflation from the Carter administration budget?

Secretary WEINBERGER. Yes; it does, sir.

Senator NUNN. And again how much are you lowering that inflation assumption?

Secretary WEINBERGER. I believe it is about a point during the period covered by the supplemental.

Senator NUNN. And that would be during the period ending this October 1?

Secretary WEINBERGER. Yes; I can get it exactly, it is within that range, and it may be a little less than that, but it is a definite lowering of that estimate.

Senator NUNN. Is this a general revision by OMB or a specific revision that relates to analysis of aircraft procurement and so forth?

Secretary WEINBERGER. It is a general revision, concurred in by the Department of Defense, of the inflation estimates for the period. It is a revision based on the assumption that some of the policies proposed will be enacted and therefore will in fact bring down the inflation rate.

Senator NUNN. Between now and October 1?

Secretary WEINBERGER. The hope is that way, yes.

Senator NUNN. I didn't know anybody was projecting that the inflation rate was going to come down between now and October 1. You are not even going to have a tax measure.

Secretary WEINBERGER. My impression is that the administration is making that recommendation, or is making that assumption generally. It is based on, I think, the fact that a part at least or a substantial part of the inflation is caused by inflationary expectations, and that the President's proposal of economic policies which are drastically different from those followed in the past would remove some of the expectations that inflation would continue at the same rates. That is an assumption with which we concurred.

Senator NUNN. What are you lowering the inflation rate to here? What is the number you are assuming for inflation, the number and what was the old number?

Secretary WEINBERGER. Let me get it exactly for you.

Senator NUNN. I am talking about 1981 now.

Secretary WEINBERGER. My impression is it is somewhere in the neighborhood of a point or a little less. The assumption was put in at the time of the amendments to the 1981 supplemental and the 1982 budget revisions were worked out. It is an assumption as, I said that is based on the effects that it is hoped and believed that will be brought about by the dramatic change in economic policy.

Senator NUNN. Do you have the total amount of lowering you have done for inflation?

Secretary WEINBERGER. Yes.

Senator NUNN. Do you have that in the supplemental?

Secretary WEINBERGER. I was a little optimistic. It is 10.4 with the Carter prediction as to inflation, and the President's inflation prediction for the remainder of this period is 10 percent, so it is a four-tenths of a point and the inflation adjustment works out to \$1,037 million for 1981. For Army it is \$212 million, the Navy is \$413 million, and Air Force \$356 million.

Senator NUNN. That is \$1,037 million?

Secretary WEINBERGER. Yes.

Senator NUNN. Most of this is in the procurement account, isn't it?

Secretary WEINBERGER. It excludes the fuel cost, yes.

Senator NUNN. Are you aware that the procurement inflation rate, can you tell us what the procurement rate is in the Department of Defense?

Secretary WEINBERGER. Right now, you mean?

Senator NUNN. Yes.

Secretary WEINBERGER. No; I can't tell you right now. I can get it for you, the last computation of it, but what we are going on and what this assumption is based on is the belief that the measures recommended will result in a general lowering of inflation, and the four-tenths of a point that is inherent or underlies the 1981 supplemental seems to me to be reasonable under the circumstances of the rather drastic nature of the changed policies proposed.

[The information follows:]

PROCUREMENT INFLATION RATE

The inflation rate applicable to outlays for purchase, including procurement, is 10 percent for fiscal year 1980 to fiscal year 1981 and 8.7 percent for fiscal year 1981 to fiscal year 1982.

Senator NUNN. General Jones, do you know the procurement inflation rate in DOD?

General JONES. No, sir, not procurement.

Senator NUNN. It is about twice what the CPI is, Mr. Secretary. It is substantially higher than the Consumer Price Index, and so what you are seeing here is a \$1 billion reduction in the supplemental based on reducing an inflation rate that is only half what the procurement inflation rate is in the budget. It seems to me that that is an exercise in absolute futility. You would have to really be accurate to get down to 10 percent. You would have to lower the inflation rate by 8 percentage points or more in the procurement budget in a period of 5 months. Do you really believe inflationary expectations are going to go down that much?

Secretary WEINBERGER. I think they might. You ought to look at the other half of it, and that is if, despite all of the proposals the administration has made and all of the revolutionary economic changes that the President has proposed, the administration estimates that inflation is going to continue at the same pace, he has lost the battle from the beginning. You have then in effect advised the marketplace and the world that despite all of these efforts you don't really believe any of them are going to have the slightest effect. I don't think that is an assumption anyone is ready to make yet.

Senator NUNN. I understand that psychology, and you might be talking about that in terms of the general economy, but the inflation rate in the procurement account is twice. You are not talking about 10-percent inflation, you are talking about 18- or 19-percent inflation.

Secretary WEINBERGER. But you are talking about a reduction you hope to obtain as a result of these policies, and that reduction is what is reflected in this proposed or predicted savings. We also have, in addition to the basic policies of the administration, some policies that we hope are going to take effect within the procurement cycle of the Department. I don't know if they are—or they are certainly not going to be fully in effect by October—but we hope they will have a good effect within the balance of the year.

Senator NUNN. What I am concerned about is, as soon as it looks as though they are not going to pan out, you will have to come up with another supplemental. Within 12 months, the Department of Defense is going to get the blame for the increased deficit which is almost

inevitable. It is one thing to try to influence people with expectations and I concur in that, and I think part of the inflation is psychology, but what is the psychology going to be 6 months from now when there is a big article in the newspaper that the Defense Department's assumptions back in March and April of 1981 have proved to be erroneous by a factor of 200 percent? What is going to be the reaction?

It seems to me you are taking short term view in these expectations.

Secretary WEINBERGER. I think the use of the procurement inflation figure is somewhat misleading. The sense of what we are talking about here is the effect of a general lowering of the inflation rate overall which we believe will be from 10.4 down to 10. That in and of itself would have the effect of reducing the costs of some of these items that had previously been estimated, based upon a higher overall general inflation rate, and not just a procurement rate.

Senator NUNN. I understand that but you are deducting from the procurement account.

Secretary WEINBERGER. No; we are discussing it from the point of view of a general reduction of inflation throughout the country.

Senator NUNN. But you are deducting it from the procurement account. You have the specific reductions and you are deducting from the aircraft procurement, and Army, and you are deducting it in the whole sheet. Tell us where you are reducing it, and it is an absolute absurdity. You are talking about a defense procurement that went up \$47 billion on the 47 major weapons systems in the last quarter of last year and hopefully you are talking about doing it between now and October 1.

What I am concerned about, it is obvious it is wrong—there is no doubt about that and nobody can argue that this is right but the question is how wrong is it and what is going to happen to the consensus built on defense when 6 or 8 months from now this budget deficit goes straight up because of incorrect inflation assumptions, and because you also have, I think, underestimated outlays. What is going to happen to defense then? You have gone through this tortuous exercise to reduce the budget which I applaud, and you are going to have a lot of people discontented and defense is going to be getting a big increase.

Then 12 months from now, you are going to have to revise the deficit upward by anywhere from \$7 billion on and the Department of Defense is going to get the blame. This committee is going to get some blame, too, because we are going to accept the inflation assumptions which you on January 28 said in the Carter budget were absurd, and 23 weeks later you lowered it about 2 percentage points.

Secretary WEINBERGER. A great deal happened between January 28 and February 18, when the President proposed a totally new economic policy.

Senator NUNN. You did know on January 28 you were going to have a new policy?

Secretary WEINBERGER. I did indeed know and I wasn't authorized to release it until after the President had. That is a policy I have followed regularly since I have been here, which is not to preempt the President's announcements. But the simple fact of the matter is that I think the Carter estimates of inflation were wrong, and turned out to be wrong. I think the reason they did was because of the overall

economic policies that administration followed. Now, what we are trying to do here is change those policies and one of the ways in which you change the policies is the way the President did with his recommendations to the Congress on February 18.

Another way in which we have tried to do it is by removing some of the expectations that push inflation up. If I tell you in effect that all of the proposals of the President are not going to affect inflation at all, and if I go on the assumption that none of them is going to be enacted by the Congress, then the inflation will continue to be pushed up by people who will conclude that it is business at the same old stand rather than the brand new policies, and I am not going to accomplish very much.

Senator NUNN. I understand that in the long run, but I have to ask you how are you going to do that between now and October 1?

Secretary WEINBERGER. I would have hoped that the general inflation factor in the country would come down by about a little less than half a point and I would hope it would do better than that, but if it does that well, I believe it will have this effect on the procurement items that we have mentioned here. I emphasize again that while the procurement rate has been higher, the procurement rate also will be affected if the general inflation rate comes down.

That is what we hope and believe will happen.

Senator NUNN. Just one more brief question—I am getting flustered on the answering, and I hadn't asked but one question. Could I ask just one brief question on another point? I want to ask you when the paper proposal will come up here because 3 months from now they are supposed to be implemented and we don't have anything on them yet?

Secretary WEINBERGER. I still have some of the answer to go. Basically I just want to have before you, Senator, and this committee, that this \$1.3 billion that we have talked about a moment ago is an authorization figure, an obligational authority. The outlay figure will be spread over a number of years. What we are predicting is that we will save that much in obligational authority—and I don't think that it is unrealistic—between now and October.

CBO AND DOD ESTIMATE DIFFERENCES

Chairman TOWER. Mr. Secretary, as you know, the CBO computation differs from the OMB computation of the Federal budget—especially for outlays. There is a significant difference for the Department of Defense other than due to differing economic assumptions. Would you indicate to the committee what the differences are between the CBO and the DOD estimates for defense spending for 1981 through 1984 and what these differences are due to, especially the noneconomic differences? In short, should we have more confidence in CBO numbers or OMB-DOD numbers?

Secretary WEINBERGER. We will furnish the data for those years. I don't have it right with me but we certainly will do that.

Chairman TOWER. You don't have it with you now?

Secretary WEINBERGER. No, sir.

[The information follows:]

OUTLAY ESTIMATES
COMPARISON OF CBO AND DOD OUTLAY ESTIMATES
[In billions of dollars]

	Fiscal year—			
	1981	1982	1983	1984
DOD.....	158.6	184.8	221.1	149.8
CBO.....	159.3	191.3	225.9	261.0
Difference.....	.7	6.5	4.8	11.2
Economic assumptions.....	(.3)	(1.4)	(2.5)	(4.1)
Spend-out rates.....	(.2)	(4.4)	(.1)	(1.1)
Timing adjustment.....	(.2)	(.7)	(-.5)	(-.2)
Program distribution.....			(2.7)	(6.2)

You should have more confidence in the DOD estimate than in those prepared by the CBO. Outyear shifts in the program distribution were unavailable to the CBO, the most recent data indicates spend-out rates have shifted from those used by the CBO, and the timing of the supplemental requires a further spend-out adjustment, difficult to make without the most current data.

Chairman TOWER. Mr. Secretary, you indicated in the confirmation hearings and other appearances that you would be committed to carry out the Presidential mandated programs. Is it your opinion that congressional initiatives should be respected?

Secretary WEINBERGER. Of course.

REDUCING R. & D. INITIATIVES

Chairman TOWER. As it now stands, it seems that a number of congressional R. & D. initiatives will be significantly reduced and canceled in order to provide part of the offset needed to accommodate the general reduction made by the Appropriations Committee conferees is disallowing the inflation allowance for R. & D. Are you familiar with the fact that these congressional initiatives are being used in part as an offset for a general reduction?

Secretary WEINBERGER. Senator, we did have a need, and a continuing need, for reductions in every place we could find. What we have before you are the recommendations of our Department and our administration as to what seemed to be the highest priorities this year. The same is true for the 1982 revisions. There are a number of programs—I think in excess of \$3.2 billion in total—that we have had to assign a somewhat lower priority. Some of those are congressional proposals and some of them are administration proposals and some of them are service proposals.

We would emphasize that what we have before you is our recommendation, and our best judgment as to what the highest priorities are, and we think we owe you that.

Obviously if there are different ideas, and voting the other way, that would be respected. But there was a necessity to make as many reductions as we could to accommodate the very large increases we are asking for in what we believe to be the highest priorities. If there are differences of views, we would certainly respect those. But at this point we felt we should put before you our best judgment.

DECREASES IN FUNDING FOR ALL BRANCHES OF SERVICE

Chairman Tower. Mr. Secretary, I will say, as the chairman of this committee, and I think I speak for all of the members of the committee, we do not take lightly the idea of using congressional initiatives as offsets for a general reduction. I would like you to provide for the record for each service the decreases in funding for congressional initiatives being proposed as offsets for general reduction of the Appropriation conferees disallowing inflation allowance for R. & D.

Would you provide that for the record?

Secretary WEINBERGER. We will.

I also understand that there are some restorations which have been made up on some of these items, and the two staffs are working toward that end.

[The information follows:]

SUMMARY OF FISCAL YEAR 1981 CONGRESSIONAL ADD-ONS

[In millions of dollars]

	Amount added	DOD adj. to add	Amount being executed
Army programs:			
Small caliber/fire control technology	3.5	-0.6	2.9
Terminally guided projectiles	4.0	-6	3.4
Advanced land mobile concepts	25.0	-3.0	22.0
Advanced rocket control system	29.0	-1.9	27.1
Missiles and rockets	6.9	-5	6.4
BMD systems technology (LoADS)	15.0	-4.3	10.7
Corps support weapon	7.2	-6	6.6
Field artillery ammunition	5.0	-6	4.4
Fire-and-forget Hellfire	6.9	-2.0	4.9
Chapparral	4.0	-1.6	2.4
Navy programs:			
Command/control technology	7.5	-1.2	6.3
Materials technology	2.0	-2	1.8
Assault landing vehicle	26.0	-8	25.2
Light carrier design	20.0	-5.0	15.0
Diesel electric submarine	2.0	-1.5	.5
AV-8B Harrier	243.0	-2.0	241.0
Air-to-air missile system engineering	9.7	-6	9.1
Aircraft propulsion	7.0	-1.5	5.5
Mk-92 fire control system upgrade	20.0	-16.5	3.5
Combat systems architecture	4.0	-1.0	3.0
Range instrumentation material	2.0	-9	1.1
Mk-48 torpedo ADCAP	10.0	-8	9.2
A1M-9C radar improvements	5.0	-3.0	2.0
Seamod	8.0	-2.0	6.0
Fire control electro-optics (Seafire)	5.5	-7	4.8
Air Force programs:			
Minuteman	5.0	-5	4.5
Advanced attack weapons	9.5	-4	9.1
Defense satellite communications system	12.3	-4	11.9
Close air support weapons	6.7	-5	6.2
Aircraft avionics	4.0	-3	3.7
NAVSTAR GPS	22.1	-22.1	
F-111	2.6	-2.6	
Multi-role bomber	300.0	-39.0	261.0
All other congressional add-ons	234.1		234.1
Total	1,074.5	-119.2	955.3

Notes:

1. The above table reflects several program restorations based on the direction from the HAC Committee (Subcommittee) chairman and the remaining adjustments are considered either compliant with original congressional intent or justified based on program circumstances.

2. The original NAVSTAR add was \$45,000,000 for a 24 satellite program but the conference amount of \$22,000,000 did not provide for same.

3. Upgrade of the Mk-92 FCS must be done as part of a comprehensive program to fix several known deficiencies on the FFG-class ships and the fiscal year 1981 add is viewed as excessive in the conduct of an efficiently phased program to incorporate appropriate fixes.

Chairman TOWER. I would yield the balance of my time to Senator Goldwater who did not question the witnesses in the first round.

F-15 AIRCRAFT

Senator GOLDWATER. General Jones, the objective of the F-15 aircraft to be procured in fiscal year 1982, for the continental U.S. air defense, how many are you proposing to buy?

General JONES. Senator, the outyear numbers have not been determined as yet. We are adding 12 aircraft in the 1982 buy, with long lead funds in 1981, and the determination on the 1983 buy for the F-15's is still to be made. We hope to be able to keep continuing the production for a few squadrons. The final number has not been determined yet.

Senator GOLDWATER. Are these to replace the 106's?

General JONES. They would replace some of the 106's eventually; yes.

Senator GOLDWATER. Who is authorizing the research to go ahead on the strike 15? It never came before this committee, and yet McDonnell Douglas seems to be moving toward making a ground support aircraft out of it.

General JONES. Senator, there is some money in the budget in the 1982 amendment, about \$30 million, to go for some strike work on the F-15. I believe the Air Force has asked McDonnell Douglas, with a little bit of money that is available, to do some preliminary R. & D. work, but no commitment has been made to proceed with a strike F-15 until it is both fully approved within the Department of Defense and within the Congress. But this is just some advance work that they are doing to make sure that everything is proper and effective.

Senator GOLDWATER. We have an A-10 for ground support and I don't see any need for a high-speed ground support aircraft, especially when it is such a wonderful air superiority fighter. The fiscal year 1981 R. & D. funding being reduced as an offset for inflation. Is that going to be restored so we can get some more A-10's?

General JONES. I don't know of any provision to use it as an offset of inflation. We plan to buy the 14 in fiscal year 1982 with long lead funds in 1981, but I know of no plans for an offset. Maybe somebody is working on it in the Pentagon someplace, but not that I am aware of.

Senator GOLDWATER. It is money that the Congress put in for 1981 for A-10 research and development and it has evidently been used for an offset.

General JONES. I think that money was. I was thinking of the money that is now in the supplemental. There is, in the supplemental, funds for long lead to go ahead with 14 two-seat A-10's, Senator Goldwater.

Senator GOLDWATER. Are we going to get that back?

General JONES. Well, the 14 are in the supplemental, and so if the committee and the Congress approve the supplemental, that will be that.

Senator GOLDWATER. This is a two-seat A-10?

General JONES. Fourteen of them; yes, sir. Maybe it is a bookkeeping matter, and they took some money out previously to fund some other items, and now in the supplemental they are adding it in for 14 two-seat planes.

F-18

Senator GOLDWATER. General, the F-18 had another accident, as you know, and that makes three, or maybe four. Yet we are being asked for \$118 million more for additional money for this aircraft, that, in my opinion, is not yet completely airworthy.

General JONES. I think that is the estimate by the Navy for the seven additional airplanes to be procured. By the time they come off the production line, about 3 years down the road, those problems will be fixed.

Senator GOLDWATER. Well, they have been a long time getting them fixed.

General JONES. Yes, sir.

Senator GOLDWATER. There was \$10 million due also for R. & D. on the A-10 and I would like to see that restored.

General JONES. We have \$45.9 million in long lead funds for 60 A-10's, of which 14 would be two-seaters, and that long lead would be for procurement in 1982. The R. & D. funds that were initially reprogrammed have been restored.

Senator GOLDWATER. It is my feeling that if the Air Force doesn't want to buy any more A-10's, I don't know what we have that will do the close air support role any better. That is what the A-10 was designed for. It is a ground support aircraft, and using the Strike Eagle in that role is what we have been doing for 100 years, or as long as I can remember.

We take a superior fighter and try to make a ground support airplane out of it, and that hasn't worked out too well. I wish you would keep the F-15 up there where it belongs. It is not too good an airplane close to the ground and some cautions in the pilot's manual indicate that.

I don't have anything else.

Chairman TOWER. Senator Levin?

INFLATION

Senator LEVIN. Let us follow up the inflation assumption question that Senator Nunn has raised. Did you ask the administration or OMB for a different inflation assumption than they finally gave you?

Secretary WEINBERGER. No.

Senator LEVIN. What is the inflation assumption that is in your budget?

Secretary WEINBERGER. The same one that OMB is using.

Senator LEVIN. What is that?

Secretary WEINBERGER. Ten percent.

Senator LEVIN. Do you know if that is the same that is used for all agencies or does it vary?

Secretary WEINBERGER. It is the same for all agencies.

Senator LEVIN. Mr. Secretary, I have gone over some of the reductions that other agencies have made in their budgets to try to find some waste or "fat." There are a great variety of reductions but, for typical examples, the Transportation Department budget was reduced by 8 percent, the Labor Department by 18 percent. Various percentages like that have been taken by other departments in looking for reductions.

I know you have been questioned about reductions in your Department. The way I compute it, there is a reduction of \$342 million in program changes. In other words, not considering the reductions from lowering the inflation rate, there is a total of \$342 million of reductions, which is about two-tenths of 1 percent of your budget. I am just wondering why is it that, if the GAO has recommended that \$10 to \$15 billion in savings could be found in the DOD budget, and the Republican Study Group identified about \$8 billion in savings in the defense budget, why can't you do somewhat better than only \$342 million or two-tenths of 1 percent?

I know you haven't been around very long, but at the other Departments, the new Secretaries haven't been around very long either, and I am wondering why we shouldn't take some of those GAO or Republican Study Group savings recommendations and include them in the budget this year?

Secretary WEINBERGER. A lot of those are programmatic reductions, and a lot of them assume a lower rate of increase of pay, and a lot of them say that you only should have x percent growth per year regardless of the program, and some of them are based on other decisions of that kind. There are many suggestions of the Comptroller General that I think will be very useful and that we will want to put into effect. What we did here was to revise both the supplemental and a full-scale revision of the 1982 budget in a matter of about 4 weeks. Normally that would have taken somewhere in the neighborhood of 8 months. Most of the other Departments have been doing this on a percentage basis, simply saying that we will cut out so much of our requests for outlays and obligational authority in deference to the overall policy of trying to meet these reductions.

They are not identifying 8-, 10-, or 12-percent waste or anything of the kind. What they are doing is saying that we will, one way or another, through programmatic reductions eliminate the need for this much of the predicted increase in our budget that came in from the past administration. We have a different task and we approached it differently. We don't have any problem at all about the possibility of finding greater savings in the years ahead. But in 4 weeks to revise the budget and to bring an increased strength to the Defense Establishment after some periods of neglect required that we move rapidly, and we believe we have done that.

Even so we have identified about \$3.2 billion in total savings, and we think that is a pretty good start. It is not a finish but a pretty good start.

Senator LEVIN. The OMB did identify specific savings by program in all of the other Departments.

Secretary WEINBERGER. I am sorry.

Senator LEVIN. The OMB did identify specific savings by program in the other Departments.

Secretary WEINBERGER. Not in every Department. They gave various targets and goals and made some suggestions, but one way or another the reductions were based not on identifying this, that, or the other as ways, any more than the discussion we had a moment ago about the programs that included some congressional initiatives. What they did was simply take lower rates of increases for the most part. We had a request and a need for higher rates of increase.

UNIFICATION OF DOD TRAFFIC MANAGEMENT

Senator LEVIN. Let me give you a couple of examples in your budget, and I am wondering why we can't expect action this year rather than waiting for further analysis. One is on the question of unification of DOD traffic management activities. This is just a typical example, I am afraid, and not a lot of money is involved. In December of 1980, the House and Senate conferees on the fiscal 1981 Defense Appropriations Act wrote that

The conferees believe that further studies are not required and the DOD should submit a plan for the creation of such an organization by May 1, 1981.

You wrote and answered our questions about some of these cuts proposed by the Comptroller General that you were considering the application of a single manager concept to DOD's transportation activities.

Why is it that when we have such major cutbacks in other Departments we couldn't expect an answer from you on this issue in time for us to act on it in the fiscal 1982 budget now before us?

I have one other example of what I think the problem is.

Secretary WEINBERGER. Well, your deadline was May 1 and we are working toward that.

Senator LEVIN. Will you meet the May 1 deadline?

Secretary WEINBERGER. Yes; that is our plan.

Senator LEVIN. So if our fiscal 1982 budget action comes after that date, and we don't hear from you, what should we assume about DOD's plan to consolidate traffic management activities?

Secretary WEINBERGER. That the suggestions did not offer significant savings. However, I want to assure you that we are certainly anxious to find, and are looking for all of the help we can get to make savings all of the way through 1982 and 1983—certainly in the years beyond. When we will have more time with the 1983 process, which has already begun, we hope to be able to offer very significant savings. I don't believe they are going to result in any net reduction of total expenditures or authority, but I hope they will reduce the amount of additions we have to ask.

We have a long way to go and we have to move very quickly, as we mentioned to Senator Jackson earlier. That is one of the problems but we certainly want to make every reduction we can along the way and make every dollar count.

Senator LEVIN. What is your timetable for responding to the Comptroller General's letter suggesting about \$15 billion in savings in DOD?

Secretary WEINBERGER. We have in-house responses that have been assembled now from the various elements of the Department, Secretary Carlucci and I are looking them over and we would hope to have a substantive response to him within a month.

Senator LEVIN. To him?

Secretary WEINBERGER. To his office, he is retiring.

Senator LEVIN. Another example of this problem is in the conference report on the fiscal 1981 Defense Authorization Act. In that act, we requested the Secretary of Defense to submit by February 1 of this year a study of the contribution to ICBM survivability made by ballistic missile defense—known as BMD. That was a February 1 date for a report. We haven't gotten the report as far as I know, and instead we get a request for an increase in BMD. Why has that report been delayed and why, in the absence of the kind of study we requested, do we get a request for even more money?

Secretary WEINBERGER. I don't know about that specific one. The February 1 date was one that would have taken place 9 days after I arrived and was not one that came directly to my attention. The increase was requested because we believe it is essential, and essential for the strengthening of that basic system. Certainly if we find on examination of the report when it does come in that it can be done for less, we would want to advise you first.

In any event, regardless of how the study itself might turn out, the work of increasing the research and development seems to us to be important and necessary work.

Senator LEVIN. When will we be getting that study?

Secretary WEINBERGER. I can't give you a date on that but I do have a number of studies that were not ready, that were called for, as I said, before I arrived or shortly after I arrived. What we are trying to do is get them to you just as soon as we possibly can. I think I sent up about two or three last week that were in that category, and we are trying to work toward all of those deadlines. I am very conscious of the fact that we are late on some of them, that they were requested some time ago and we are doing our best to get them up to you.

BALLISTIC MISSILE DEFENSE

Senator LEVIN. I think you see the position it puts us in when you request additional money for the ballistic missile defense program, I think. There is \$39 million in your fiscal year 1981 supplemental, and that is in addition to the additional \$15 million we had already put into BMD for fiscal year 1981, while we are still awaiting a report.

Would you let us know for the record?

Secretary WEINBERGER. The report can't change the importance of the work, and I don't believe it will change the amount but we certainly will get the report.

[The information follows:]

BMD REPORT

The requested report on the contribution of ballistic missile defense to ICBM survivability has been completed and is undergoing some revisions as a result of our review. We expect to deliver it no later than April 15, 1981.

Senator LEVIN. You are not prejudging the conclusion?

Secretary WEINBERGER. Not at all. All I am prejudging is the importance of ballistic missile defense.

Senator LEVIN. Will you let us know for the record when that report will be due. I have a number of questions also, or I had a number of questions relative to the changing position relative to Project ELF, which I will hold off now because I understand there may be a hearing on that matter.

Chairman TOWER. All right, Senator.

Are there any other Senators who want to ask additional questions? I might state that the record will stay open until 5 p.m. this afternoon for any additional questions that anyone wants to submit for the record.

Senator BYRD. You are seeking the supplemental \$6.8 billion in TOA?

Secretary WEINBERGER. Yes.

Senator BYRD. Of which \$3 billion will be subject to authorization?

Secretary WEINBERGER. Yes.

Senator BYRD. Of the \$6.8 billion, what will be the spending or outlays?

Secretary WEINBERGER. The outlays on that, I believe, will be \$1 billion.

Senator BYRD. That is \$1 billion out of \$6.8 billion?

Secretary WEINBERGER. Yes.

Senator BYRD. Now, of course we had the Carter budget and we had the Reagan budget, and now we have the supplemental. Including the supplemental what is the TOA for 1981 and what is the outlay figure for 1981?

Secretary WEINBERGER. I think we went up to, it will be about \$53 billion, and this is budget authority.

The obligational authority for 1981 would be \$178 billion, and the outlays of that we estimate would be \$158.6 billion. The outlay effect of the \$6 billion, in addition, would be \$1 billion.

Senator BYRD. That is \$178 billion which includes the \$6.8 billion?

Secretary WEINBERGER. That is with the request in it, that is right.

Senator BYRD. And the \$158 billion includes the \$1 billion that you are seeking now?

Secretary WEINBERGER. Yes; it does.

MILITARY CONSTRUCTION

Senator BYRD. Could you indicate where that military construction will be?

Secretary WEINBERGER. Where it will be?

Senator BYRD. Where it will be, yes.

Secretary WEINBERGER. I guess we have a full detailed list of that. If we don't have it right here, we will get it for you.

[The information follows:]

MILITARY CONSTRUCTION

The project list for the fiscal year 1981 supplemental military construction authorization bill follows:

	<i>Thousands</i>
Army: Vilseck, Germany: Ammunition igloos-----	\$1,800
Navy: Marine Corps Air Station, El Toro, Calif.: F/A-18 aircraft support facilities-----	2,000
Air Force:	
Laughlin AFB, Tex.: Logistics complex-----	4,700
K. I. Sawyer AFB, Mich.: Sound suppressor support facility-----	540
Cannon AFB, N. Mex.: Sound suppressor support facility-----	420
Luke AFB, Ariz.: Sound suppressor support facility-----	440
Various locations, Conus: Classified support facilities—TIADS-----	50,000
Subtotal -----	<u>56,100</u>
Air National Guard:	
Barnes Municipal Airport, Mass.: A-10 aircraft beddown (4 projects) -----	4,500
Various locations: lump sum for sound suppressor support facilities at 4 sites-----	2,000
Subtotal -----	<u>6,500</u>
Defense agencies: Fort George G. Meade, Md.: Lump sum for 3 specified location minor construction projects for the National Security Agency (NSA) -----	900
Family housing: Additional authorization-----	<u>16,022</u>
Grand total, fiscal year 1981-----	<u>83,322</u>

REACTIVATION OF "ORISKANY"

Senator BYRD. I have another question. You have the reactivation of the *Oriskany* in the supplemental. Is it necessary that that be in the supplemental, why couldn't it be later?

Secretary WEINBERGER. We wanted to get the authority to begin work on it and subcontracts will be let before October if that is approved. We have design work and some of the activities necessary to get that underway, and we believe again the importance of getting that carrier on line as quickly as possible is very high.

Senator TOWER. We authorized that last year, actually, and the Appropriations Committee turned it down.

Senator BYRD. I remember that. Speaking of last year, the figure given the committee last year for the reactivation was \$305 million, and the figure given the subcommittee last week is now \$503 million.

Secretary WEINBERGER. I am afraid the latter one is now correct, yes sir.

Senator BYRD. The later one is now correct?

Secretary WEINBERGER. Yes.

Senator BYRD. Mr. Secretary, why is it, as a matter of curiosity, why would the procurement inflation be nearly double the CPI?

Secretary WEINBERGER. Well, I suppose because of different elements that go into it. There is very skilled labor for the most part. There are a number of specialized items. The procurement has been much higher

than we think it should be because of such factors as letting various production lines go down, and procuring without procuring spare parts as part of the original order, and a whole raft of things that relate to actual military procurement that are not found as part of the civilian component of this figure.

REVAMPING PROCUREMENT CYCLE

We are trying to improve that and trying to revamp the whole procurement cycle, but it has been much higher and there may be other factors I haven't mentioned that go into it. But one way or another these are the things which make it different from the overall picture of foods and houses and shelter and so on.

Senator BYRD. It is nearly double.

Secretary WEINBERGER. Over the year it has been very much higher. I don't know it has been doubled, but it has been much higher for quite a while.

Chairman TOWER. If I understand it correctly, Mr. Secretary, you are saying that by raising the rate or production on such things as tactical aircraft and more efficient rates, we will reduce the per unit cost and that will tend to reduce the procurement.

Secretary WEINBERGER. And we had the discussion with Senator Nunn a moment ago. The procurement we are talking about and the reduction in that inflation rate is obligational authority, so it is spread out over the years of these contracts.

Mr. Chairman, I do have this appointment that I believe your staff advised you of at 3:30 with the Foreign Minister of Japan, and I think we are in the position of needing all of the friends we can get, and I don't want to do anything to unnecessarily aggravate that. I will stay as long as I can but I am now going to be a bit late for that. Also members of my staff can certainly stay.

Chairman TOWER. Would you ask him what happened to the 9-percent increase that he was supposed to add to defense? Senator Nunn wanted to ask a question.

Senator NUNN. I will ask General Jones if the Secretary has to leave and I don't want to hold him up.

Chairman TOWER. If he can get more money from the Japanese for defense, that is fine.

Secretary WEINBERGER. It is one of the principal reasons for my talks. We talk about it as a common shared burden, and we hope it will be a little more shared and a little more common. Thank you very much. I am sorry to have to leave.

Senator NUNN. I have just a couple of questions of General Jones. When do you plan to have specifics legislation for the July 1 pay raise before the Congress?

General JONES. We, in the JCS, are not involved in the submission. We are in the recommending business. Maybe Mr. Borsting can answer that. But we don't handle the legislation on that.

Mr. Borsting says it is now going forward in OMB, so it should be over here shortly.

5-YEAR BUDGETARY COSTS

Senator NUNN. Mr. Borsting, could you tell me, we passed several pay measures last year of 11.7 percent, and now doctor's pay and submarine pay and others. Do you have a 5-year estimate on those budgetary costs or can you figure it for the record?

Mr. BORSTING. I would have to figure it out for the record.

Senator NUNN. Did you have a study made based on these raises that went into effect last year about the pay raise and the fringe benefits?

Mr. BORSTING. Yes; in the sense we do know that the 11.7 and the other things have increased retention so far.

Senator NUNN. Do you have any kind of an analytical studies showing what you expect the retention level to be and how much you expect it to go up by reason of what has already been passed?

Mr. BORSTING. Just what is being passed or what is being proposed?

Senator NUNN. What has been passed, if you do furnish it for the record.

Mr. BORSTING. I will.

[The information follows:]

RETENTION EFFECT OF RECENT PAY INCREASES

Underlying the model used to estimate the retention impact of pay increases is the assumption that changes in retention rates are related to changes in military pay relative to civilian pay. If military and civilian pay increase by the same percentage, retention rates are assumed to remain unchanged. The baseline projections presented for each Service are predicated on fiscal year 1979 retention experience. The reenlistment rates are then adjusted upward to reflect increases in reenlistment bonuses which are currently programed and by the estimated retention impact of the 11.7 percent pay raise in October 1980, and by estimate of the retention effects of the variable housing allowance (VHA) and sea pay for the Navy. It is assumed that civilian wage growth was 9.1 percent, as measured by the survey of Professional, Administrative, Technical and Clerical (PATC) workers, so that the 11.7 percent pay raise results in a 2.6 percentage point increase in military pay relative to civilian pay. The following are our projections:

ENLISTED CAREER FORCE

[In thousands]

	Fiscal year—				
	1982	1983	1984	1985	1986
Army:					
Baseline.....	272.7	271.1	277.3	277.8	281.1
Bonuses+11.7+VHA.....	279.7	282.7	292.7	295.1	300.0
Navy:					
Baseline.....	188.1	189.4	192.2	201.1	106.8
Bonuses+11.7+VHA+Sea pay.....	198.0	205.0	213.2	226.1	234.6
Marine Corps:					
Baseline.....	47.8	48.7	49.7	51.4	52.4
Bonuses+11.7+VHA.....	49.2	51.1	52.7	54.8	56.1
Air Force:					
Baseline.....	218.2	213.0	211.9	217.4	220.7
Bonuses+11.7+VHA.....	223.2	220.4	221.4	228.2	232.8

Senator NUNN. Do you have any kind of analysis or projection about what the 5.3 percent pay raise for July will do in retention and so forth, and the same question for the 9 percent in October?

Mr. BORSTING. We do, and I will submit it for the record.

Senator NUNN. Could you furnish it for the record?

Mr. BORSTING. Yes.

[The information follows:]

RETENTION IMPACT OF PROPOSED PAY RAISES

Our estimates indicate that a 5.3 percent pay increase in July, 1981 will improve retention to a degree that we will have about 15,000 more enlisted personnel in the career force by the end of fiscal year 1982 and about 49,000 more by the end of fiscal year 1987 than we otherwise would. Estimates are as follows:

INCREASES IN CAREER CONTENT DUE TO 5.3-PERCENT PAY RAISE

	Fiscal year—					
	1982	1983	1984	1985	1986	1987
Army.....	5,600	9,200	13,000	15,300	16,700	18,000
Navy.....	4,200	7,500	10,260	12,090	13,280	14,500
Marine Corps.....	1,500	2,500	3,500	4,000	4,400	4,800
Air Force.....	4,000	6,500	8,430	9,800	10,500	11,400
DOD.....	15,300	25,700	35,190	41,190	44,880	48,700

Our retention estimates are based upon the assumption that annual military pay raises in the future will match the pay raises received in the civilian sector. If civilian pay increases by 9 percent, as measured by the annual survey of Professional, Administrative, Technical and Clerical (PATC) workers, for example, then our analysis assumes that a military pay raise of 9 percent is required to sustain retention rates at the higher level resulting from the 5.3 percent raise. A military pay raise in October, 1981 that is below that received by civilian workers reduce the gains attributed to the 5.3 percent pay raise of July 1981.

FOOD STAMPS FOR MILITARY FAMILIES

Senator NUNN. Mr. Borsting, the General Accounting Office at my request did a study of the food stamp situation in the military families, and you are aware of an AEI report that came out on that?

Mr. BORSTING. Yes.

Senator NUNN. Have you looked at the GAO report and has someone looked at that?

Mr. BORSTING. I am sure our manpower people have; yes.

Senator NUNN. Could you furnish that for the record, where you agree or disagree with GAO report?

Mr. BORSTING. Yes.

Senator NUNN. And that report basically was a critique of the AEI report, so necessarily you will have to address both of those?

Mr. BORSTING. Yes.

Senator NUNN. They came to the conclusion that about 1 percent of the force were eligible for food stamps and also the conclusion that the AEI report had used wrong figures in computing eligibility for food stamps, and it was grossly inflated.

I would like to know DOD thinking about that GAO report.

Mr. BORSTING. We will do that.

[The information follows:]

FOOD STAMPS

We had estimated, prior to last October's 11.7 percent pay raise and implementation of the Variable Housing Allowance (VHA), that about 24,000 military

personnel would be eligible for food stamps. The pay raise and VHA would reduce that number somewhat, but we have not developed a revised estimate at this point. We do not disagree with the GAO report. With a couple of technical corrections, they used the same methodology that we used in estimating food stamp eligibility and thus came up the essentially the same number.

Senator NUNN. That is all I have, Mr. Chairman.

Chairman TOWER. Senator Cannon has just arrived. I am sorry, but the Secretary had to leave; he is meeting with the Japanese Foreign Minister. However, we have General Jones and we have the Comptroller.

Senator CANNON. All of the questions I had have already been covered.

[Questions with answers supplied follow :]

QUESTIONS SUBMITTED BY SENATOR JOHN TOWER

TIME URGENT REQUIREMENT

Senator TOWER. Secretary Weinberger, please provide for the record a brief indication of the "time-urgent" requirements for funding of the initiative proposed in the fiscal year 1981 supplemental.

Secretary WEINBERGER. Operations and Maintenance is a one year appropriation and, therefore, by definition each initiative contained in its supplemental becomes "time urgent." If the Operations and Maintenance appropriation is to be executed in an efficient and orderly manner, it is essential that field managers be given sufficient time to plan based on available funding how they will accomplish these objectives. Additionally, the supplemental contains certain Fact-of-Life adjustments such as fuel and utility price increases and funding for deployments already made such as, the Carrier battle groups to the Indian Ocean. If funding is not made available soon, we may be forced to stand down certain operations and cut back "high priority" more easily controlled programs such as flying hours and steaming hours to insure that current funding is not exceeded. This action could disrupt the orderly execution of currently approved programs. In addition, we should get an early start on other initiatives to improve readiness, such as the elimination of the Depot Maintenance Backlog.

In the investment area, every item in the fiscal year 1981 Supplemental also carries a sense of urgency. As an illustration, additional procurement funding is a necessity to avoid a production break in the M60A3 tank conversion program. In the construction activities, priority funding is necessary to support increases in field artillery units in Europe and provide for facilities in support of Rapid Deployment Joint Task Force and Indian Ocean/Persian Gulf operations. Developmental efforts to maintain critical testing and initial operating capability (IOC) milestone schedules for the Ground Launched Cruise Missile (GLCM) and TOMAHAWK missile will not be accomplished if supplemental funding is not forthcoming.

The Supplemental budget request will fund unexpected cost increases in a number of fiscal year 1981 procurement programs. If these funds are not appropriated, support equipment and services will be deferred or procurement of authorized aircraft, missiles and other weapons will be foregone in order to accommodate these cost increases. Several examples are the A6E and F-14 aircraft and the CH-53E helicopters. In the case of the F-18 aircraft, funds have been requested to procure seven aircraft which have already been authorized but which cannot be procured without the appropriation of additional funds. In each of these instances, it is important to receive the funds in order to complete the procurements in an orderly, fully funded plan.

COST GROWTH

Senator TOWER. Secretary Weinberger, there is significant increase in the fiscal year 1981 supplemental and in the revised fiscal year 1982 request due to program cost growth. As Chairman of this Committee, I am quite concerned about what appears to be inordinate cost growth and intend to have our Committee fully investigate these increases.

To what extent have you been able to review the cost increases reflected in the revised fiscal year 1981 and fiscal year 1982 request to determine the reasons behind these increases and if, in fact, they are warranted?

What management initiatives can we anticipate under your leadership to bring pressure to bear on the Services and on the contractors to curtail future cost growth?

Secretary WEINBERGER. We have not yet had time to conduct the detailed review that will be necessary to identify the problems underlying the cost growth in each and every defense program, but it is readily apparent that there are two major factors involved here: First, prices increased faster than was anticipated when some of these programs were initiated. We hope to moderate these price increases, and we are actually asking for less funds to cover inflation than did the previous Administration. However, we must recognize that more funds are needed in fiscal year 1981, particularly, to cover fact-of-life increases. Second, lack of firm commitments to national defense has resulted in erosion of our industrial base, less competition, and a general lack of confidence in DoD as a customer. This also leads to cost growth.

We hope to attack the general inflation problem through the President's Economic Recovery Plan. We will ensure that the DoD Acquisition Process is reformed and improved so that inefficient production rates, indecision between alternative systems, and disconnects between our procurement plans and budget plans are eliminated.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND

DAVIS-BACON ACT

Senator THURMOND. In estimating the cost of these projects, what have you assumed regarding the Davis-Bacon Act? Are your estimates based on the assumption that the Davis-Bacon Act will be repealed?

ANSWER. It has not been assumed that the Davis-Bacon Act will be repealed, rather, it is intended to tighten up the administration of the act. Many have long felt that the administration of the Davis-Bacon Act, especially with respect to its approach to job classifications, identification of prevailing labor rates, and geographical applications, has resulted in labor costs higher than those necessary to fulfill the objectives of the act. To the extent that these problems can be minimized through better administrative processes, savings should result.

ARMY PROJECT FOR AMMUNITION STORAGE—FISCAL YEAR 1981 MILCON SUPPLEMENTAL

Senator THURMOND. Why can't the Army project for ammunition storage in NATO be accomplished with NATO Infrastructure funds?

ANSWER. This Army project cannot be done with NATO Infrastructure funds, because this project provides facilities for the "unit basic load" of ammunition for U.S. units. All NATO nations have agreed that provisions for "unit basic loads" of ammunition for country forces are entirely the national responsibility of each nation, and that they are not eligible for NATO common funding. By our agreement to this provision, the United States continues to avoid having to pay a large share (27.4 percent) of this type of requirement for the military forces of all other NATO nations. Facilities for unit basic load ammunition have been expressly excluded from NATO criteria.

QUESTIONS SUBMITTED BY SENATOR BARRY GOLDWATER

M60A3 CONVERSIONS

Senator GOLDWATER. Secretary Weinberger, in that M60A3 conversions are now behind schedule, what is the imperative of additional funding in fiscal year 1981 for conversions.

Compare schedules for M60A3 conversions with fiscal year 1981 funding as opposed to fiscal year 1982 funding.

Secretary WEINBERGER. The imperative for additional funding in fiscal year 1981 is to maintain a warm fire control vendor base. Foreign military sales during fiscal year 1981 will not be sufficient to maintain the base into fiscal year 1982. Fiscal year 1981 supplemental funding will sustain production until the fiscal year 1982 funded delivery period and is necessary to marry with the fiscal year 1982 planned program. This will avoid costly production breaks and a disrupted conversion effort.

The requests for a fiscal year 1981 Supplemental and a fiscal year 1982 Amendment provide for a conversion program starting in April, 1983, and running through March 1985. Without the supplemental and assuming approval of the amendment, there will be a 6-month production break in the conversion line and corresponding cost, schedule, and quality problems.

M1 COST GROWTH

Senator GOLDWATER. Secretary Weinberger, the revised budgets contain \$1 billion more in fiscal year 1981 and fiscal year 1982 for XM-1 procurement in order to simply procure the exact same quantities as planned last year. Have you personally given the XM-1 program sufficient review to establish the merit of the requirement for these additional funds?

At the same time, additional testing has been required for the XM-1 tank program because of durability problems. How do you justify restoring the previous procurement profile in view of these added testing requirements?

Secretary WEINBERGER. My staff has closely reviewed the need for additional M1 tank funding and we believe these funds are indeed required to insure production program execution is synchronized with the need to field these vehicles as soon as possible. The majority of the additional funds are required to correct improper budgeting for inflation in the early program years. It should be noted that these funds also provide for entirely new effort such as competitive second sourcing of selected fire control components, a viable maintainability improvement program, a reliability improvement program as well as production cut-in of required product improvements such as armor upgrade, improved Nuclear, Biological and Chemical (NBC) protection, an auxiliary power unit and weight reduction measures. All of these additional efforts should reduce outyear procurement, operational and support costs.

The Army's test results to date indicate the majority of the M1's power-train durability problems have been due to production base start-up problems, principally in the area of quality control. The Program Manager, M1 and the Contractors are correcting the production problems on a day-to-day basis, and the latest tanks coming out of the Lima Army Tank Plant reflect improvements in the production process. As the production base matures in the near-term, our quality control and power-train durability will improve. Consequently, we believe we can and should proceed without undue risk.

FIGHTING VEHICLE SECOND SOURCE

Senator GOLDWATER. The fiscal year 1981 supplemental contains cost growth for the IFV vehicle in the amount of \$170M. What is your position with respect to the advisability of committing to the establishment of a second source for production of the IFV vehicles? Explain.

Secretary WEINBERGER. The Army has developed an IFV acquisition strategy which includes a possible second source. However, analyses performed to date have not provided a sound basis for predicting any savings that might result from competition. Consequently, in fiscal year 1981, additional analyses of potential second sources are being performed to provide a better estimate of the economies of developing a second source. If these analyses indicate the realization of considerable savings, then the first step toward facilitating a second source will be completed. The second step would involve funding the additional front-end requirements that selecting, qualifying and facilitating a second prime contractor would generate. Funding for these efforts are not provided for within the current program. There would be a significant reduction in the quantities our present prime contractor could deliver if resources for the second source were absorbed from the planned production program.

No commitment to a second source will be made until certain conditions are met. Our analyses must tell us that it is the correct economic decision and that additional funding can be justified to bring on a second source.

QUESTIONS SUBMITTED BY SENATOR JOHN WARNER

ENVIRONMENTAL AND POLITICAL THREAT TO MX

Senator WARNER. Secretary Weinberger, newspaper accounts have suggested that you believe environmental and political opposition would make it nearly impossible to deploy MX in MPS. Is that your view?

ANSWER. Such accounts exaggerate the extent of our concern. But we do believe that timely deployment of the MX MPS system could be jeopardized by the threat of injunctions and prolonged litigation deriving from environmental issues.

VALIDITY OF IOC IN 1986

Senator WARNER. Secretary Weinberger, is this administration still committed to deploying MX by 1986?

ANSWER. This administration is committed to the earliest reasonable date for deployment of the MX missile is a survivable basing mode. The earliest reasonable deployment date for the MX MPS program appears to be mid-1986.

Senator WARNER. Secretary Weinberger, how important do you believe it is to re-establish a survivable land-based missile force?

ANSWER. It is absolutely essential that the survivability of all elements of our strategic retaliatory forces be preserved.

Credible deterrence requires the deployment of forces that can survive an enemy attack and make it possible for us to retaliate in a manner calculated to deny meaningful victory to any Soviet nuclear gambit regardless of its scale, or to exact costs from the Soviets that exceed any rational gain.

We maintain a Triad of strategic nuclear retaliatory forces in order to complicate the Soviet attack problem and to minimize the numbers of our forces that would be neutralized by a Soviet first strike or by catastrophic technical failure.

We also maintain it in order to maximize the effectiveness of our own retaliation by complicating the Soviet defense problem by forcing the Soviets to consider the necessity of defending against retaliation from weapons systems that have a variety of attack characteristics. And finally, we maintain it in order to insure that we will have the capacity for calculated retaliation that can only be found in the flexibility provided by a diversified strategic force structure.

We believe that the land-based missile force is an essential part of that force structure, and that measures to re-establish its survivability will help restore the strategic balance, and thereby reduce the likelihood that strategic nuclear weapons will ever be used.

MX BASING

Senator WARNER. General Jones, from the track record it would seem that the Air Force has long been committed to some kind of MPS for MX. General Jones, how strongly committed are you personally to having MX deployed in a MPS system?

ANSWER. I believe the current basing system is best. Many different basing modes have been reviewed and the current MPS proposal was found to be optimum from both capability and schedule as well as technology and cost standpoints.

TRIAD

Senator WARNER. General Jones, how necessary do you think it is to have a survivable ICBM force in the Triad?

ANSWER. The arguments for a Triad are well known and well-founded. Accepting the Triad concept, it makes no sense to permit one or more of its legs to become either ineffective or especially vulnerable. I, therefore, believe it absolutely necessary for us to have a survivable ICBM force.

ACCELERATION OF LOW ALTITUDE BMD

Senator WARNER. This committee has received much testimony indicating that the effectiveness of LoADS is greatly improved when employed in a MPS basing mode along with MX. Testimony also indicates that LoADS alone is not an effective system for defending silos. Secretary Weinberger, is the LoADS acceleration you are proposing designed for the MX MPS system?

ANSWER. The LoAD preprototype demonstration program will develop and demonstrate a set of relatively simple, short range, low altitude ballistic missile

defense (BMD) components that could be deployed rapidly to defend hard targets, such as ICBM shelters or silos. The LoAD concept, and in particular its subsystem components, are generic and can be tailored to fit a variety of applications. A high leverage application of LoAD is as an adjunct to the MX-MPS system, which also results in the most stressing requirements. Consequently, the defense of MX-MPS with LoAD currently receives the most attention. If used in a stand-alone mode to defend silos, LoAD as recently configured, may not be effective against threats greater than about [deleted] reentry vehicles. The addition of and exoatmospheric overlay to LoAD to form a layered defense, or the extension of LoAD components toward a concept providing a more robust capability, could provide a useful adjunct for defense of silos as well. The proposed acceleration is to accomplish the preprototype demonstration 24 months sooner than the current funding profile will support. The acceleration would also put us in a position to deploy our available BMD technology 24 months earlier, if needed, and should actually reduce the cost of the preprototype demonstration somewhat because of the earlier completion.

BALLISTIC MISSILE DEFENSE

Senator WARNER. General Jones, in your opinion, could LoADS help to limit the size of a MX MPS system which would be needed against an expanded Soviet threat?

ANSWER. Low Altitude Defense (LoAD) is being developed to provide a rapidly deployable hedge in the event that the US decides to defend the US ICBM capability or the Soviets abrogate the Anti-Ballistic Missile (ABM) Treaty. LoAD could extend the survivability of MX in multiple protective shelters (MPS) in the event of an expanded Soviet threat. A LoAD deployment which provided a single intercept of the reentry vehicle targeted for the MX location could require the attacker to as much as double the attack level in order to insure destroying MX. Therefore, adding LoAD to the deployed MX/MPS system could be equivalent to doubling the number of MX shelters. However, deployment of LoADS would require the US to abrogate the ABM Treaty and could have far-reaching and possibly adverse consequences in terms of Soviet deployments of ABM systems which could impact on the ability of US offensive forces to penetrate the resulting Soviet defenses.

GROUND-LAUNCHED CRUISE MISSILE COST GROWTH

Senator WARNER. Given the cost growth in the GLCM program, is the Reagan administration still committed to modernization of NATO Theater Nuclear Forces with GLCM?

ANSWER. The administration is committed to the modernization of NATO's theater nuclear forces with GLCM. In December 1979, the Alliance agreed to proceed with the deployment of Ground-Launched Cruise Missiles and Pershing II ballistic missiles. It is absolutely essential that the US and our NATO Allies continue to support and fully implement that agreement.

Senator WARNER. Given that you have requested \$109 million for R. & D. and procurement cost growth for GLCM, what are you doing to insure against further cost growth and what are you doing to protect the IOC?

ANSWER. Actions being taken to avoid further cost increases include negotiation of fixed price production contracts and the capping of some key cost reimbursement development contracts. Fiscal year 1981 development and production effort has been prioritized to meet the IOC and to give specific attention to IOC essential assets and training requirements.

AMERICAN AIRLINES 707S FOR MX

Senator WARNER. The fiscal year 1981 Supplemental requests \$55.5 million for procurement of Boeing 707 aircraft as part of the command control system for MX. General Jones, could you explain to this Committee why you wish to purchase used 707 aircraft for MX command control rather than use existing KC-135 aircraft or future re-engined KC-135s? Will these aircraft be EMP hardened?

General JONES. The fiscal year 1981 Supplemental provides \$3.4 million to purchase one used Boeing 707 as an MX test-bed aircraft. The Air Force anticipates purchasing the remaining aircraft for the MX command and control mission at a later date. The Boeing 707 aircraft were chosen by the Strategic

Air Command, Air Force Systems Command, and the Air Staff primarily because of its payload capability, performance, mission duration and low procurement price.

The existing KC-135 tanker fleet is required to support Single Integrated Operation Plan (SIOP) bombers. There is a significant shortfall in required tankers, making them unavailable for other missions.

Further, the existing KC-135 aircraft are not able to meet the MX aircraft requirements in performance, payload and mission duration. Although the re-engined KC-135 aircraft could meet the MX requirements, they will be needed for their primary air refueling mission and will not be available for an MX airborne command and control platform.

The MX aircraft will be fully EMP hardened.

PROGRAM CONTINUATION DURING THE MX REVIEW

Senator WARNER. Secretary Weinberger, I assume that it is your view that we should proceed with procurement of this aircraft for the MX system despite the review by the administration of the MX basing system. Is that correct?

ANSWER. We believe that delayable actions and commitments that are peculiar to the MPS basing mode should be delayed until this administration takes its position on MX basing in July. This procurement of aircraft represents a rare opportunity that must be seized at this time or lost. We choose to seize it. Moreover, only one test bed airframe, at a cost of \$3.5 million, will be bought for MX out of the total of \$55.5 million; the remainder is in support of reengining aircraft associated with strategic, tactical, and test bed missions.

B-52 EMP HARDENING

Senator WARNER. Last year this committee voted to authorize \$20 million for B-52 EMP hardening. That action was reversed in Conference as a part of the compromise on the new strategic bomber. Secretary Weinberger, your supplemental contains a request for \$20 million for B-52 modifications. I assume that these modifications are justified on the grounds that the B-52 rather than a new aircraft will be our cruise missile carrier for many years to come. Is that correct?

ANSWER. As a new aircraft is phased in, the B-52, because of age and ability to penetrate defenses, would be shifted to less stressful roles, such as that of cruise missile carrier. The B-52 will continue as a cruise missile carrier throughout the 1980's and into the 1990's.

EMP modifications are necessary because EMP can effect all phases of a cruise missile carrier mission, such as takeoff, cruise, refueling, cruise missile launch and recovery. Our ability to carry the cruise missile to the proper launch points and direct them to target courses is fundamentally dependent upon the launch aircraft which for the next decade and beyond will include the B-52.

NEW BOMBER DECISION

Senator WARNER. Secretary Weinberger, why is it that the administration cannot make a decision on a new bomber before June?

ANSWER. The pacing items for a June 1, 1981, decision are twofold.

(a) We intend to negotiate contracts to establish final configurations and costs for all prospective candidates before a decision is announced. This process will continue through May 1981 due to the complexities of defining the configurations and the associated costs.

(b) In parallel with the refinement of final costs and military effectiveness, the near and far term impacts upon both our strategic posture and budget constraints will be reviewed.

The deployment date for a new bomber is being maintained through this process. Contract release dates and funding commitments are scheduled for a June 1, 1981, decision.

SM-2 NUCLEAR WARHEAD PROGRAM

Senator WARNER. General Jones, in your view how important is the SM-2 nuclear warhead program?

ANSWER. The current Navy nuclear capability in the anti-air warfare role is limited to the Terrier, [deleted]. Nuclear SM-2, combined with Aegis and other integrated automatic detection and tracking systems, [deleted].

SM-2 WARHEAD

Senator WARNER. Secretary Weinberger, did you carefully review the SM-2 restart decision before it was included in the budget?

Secretary WEINBERGER. All of the items included in the proposed fiscal year 1981 Supplemental and the proposed Reagan amendments to the fiscal year 1982 budget were carefully reviewed both by me and my senior advisors acting as the Defense Resource Board. The decision to resume development of a nuclear warhead for the SM-2 missile was made by Secretary of Defense Harold Brown based on an independent assessment by the Defense Science Board and the continued strong recommendation of the Chief of Naval Operations that such development was mandated by the threat posed to the fleet by nuclear-armed Soviet Backfire bombers. The present administration supports that decision.

KWAJALEIN MISSILE RANGE

Senator WARNER. General Jones, how important is it that we upgrade the test facilities at Kwajalein as part of our BMD program?

ANSWER. Kwajalein Missile Range (KMR) is a national range managed and operated by the Army for the purpose of strategic offensive and ballistic missile defense developmental testing. Funds were budgeted in fiscal year 1979, 1980 and 1981 for modernization and replacement of test instrumentation. However, the rapidly rising costs of POL and transportation of supplies to KMR required reprogramming of funds from the instrumentation program. In addition, the costs of repairing the damage done by a tropical storm in 1979 resulted in virtually no funds being applied for instrumentation modernization. Also, the KMR plant has deteriorated over the past years and is in drastic need of major repairs. Continued deferment of improvement, modernization, maintenance, and repairs will reduce range reliability and adversely affect the basic capability of KMR to support strategic test programs and the intelligence community.

PARTICLE BEAM TECHNOLOGY

Senator WARNER. General Jones, given the tight budget constraints we face, do you think it is appropriate that we continue to fund futuristic technologies like particle beams?

ANSWER. Yes. The primary objective of the Science and Technology program, which funds basic research for future weapon systems like the particle beam, are to avoid technological surprise and to develop new technologies that could enhance our national security. We are continuing development of technology for particle beam weapon systems in support of both objectives: the Soviets are pursuing the technology, and it may have important potential applications for bomber defense and antiship missile defense.

HIGH ENERGY LASERS

Senator WARNER. General Jones, in your view, is the request for additional funding for the Navy High Energy Laser Program the highest priority among the funding requirements of all the military laser programs?

ANSWER. The Service laser programs have different applications. Each program is justified on its own merits and has undergone careful evaluation to establish its validity. The Navy has brought on-line the free world's largest high energy laser. The fiscal year 1981 budget for this program was cut \$18 million. Efforts to restore the funds were unsuccessful. The fiscal year 1981 supplemental request for \$6 million is required for the continued operation of the laser. As the program is now structured, there are insufficient funds to continue the laser's operations through fiscal year 1981. A shut down would result in the loss of valuable technical and intelligence operating data for the remainder of current fiscal year.

SPACE PROGRAMS

Senator WARNER. General Jones, have we become overly dependent on the Space Shuttle for our military programs?

ANSWER. Although there has been uncertainty regarding the date when the Space Shuttle will be operational, our critical launch needs are protected. As insurance against further delays in the Space Shuttle development or grounding

of the Orbiter Fleet during the early shuttle flights, DOD maintains an austere pool of Titan III (34)D backup vehicles. Our plan is to provide Titan III backup launch vehicles to critical DOD shuttle missions for two years after initial operational capability (IOC) of the Space Shuttle at the Kennedy Space Center and one year after IOC at Vandenberg AFB. We also plan to maintain Titan III production capability until the Shuttle is operational at the Kennedy Space Center to guarantee our ability to procure additional Titan III vehicles if required. This combination of backup launch vehicles and essential Titan III production capability assures our ability to launch vital mission payloads.

SHUTTLE SCHEDULE

Senator WARNER. Secretary Weinberger, can you reassure this committee that you will maintain the capability to put vital [deleted] communications satellites into orbit on schedule should the space shuttle again suffer severe setbacks?

ANSWER. We believe that our present back up booster posture provides prudent insurance that most of our vital [deleted] communications satellites can be launched on a reasonable schedule should the Shuttle be delayed or encounter difficulties in the early operational period. It should be recognized, however, that two of our satellites—SM II which is scheduled to be launched in July 1983 and the Satellite Data System satellite to be launched in October 1983—are not compatible with current backup boosters nor are boosters programed for these launches.

These satellites are designed to take full advantage of Shuttle capabilities and major expensive changes to our Titan III booster would be necessary to backup these launches. At this time, we do not anticipate significant Shuttle delays which would impact these launches. In the very unlikely event that the Shuttle encounters very severe setbacks we would be prepared to make the necessary spacecraft and launch vehicle modifications to provide the necessary launch capability with some slips in launch dates. We are of course continually assessing Shuttle status to assure that our launches through fiscal year 1985 are protected.

INTELLIGENCE AND COMMAND CONTROL

Senator WARNER. The fiscal year 1981 Supplemental contains requests for additional funding for strategic command, control and communications programs and intelligence efforts. These include the Defense Support Program, Enhanced Postattack Communications, and new Communication Architectures. General Jones, could you explain to this Committee the urgency of these funding requests and for the record could you explain how each of these communications and intelligence programs fits into the broader modernization plan?

General JONES. The overall Defense modernization plan seeks to strengthen our current forces by emphasizing readiness of our current forces and investment in our future forces. However, to get full value from our modernization effort, we must have a corresponding effort to upgrade the command, control, communications and intelligence (C³I) systems needed to exercise command of those forces. Thus, the C³I programs are integral to the broader modernization effort.

Our most urgent needs in this area are fundamental to the deterrent posture of this country: we must improve the survivability of equipment and facilities which provide critical communications connectivity and support continuity of government. The funds requested in the fiscal year 1981 Supplemental will permit significant near-term improvements to be realized, [deleted].

QUESTION SUBMITTED BY SENATOR GORDON HUMPHREY

AIRCRAFT SPARES

Senator HUMPHREY. Secretary Weinberger, the Air Force has asked for significant increased funding for aircraft spares in the fiscal year 1981 Supplemental. Have you determined (1) that these funds can be obligated during the remainder of fiscal year 1981 and (2) that the industrial capacity exists to produce these spares in the fiscal year 1981 funded delivery period.

Secretary WEINBERGER. The Air Force can obligate the increased funding contained in the fiscal year 1981 Supplemental. The Air Force Logistics Command has already begun preparations to execute the additional funds. The specific items to be procured are being identified and preliminary paperwork prepared. Once the Supplemental is approved, the funds can be quickly obligated. The industrial capacity exists to produce these spares in the fiscal year 1981 funded delivery period. In anticipation of significant increases in spares funding, the Air Force completed a producibility study in August 1980 to determine industrial capacity to produce additional spares. The study involved 58 manufacturers and 15 vendors. The study did confirm that industry has the capability to produce the additional spare parts. The study was validated by the Air Force Audia Agency.

QUESTIONS SUBMITTED BY SENATOR WILLIAM S. COHEN

U.S. SHIPYARD CAPACITY

Senator COHEN. In light of your current, stated goals for a 600 ship Navy, what factors are present now, or in the future, to persuade you that a goal of 700-800 ships is required.

ANSWER. I would not characterize our goals as one of having any particular number of ships either 600, 700 or 800. Rather we are looking for an overall naval forces capability, a larger part of which translates into a certain number of ships. As you know, for many years we have kept four carriers forward deployed in peacetime. Recently we have been doing that with a force of 12-13 carriers. However, the increased operating tempo occasioned by the crisis in the Persian Gulf area has put such a great strain on our operating forces that we are convinced we cannot continue indefinitely at the present tempo. In order to reduce the tempo of operations for individual carriers, we need more carriers. When we increase carriers force levels, we will need more surface combatants, submarines, underway replenishment ships and other support ships. Likewise we need to similarly reduce the operating tempo of amphibious forces—which in turn implies more amphibious ships—surface combatants—support ships. The total will undoubtedly be more than the 540-550 ships we now have. A second factor is the increased threat to the sea lines of communications posed by the Soviet buildup of their nuclear submarines, more capable surface combatants and the Backfire bomber. The same forces we need for crisis management will be needed to successfully defend against the increased Soviet threat.

Senator COHEN. Given that a 700-800 ship Navy is required in the 1990s, and given some of the problems that seem to be present in today's shipbuilding industry, what plans have you made to achieve your higher goals? Will this level of effort cause you to make greater use of public shipyards, government assignment of ship building contracts, and government allocation of shipbuilding materials and assets?

ANSWER. The exact mix of ships and their construction schedules to achieve this administration's goal for the Navy force level have not yet been determined. As we are formulating our plans, all options that you have asked about are being considered by the Navy. That is, the question of whether it will be necessary or prudent to establish one or more Naval shipyards to construct any part of the required ships is being studied in some detail. The question of whether government assignment of all or part of the shipbuilding contracts will be necessary or in the best interests of the government is also being studied as is the availability of shipbuilding materials. In short, we have not drawn final conclusions on any of these matters at this time.

What we intend is to propose a shipbuilding program that will meet the nation's defense needs and be producible by our shipbuilding industry. Our planning will take into account availability for facilities and rational workloading of our shipyards.

Senator COHEN. Finally, all of this seems to lead towards an increased emphasis on long range planning in the shipbuilding industry. Two questions, then; what are your plans to incorporate multi-year procurement for shipbuilding, and (in the short term) where is the 5-year shipbuilding plan for this year?

ANSWER. Your perception that increased long range planning is required is correct. In fact, this planning must now be integrated for the entire shipbuilding program rather than accomplished as a number of independent shipbuilding projects. The use of multi-year contracts is an option which would be of great assistance in accomplishing our program if current legislative restrictions on the use of this type contracts were repealed or eased by the Congress.

Until all of our planning has been completed, it would be premature to send a 5-year shipbuilding program to Congress.

Chairman Tower. There appears to be nothing further. General Jones and Mr. Borsting, thank you very much.

[Whereupon, at 3:40 p.m. the committee hearing adjourned.]

