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NOMINATIONS OF RUSSELL D. HALE, HERMAN E. ROSER,
GEORGE A. SAWYER AND EDWARD J. PHILBIN

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BEFORE THE KANSAS STATE UNIVERSITY

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
NINETY-SEVENTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF

RUSSELL D. HALE, OF VIRGINIA, TO BE AN ASSISTANT SEC-
RETARY OF THE AIR FORCE;
HERMAN E. ROSER, OF NEW MEXICO, TO BE AN ASSISTANT
SECRETARY OF ENERGY (DEFENSE PROGRAMS);
GEORGE A. SAWYER, OF NEW JERSEY, TO BE AN ASSISTANT
SECRETARY OF THE NAVY;
EDWARD J. PHILBIN, OF CALIFORNIA, TO BE DEPUTY AS-
SISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

JUNE 11, 1981

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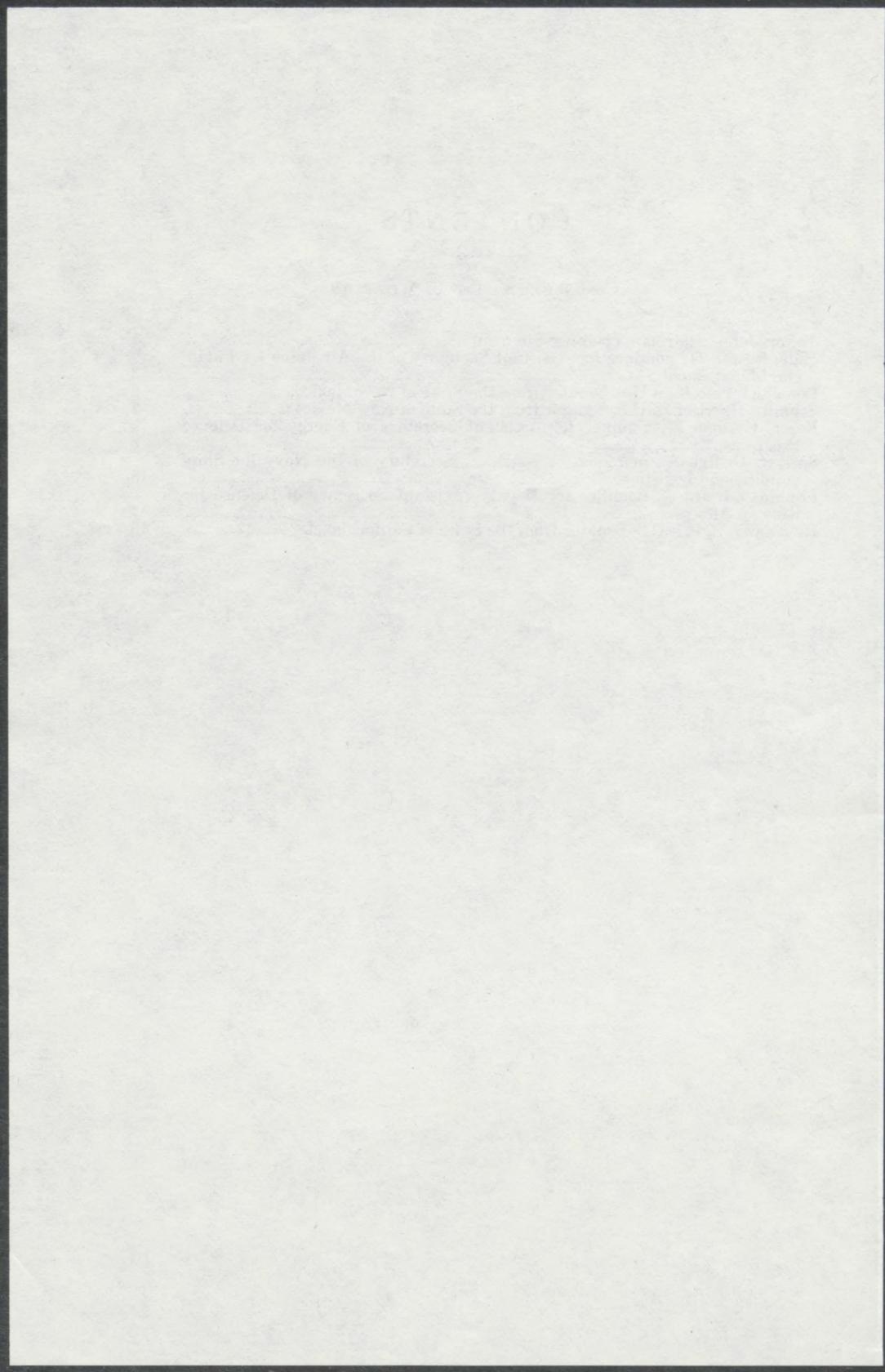
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NOMINATIONS OF RUSSELL D. HALE, HERMAN E. ROSER, GEORGE A. SAWYER, AND EDWARD J. PHILBIN

THURSDAY, JUNE 11, 1981

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

The committee met, pursuant to call, at 10:08 a.m., in room 212 Russell Senate Office Building, Senator John Tower (chairman) presiding.

Present: Senators Tower, Thurmond, Warner, Cohen, and Stennis.

Also present: Senators Schmitt, Domenici, and Hayakawa.

Staff present: Rhett B. Dawson, staff director and chief counsel; Francis J. Sullivan, minority staff director; James F. McGovern, general counsel; William L. Ball III, chief clerk; Christine E. Cowart, assistant chief clerk; Louis W. Arny III, Frank J. Gaffney, Edward B. Kenney, Ronald F. Lehman, James R. Locher III, Anthony J. Principi, James C. Smith, and George F. Travers, professional staff members.

Also present: Dennis P. Sharon, assistant to Senator Goldwater; Chris Lehman, assistant to Senator Warner; Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; and Bill Furniss, assistant to Senator Quayle.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

The CHAIRMAN. The committee will come to order.

The committee meets this morning to consider, in the following order, the nominations of Mr. Russell D. Hale to be Assistant Secretary of the Air Force for Financial Management, Mr. Herman E. Roser to be Assistant Secretary of Energy for Defense Programs, Mr. Edward J. Philbin to be Deputy Assistant Secretary of Defense for Reserve Affairs, and Mr. George A. Sawyer to be Assistant Secretary of the Navy for Shipbuilding and Logistics.

We will also consider the nomination of Mr. William R. Gianelli to be a member of the board of the Panama Canal Commission. Last week the committee heard from Mr. Gianelli when it considered his nomination to be Assistant Secretary of the Army for Civil Works. At that hearing Mr. Gianelli offered his views and responded to the questions of various members of the committee concerning the implementation of the Panama Canal Treaty. Since the committee has already had an opportunity to question Mr. Gianelli concerning his membership on the board of the Panama Canal Commission, unless there is an objection, I do not plan to require

Mr. Gianelli to appear again before the committee on this nomination.

It is my intent to have the committee hear from each of the nominees individually beginning with Mr. Hale. I would propose that we postpone committee action on these nominations until later this morning after we have had an opportunity to hear from all four nominees. We will also consider various routine military nominations which have been pending before the committee for the requisite period of time.

Before we hear from Mr. Hale I would like to advise the committee that each of the nominees has previously met with the committee staff and has agreed to take all necessary actions to comply with the committee's policies and procedures concerning financial disclosures and potential conflicts of interest.

Mr. Hale, we are delighted to have you here this morning. We would like to recognize the fact that your wife, Sandy, and your three children, Jennifer, David, and Douglas, are here. Will they stand? [Applause.]

[The nomination reference and biographical sketch of Mr. Hale follow:]

NOMINATION REFERENCE AS IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES, JUNE 3, 1981

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

Russell D. Hale, of Virginia, to be an Assistant Secretary of the Air Force, vice Charles William Snodgrass, resigned.

BIOGRAPHICAL SKETCH OF RUSSELL D. HALE

Mr. Russell D. Hale was nominated Assistant Secretary of the Air Force for Financial Management on June 3, 1981.

Mr. Hale was born August 8, 1944, in Sherman, Texas. He attended primary and secondary schools at a number of military installations while his father was on active duty with the Air Force. Following graduation from the U.S. Naval Academy in 1966, he accepted an Air Force commission and later earned a Master's Degree in Operations Research from the Georgia Institute of Technology in 1969.

Mr. Hale's first active duty assignment in the Air Force was at Wright-Patterson AFB, Ohio, as a systems analyst with the Foreign Technology Division, Air Force Systems Command. In 1969, he was reassigned to the Pentagon as an operations research analyst in the USAF Data Services Center. In early 1972 he was selected to be a special assistant to the Assistant Secretary of Defense (Comptroller), responsible for independent financial and economic analysis of major weapon systems under procurement by the Department of Defense.

Following his separation from active duty in August 1973, he became a representative of the IBM Corporation involved with marketing and installation of large-scale, computer-based, management information systems for corporations in the Washington, D.C. area. In March 1975, he joined the professional staff of the House Committee on the Budget and served in this capacity until November 1978, when he became a member of the professional staff of the House Armed Services Committee. In this latter position, he was responsible for preparation and justification of authorizing legislation involving sea power and strategic and critical materials.

Mr. Hale serves as a major in the United States Air Force Reserves. He is also affiliated with the U.S. Naval Academy Alumni Association and the Association of Former Intelligence Officers, and holds the position of Commodore of the Chesapeake Bay Triton Fleet. In this latter association, he has participated in numerous sailboat racing events on the east and west coasts of the United States.

Mr. Hale is married to the former Sandra Amos of Urbana, Illinois. They reside in Arlington, Virginia with their three children, Jennifer, David, and Douglas.

The CHAIRMAN. You appear to have in tow a distinguished member of this committee who is delighted to present you; Senator Warner.

Senator WARNER. Thank you, Mr. Chairman. This is another in a long line of distinguished Virginians offering himself for a position of responsibility in our Government.

Mr. Chairman, members of the committee, it is a pleasure to introduce to you Mr. Russell D. Hale, President Reagan's nominee to be Assistant Secretary of the Air Force.

I have known Mr. Hale for almost 3 years now and I have been impressed with his integrity and ability. He is committed to a strong national defense for America and he is willing to give generously of his time and effort to that end.

He has served his Nation as an Air Force officer and as a committee staff member in the House of Representatives.

I might add, Mr. Chairman, that Mr. Hale is one of the few individuals who have attended one service Academy and then opted to serve in another service. He attended the Naval Academy and then became a commissioned officer in the Air Force.

The CHAIRMAN. I think he could be forgiven for that. [Laughter.]

Senator WARNER. I know well the Chair's affinity for seawater.

Mr. Chairman, many members of the committee know Mr. Hale from our conferences with the House Armed Services Committee. Mr. Hale was an able lieutenant to the formidable membership of that committee. He was a strong advocate for our defense programs.

Mr. Chairman, Mr. Hale is highly qualified to assume this important position and I am honored to recommend him to you as I recommended him to the President of the United States.

Mr. Chairman, I think at this time that I will turn over the hearing entirely to the nominee.

You are on your own, and good luck.

Mr. HALE. Thank you, Senator Warner.

The CHAIRMAN. Mr. Hale, we would be delighted to hear any statement that you wish to make to the committee.

STATEMENT OF RUSSELL D. HALE, NOMINEE FOR ASSISTANT SECRETARY OF THE AIR FORCE FOR FINANCIAL MANAGEMENT

Mr. HALE. Mr. Chairman, it is a pleasure to be here in this capacity in front of the Senate Armed Services Committee. Coming from the legislative branch of government, I generally get to meet with the Senate Armed Services Committee up on the fourth floor of the Senate side of the chamber. This is indeed a pleasure for me and I very respectfully submit that I will do whatever I can in the next 4 years to serve the country, the Congress, the Air Force as best as I can.

I do not have an opening statement but I am prepared to answer any questions that the committee would like to address to me.

Thank you, sir.

The CHAIRMAN. Thank you very much, Mr. Hale.

Senator Stennis, do you have any questions?

Senator STENNIS. I do not have any specific questions at this time. Mr. Hale knows what he is getting into. He has been in the legislative branch on various assignments over there in the House.

Let me ask this: What is your idea of service in this position? Why did you accept this appointment? That is not a personal

question. I ask most of the nominees the same question because I think it is an index to the insight of your purposes.

Mr. HALE. Senator Stennis, my whole life has been in the defense business. My dad was a 30-year career Air Force officer and I went to the Naval Academy and served as a commissioned officer for 7½ years and then proceeded into the defense business in the legislative branch of government.

I simply feel that you have to be more than a concerned citizen. I am concerned that sometimes the support for defense is a mile wide and an inch deep. And I am concerned that maybe I can contribute to the leadership in a capacity in the executive branch that would somehow complement what my past professional work in the legislative branch has done.

In essence I just care about the national security of the country and have been in it all my life and feel very strongly about it.

Senator STENNIS. That is a good answer.

Mr. Chairman, let me say this to all of the nominees. I am here as a matter of respect to them and to the positions that they propose to fill. I am here due to my knowledge of the seriousness of the problems and the gravity of the matters that they will have to pass on in connection with their responsibilities. The responsibility is great, and the recognition is scant at times. But this massive machinery of our necessary Department of Defense runs in a large part on the wheels of you gentlemen who are filling these important positions. I am sure all of our committee members appreciate your service.

Mr. HALE. Thank you, sir.

Senator STENNIS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator.

Senator Warner?

Senator WARNER. Thank you, Mr. Chairman.

Mr. Hale, I presume you understand that there are a number of problems confronting the Department of Defense in the acquisition of automatic data processing equipment, particularly acquiring it in a timely fashion. This committee has initiated in its bill legislation to effect a streamlining by exempting certain key defense missions from the existing computer procurement process.

In sharp contrast, the House Government Operations Committee is directing its attention at perhaps putting in more restrictions aimed at expanding the ADPE procurement process to include all computers acquired by or for the use of the Department of Defense. Computer systems which might be included under such an expanded procurement process are those embedded in weapons systems, specialized military computers for the intelligence and contractors' computers acquired in support of production of items for the Department of Defense.

The Department of Defense is presently preparing its position on this, and it is my understanding that it is going to be generally supportive of the initiative adopted by this committee. Are you prepared to support that position?

Mr. HALE. Absolutely, sir. The Department of Defense has testified, Dr. DeLauer specifically, for this proposal that is currently contained in the Senate Armed Services authorization bill for fiscal year 1982. The Department of Defense has stated its position on

this in a letter from Dr. DeLauer sent over to the Congress stating that it does support the Senate position.

I am confident the Air Force supports that position. And I am confident, although I cannot speak for them, that the Department of the Navy and the Department of the Army would also concur in that position as far as the language goes.

Senator WARNER. I also have before me a copy of the letter from the Secretary of Defense dated May 19, 1981, addressed to Hon. Jack Brooks, chairman of the Committee on Government Operations, in which he states, and I quote, "I strongly support the Senate initiative."

Thank you very much.

Mr. HALE. Yes, sir.

Senator WARNER. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Cohen, do you have any questions?

Senator COHEN. I have no questions, Mr. Chairman.

The CHAIRMAN. Are there any further questions?

Mr. Hale, I have some questions for you which I will submit to you for the record. If you would respond in a reasonable and timely fashion I will be grateful.

Would you commit yourself to appear before this committee or any other appropriate committee of Congress any time you are asked to appear to receive questions or to give testimony on any other matters that affect your area of responsibility?

Mr. HALE. Yes, sir, I welcome the opportunity.

The CHAIRMAN. Thank you very much, Mr. Hale. I might say that I met Mr. Hale privately and submitted a number of questions to him that he answered very satisfactorily. I am delighted to support this obviously very qualified young man in this position and I appreciate his appearance here today.

Mr. HALE. Thank, you, Mr. Chairman.

The CHAIRMAN. Our next witness is Mr. Herman E. Roser nominated to be the Assistant Secretary of Energy for Defense Programs.

[The nomination reference and biographical sketch of Mr. Roser follow:]

NOMINATION REFERENCE AS IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES, JUNE 2, 1981

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

Herman E. Roser, of New Mexico, to be an Assistant Secretary of Energy (Defense Programs), vice Duane C. Sewell, resigned.

BIOGRAPHICAL SKETCH OF HERMAN E. ROSER

Herman E. Roser has been Manager of the Department of Energy's Albuquerque Operations (ALO) since June 16, 1975. He had been Deputy Manager since September 1, 1972, when ALO was part of DOE's predecessor organizations, the Atomic Energy Commission (AEC) and the Energy Research and Development Administration.

As Manager of ALO, Mr. Roser is responsible for field coordination and direction of the nation's nuclear weapons production program as well as for energy research and development programs at DOE's Sandia National Laboratories and Los Alamos National Scientific Laboratory. He also has responsibility for operation of a nationwide safe-secure transportation system for weapons and government-owned special nuclear materials. With headquarters in Albuquerque, N.M., the ALO organization includes nine major laboratories, production plants and test site facilities in eight states, extending from California to Florida.

On September 17, 1980, Mr. Roser was one of the first recipients of the Presidential rank awards as Meritorious Executive from the Department of Energy. In August 1979, Mr. Roser was awarded the DOE Exceptional Service Award in recognition of outstanding achievements and significant contributions to the establishment of the Department of Energy and furthering the mission of the Department. In May 1979, he received the DOE Special Achievement Award, the Commission's highest award, in recognition of his outstanding service in managing and directing a variety of programs vital to the national security of the United States. He received the New Mexico Distinguished Public Service Award in April 1974 for outstanding contributions in government and community activities.

Mr. Roser attended the 1977 session of the Program for Senior Managers in Government, at Harvard University, which is conducted by the Harvard Business School, and the Kennedy School of Government.

In 1979, he was appointed by the DOE Assistant Secretary for Defense Programs as Chairman of the team which prepared the recently released study of alternate arrangements for the operation of the Los Alamos and Livermore National Laboratories in the event a replacement for the University of California should become necessary. Mr. Roser served on the Senior Advisory Group of the recently completed DOD/DOE long range resource planning study.

A native of San Marcial, N.M., Mr. Roser joined the AEC at Los Alamos, N.M., in 1961 as Assistant Area Manager for Community Affairs. He was Deputy Manager from 1964 to 1967 and was named Area Manager in 1967. He transferred to Washington, D.C. as Assistant Director of the Division of Military Application at AEC Headquarters on November 2, 1968, a position he held until his return to New Mexico as Deputy Manager of ALO.

From 1948 until he joined the AEC, Mr. Roser was with The Zia Company at Los Alamos. He had previously worked in several Federal agencies, including the Office of War Assets Administration in Albuquerque. Except for his assignment in Washington, D.C., he has spent all of his working years in New Mexico.

In Albuquerque, Mr. Roser is a member of the Rotary Club and is a member of the Governor's Committee on Technical Excellence in New Mexico. He was Chairman of the Albuquerque-Santa Fe Federal Executive Board in 1978, is an immediate past-member of the Board of Trustees of the University of Albuquerque, past chairman of the Albuquerque Board of the National Conference of Christians and Jews, and was Chairman of the New Mexico Distinguished Public Service Awards Council for 1976 and 1977. He is also a member of Pajarito Lodge No. 66, AF&M; the Scottish Rite Bodies of Santa Fe; Ballut Abyad Shrine; and other affiliated organizations. He served as Grand Master of Masons in New Mexico for the Grand Lodge Year ending in March, 1981.

Mr. Roser has brought with him a very formidable entourage consisting of the two distinguished Senators from New Mexico. I will first recognize Senator Domenici.

Senator DOMENICI. I was just going to ask you, Mr. Chairman, if you were ready to vote. [Laughter.]

Senator SCHMITT. With the Budget Committee and the Appropriations Committee well represented, I would think that we can dispense with any of the formalities.

STATEMENT OF SENATOR PETE V. DOMENICI, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator DOMENICI. Mr. Chairman and members of the committee, as you know the Department of Energy not only executes our Nation's energy policies, but it also oversees the design, development, and production of our nuclear weapons.

I need not tell this committee how vital that job is. The defense programs of the Department of Energy will have outlays of close to \$5 billion this coming fiscal year. The products that are turned out, and I must emphasize that they are products, must be highly reliable as you know, Mr. Chairman and members of the committee, and made to extremely precise requirements.

As I see it, Mr. Chairman, there is no room in this job for inexperience in the oversight of these activities. There is no room for poor administration.

Because I am firmly convinced of that, I am pleased to introduce to you, Mr. Chairman and members of the committee, Herman Roser, the nominee for Assistant Secretary of Energy for Defense Programs because he now has the necessary experience and the administrative qualities. He will not have to learn on the job because he has vast experience and administrative qualities already in hand that are essential for this job. And I must also note that from everything I can find out, he seeks the same kind of qualities in those who work with him.

As you members of the committee know, he has been associated since 1961 with the area in which he now seeks confirmation. He joined the Atomic Energy Commission then. In 1968 he was Assistant Director of the Division of Military Applications for all of the AEC. From 1972 to 1975 he was deputy manager of the Albuquerque operations and from 1975 to the present he was manager of the Albuquerque operations, responsible for field coordination and direction of the Nation's nuclear weapons production, as well as several of the DOE labs for energy research.

Mr. Chairman and members of the committee, because of that I have learned to know him and to respect him. As you know, in my State and Senator Schmitt's State, the State of New Mexico, he is directly the overseer of our two great labs, the Los Alamos Scientific Lab and Sandia. As a matter of fact in his overseeing capacity, he was responsible for 65 percent of all of Los Alamos' programs and 80 percent of Sandia's.

I think you know that we would know if he was not doing that job well. He has not only done it well, he has performed so admirably that both of us, Senator Schmitt and I, recommended him highly for this job.

I believe in this decade when we all know that we have to build back our military posture, all with the hope that one day we will come to that point where we do not have to do so much in military preparedness, that our country needs a person like Herm Roser in this particular position. Albeit in the Department of Energy, it is one of the most important military positions and military preparedness positions in all of Government.

I personally hate to lose him in New Mexico, but obviously at this stage of his career there is no one more entitled to this promotion and no one that will do the job better than he. I thank you for giving me the time to introduce him to the committee.

The CHAIRMAN. Thank you, Senator Domenici.

Senator Schmitt?

STATEMENT OF SENATOR HARRISON SCHMITT, A U.S. SENATOR FROM THE STATE OF NEW MEXICO

Senator SCHMITT. Thank you, Mr. Chairman and members of the committee.

I fully associate myself with the remarks of Senator Domenici. Clearly, Herm Roser is another one of the New Mexicans who is now moving into a position of service at the national level after taking advantage of the great diversity of activity in defense and

other national programs that take place in the State of New Mexico.

I have a very interesting identification with Herm. He is not even aware of this, I do not think. He was born in a small town south of a not too much larger town of Socorro, San Marcial. San Marcial is famous for many reasons. About 7 years after he was born, the town washed away as a result of a major flood on the Rio Grande.

Some more years later, just to the east of San Marcial the atomic age was initiated by the explosion of the first device that utilized atomic energy as a potential weapon system. Alamogordo usually gets credit for that but actually the town of San Marcial is considerably closer to that site than was Alamogordo, as were a number of other small towns around there. That I think is partly because of the intense secrecy that surrounded the explosion of that first device.

But as a result of the flood, his birthplace basically disappeared and my birthplace in Santa Rita, N. Mex., disappeared as a result of copper mining activities. So New Mexico tends to lose birthplaces now and then.

As a New Mexican and as a tremendous contributor to national activities, of great experience and a great diversity of experience as it relates to weapons and energy operations in the Albuquerque area, I certainly can recommend to this committee very, very highly Herm Roser. He is not only an outstanding manager, he is an outstanding citizen and patriot of these United States. We are looking forward to even greater things from him in this capacity that he has been able to contribute in the past. Surely they have been great things in the past.

Herm, I submit you to the committee's mercies. I think you will find them quite receptive to your ideas.

The CHAIRMAN. Thank you, Senator Schmitt.

I sympathize with anybody whose birthplace has been destroyed. I was born in Houston, Tex., which is still very much there. But soon after I was elected to the Senate they deliberately tore down the hospital in which I was born. [Laughter.]

Mr. Roser, we would be delighted to hear any statement you have to make.

Mr. ROSER. I have a short personal statement. First I would like to extend my deep appreciation to the distinguished Senators from the State of New Mexico, both of whom like myself are native New Mexicans and both of whom I have known for a number of years. They have been extremely kind to me and I appreciate their past support and look forward to working with them in this new role.

Jack, Pete, thank you very much.

STATEMENT OF HERMAN E. ROSER, NOMINEE FOR ASSISTANT SECRETARY OF ENERGY FOR DEFENSE PROGRAMS

Mr. ROSER. Mr. Chairman and members of the committee, it is an honor and a privilege for me to appear before this distinguished group as President Reagan's nominee for the position of Assistant Secretary for Defense Programs of the Department of Energy. I am deeply moved and most grateful for this signal mark of confidence from Secretary Edwards and the President. If this committee and

the Senate see fit to confirm me, I pledge to them and to you my very best efforts in the discharge of the duties of this important post with all of the dedication and efficiency which I can muster.

It has been my good fortune to have been associated with the programs of the Atomic Energy Commission, the Energy Research and Development Administration and the Department of Energy for more than three decades.

My Federal career began in 1941 and was principally concerned with liquidating the assets of the Work Projects Administration and subsequently with disposing of the surplus equipment and facilities accumulated during World War II. In 1948 I resigned from the Federal service and went to Los Alamos as an employee of the Zia Co., the community operations and laboratory support contractor for the Atomic Energy Commission.

I returned to the Federal service with the Atomic Energy Commission in 1961. My primary mission was to plan and execute termination of Government ownership of the housing and community facilities of the town of Los Alamos. Upon the successful completion of that effort I became deputy area manager and subsequently area manager of the Los Alamos area office. That office is primarily concerned with overseeing the activities and administering the contract with the University of California for operation of the Los Alamos National Laboratory.

I transferred to the Washington headquarters of the Atomic Energy Commission in 1968 as Assistant Director of the Division of Military Application, the organization then concerned with operation of the laboratories, and the testing and production facilities of the Nation's nuclear weapons complex.

Returning to Albuquerque in 1972, I have served as deputy manager and since 1975 as manager of the Albuquerque Operations Office of the Department of Energy and its predecessor organizations. I have been privileged to work with the Congress and the Department of Defense and other Federal and State agencies in the furtherance of the Nation's nuclear weapons program, as well as other activities in the overall scope of the Department of Energy's responsibilities.

I believe that I bring a broad perspective to the position for which I have been nominated based on experience at the area office, operations office and headquarters levels of the existing organization in positions of increasing responsibility. I also believe that I have the respect and support of the many varied elements of the nuclear weapons community, both within and outside of the Department of Energy.

It is my firm conviction that all of our collective talent and strength will be required to rise to the challenges of meeting schedules for nuclear weapons production, assuring the supply of nuclear materials, restoring the physical facilities of the laboratory testing and production portions of the weapons complex and guaranteeing their continuing viability, maintaining the effectiveness of the nuclear stockpile, providing the best technology to meet the needs of the Department of Defense not only for now but for the future.

And finally, a most important challenge and one to which I look forward is working with the President and the Congress in chart-

ing the future of this country's nuclear deterrent. I am also convinced that the President and the Congress are providing the best possible atmosphere in which to accomplish those vital objectives.

May I close this formal statement by expressing my thanks to the President, to Secretary Edwards and to each of you for your consideration in providing me with the most challenging and exciting opportunity of my life. I would be pleased to respond to any questions which you may wish to ask of me, Mr. Chairman.

The CHAIRMAN. Thank you, Mr. Roser, for a very fine statement. I understand that you have some of your family present.

Mr. ROSER. My wife is present, Senator Tower.

The CHAIRMAN. Mrs. Roser, would you stand?

[Applause.]

Mr. ROSER. Thank you, Senator.

The CHAIRMAN. Senator Stennis?

Senator STENNIS. Thank you, Mr. Chairman.

Mr. Roser, you come to the committee, well recommended, including the fine endorsement given by your two exceptionally fine and energetic Senators. I have worked with both of them and tried to keep up with them.

I am impressed by your background, and there is room here for someone who knows something about this subject. We have had to deal with it on our committee for a good long while. There have been others in these positions who knew something about it, but your background is much more complete. I think you will find plenty to do.

Senator Domenici referred to the \$5 billion for nuclear weapons alone. I am one of those who just never did surrender to the billions of dollars that these nuclear weapons cost without trying to look at the figures to see if we maybe could not get just as good quality for a little less money. It looked to me for a while that I was about the only one concerned about the costs, but there is another man in town now that is looking at it pretty closely. His name is Ronald Reagan. He is looking at all matters closely.

So I really think this is a field in which you have some obligation too. How do you feel about that?

Mr. ROSER. I certainly agree, Senator Stennis. As a matter of fact, much of the work involved in my current job, which is the actual production of nuclear weapons, is spent in working with the design laboratories and with the manufacturing complex to try to optimize the money that we spend on nuclear weapons, to try to simplify wherever possible the designs, to try to produce the weapons for the most economical figure that we can. I share those views very strongly, Senator Stennis.

I have been working in this area for a number of years and I pledge to you that I certainly will continue to work throughout the system to try to minimize the cost of what is a very necessary, but a very costly, part of our Nation's defense.

Senator STENNIS. That is very encouraging indeed. Naturally we hesitate to pit our judgment against figures that are proposed to us, because we feel that we have not enough knowledge. But you are qualified in this area, and have already shown you are willing to go into that part of it, as well as the other.

I am very encouraged by what you have said. I wish you well.

Mr. ROSER. Thank you very much, Senator Stennis.

Senator STENNIS. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Cohen?

Senator COHEN. I have just one comment, Mr. Chairman.

Mr. Roser, your biography and the fact that you have had Senator Schmitt and Senator Domenici with you this morning I think, speaks very highly for your qualifications. I think it is even greater testimony to have two Western Senators to heap such praise upon you, overlooking the fact that you actually were educated for a year at the Harvard Business School. That really speaks well of you. That is rare praise that a Western Senator would praise anyone educated in the East, even if it was for a brief period of time.

Senator SCHMITT. One of those Senators happens to have a Harvard degree.

Mr. ROSER. Unfortunately it was not for a year, Senator. It was for a brief period of weeks in the summer. It was a real pleasure and I am aware that Senator Schmitt has a Harvard degree.

Senator COHEN. I was waiting for him to say something.

Do you think we have enough capability to manufacture the kind of nuclear materials necessary for our programs? In other words are we running out of capabilities? The reason I asked that, is you may be familiar with the fact that one of the major political parties in this country called for in their platform a discontinuation of the use of nuclear power in the future or reduction in capability of utilizing nuclear power. Would that have an impact upon our programs?

Mr. ROSER. Senator, I will express my personal views.

I have been associated with the nuclear programs of this country for more than three decades. Although my principal effort has been in the weapons end of the business, I feel very strongly about all things nuclear. I am a strong supporter of nuclear power. I think it is one of the options which we must pursue, in the short term at least. I think it has tremendous potential.

I believe that we do need to look very seriously at the production of nuclear materials. I think that we cannot afford to cease the production of nuclear materials. I think there are several options that we need to look at and study very seriously. Some of those studies are already underway in the Department of Energy. I intend to pursue those vigorously in my new position, particularly from the standpoint of assuring that we have adequate materials for such weapons as we may decide we need in the future.

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

The CHAIRMAN. Thank you, Senator Cohen.

Mr. Roser, does the committee have your assurance that if confirmed by the Senate you will respond to all questions presented to you and your staff by this committee or any other appropriate committee of the Congress in a forthright and expeditious way?

Mr. ROSER. Yes, sir.

The CHAIRMAN. Mr. Roser, I have several questions that I would like to submit to you for your response to the record. If we could have responses to those within the next day or two we would be grateful.

I believe Senator Schmitt asked to be recognized.

Senator SCHMITT. Yes, Mr. Chairman. I think it is important in regard to Senator Stennis' line of questioning to emphasize the cost record of design and other activities that has occurred at the Sandia and Los Alamos Laboratories under the jurisdiction of Mr. Roser in this current job. It has been quite remarkable when compared with the results of other laboratories. I think if you wish to have those records, they certainly can be made available to you. He and those labs have been very conscious about what you have referred to, and his record is very good in that area.

Herm, I would think the committee might be interested in your opinion, very briefly, on the value of testing of the weapons programs. That has been an area of some controversy and may still be subject to controversy in the future. Would you comment on whether you see a continuing value of testing and why?

Mr. ROSER. I would be happy to, Senator Schmitt.

I think the testing program is an absolutely vital part of our research and development programs for nuclear weapons. It is only through testing that the theoretical designs that have kept us, I think, in the forefront of nuclear weapons technology, can be confirmed. Through the medium of testing, the various design codes can be validated. I feel very strongly, Senator Schmitt, that testing is an absolutely vital part of our research and development and production programs.

Senator SCHMITT. And the validation program of the stockpile is also vital.

Mr. ROSER. Absolutely. Anything that we manufacture in the way of nuclear weapons is the same as anything else that is manufactured. It has utility value only so long as it continues to function as it was designed to function. Age, varying conditions and so forth sometimes affect that. So I think that it is absolutely necessary that we test in order to assure ourselves periodically of the viability of the nuclear weapons stockpile.

Senator SCHMITT. How quickly do you think the inventory can be changed largely to a tamperproof inventory?

Mr. ROSER. It is going to take a number of years, Senator Schmitt, but of course in the newer designs which we are currently building we have incorporated that technology. To retrofit the stockpile is going to take a number of years but we have embarked on that program with the assistance of the money that has been appropriated in the past couple of years and hopefully will be continued. Within a decade I would say that we can have the stockpile retrofitted completely.

Senator SCHMITT. You do consider that a high priority?

Mr. ROSER. I consider it a very high priority, Senator. I feel that nuclear weapons are one of those things that we have to be sure they will work when needed. We also have to be sure they will not work under adverse circumstances when we do not want them to work, with the very best technology that we can apply to that particular effort.

Senator SCHMITT. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Roser, and congratulations on your selection.

Mr. ROSER. Thank you, Mr. Chairman.

The CHAIRMAN. Next we will proceed out of order to Mr. Sawyer. Mr. Philbin was scheduled as the next witness, but we are awaiting the arrival of Senator Hayakawa. Therefore, we will go directly to Mr. Sawyer who has been nominated for the position of Assistant Secretary of the Navy for Shipbuilding and Logistics.

[The nomination reference and biographical sketch of Mr. Sawyer follow:]

NOMINATION REFERENCE AS IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES, JUNE 9, 1981

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

George A. Sawyer, of New Jersey, to be an Assistant Secretary of the Navy, vice George A. Peapples, resigned.

BIOGRAPHICAL SKETCH OF GEORGE A. SAWYER

Mr. Sawyer is a 1953 graduate of Yale University and has been associated with major marine, engineering and construction projects for many years.

While serving with the U.S. Navy, Mr. Sawyer was an early participant in the nuclear submarine program, including the prototype development and initial service operation of the first multi-nuclear propulsion installation.

In 1963 Mr. Sawyer joined Babcock & Wilcox as Nuclear Power Coordinator—Marine Projects, where he was involved in the development and application of the NS SAVANNAH and other nuclear ship projects. He is a co-inventor of the Consolidated Nuclear Steam Generator. He subsequently held the position of Manager, Marine Systems with NUS Corporation and Batelle Memorial Institute.

In 1969 he joined Bechtel Incorporated as Manager of Environmental Systems and held a number of management positions with that Company. His last position was as Manager of Eastern Operations and Vice President of International Bechtel Incorporated, responsible for Bechtel's port and other major transportation projects in the Middle East.

Mr. Sawyer served as President and Chief Executive Officer of John J. McMullen Associates, Inc., from September 1976 to April 1981.

He is the author of several technical papers. He is a member of the American Society of Naval Engineers and the Society of Naval Architects and Marine Engineers, and is on the Committee on Nuclear Applications of the American Bureau of Shipping. Mr. Sawyer also served on the Board of Directors of the Shipbuilders Council of America.

The CHAIRMAN. Mr. Sawyer, we are delighted to have you here today. Do you have any of your family here with you?

Mr. SAWYER. No, sir, I do not.

The CHAIRMAN. Mr. Sawyer, do you have any statement you would like to make to the committee?

Mr. SAWYER. I have some informal remarks, Mr. Chairman.

STATEMENT OF GEORGE A. SAWYER, NOMINEE FOR ASSISTANT SECRETARY OF THE NAVY FOR SHIPBUILDING AND LOGISTICS

Mr. SAWYER. First let me say that it is an honor and a privilege to appear before you, and I deeply appreciate the process by which consideration of my nomination has been expedited. I believe it is testimony to a mutual recognition of the importance of the position for which I am being considered.

Second, let me say that I share the administration's concerns and objectives with regard to rebuilding our defense posture and particularly with emphasis of course in our naval forces. Nowhere is this more evident today than in comparison of our fleet with that of our potential adversary where our numbers now are significantly below 500 in comparison with his 1,300. Although numbers are by no

means the only index of naval power, we must also be concerned with recognizing capabilities, particularly of the recent combatant vessels which he has deployed.

Third, let me say that in the restoration of our naval force, of course, the linchpin will probably be in our naval shipbuilding program. I fully recognize and share the objectives of the administration and of Secretary Lehman in building toward a 600-ship Navy, realising this will be a difficult and challenging undertaking. Shipbuilding by its very nature is a lengthy and somewhat tortured process. It involves enormous commitments in human, financial, and material resources, and the process must recognize the length of time involved, the complexity and the commitments. I believe I understand these processes, and I am qualified from my background and experience to manage such a program should you see fit to confirm me.

Last, may I say that the position for which I am being considered, shipbuilding and logistics, has a second important element, namely logistics. After all, it is the linchpin of current and future fleet readiness, and of course I will give proper care and attention to that important subject.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much, Mr. Sawyer.

Senator STENNIS?

Senator STENNIS. Thank you, Mr. Chairman.

Mr. Sawyer, I am glad I had a chance to have a word with you before the session started in order to get a feel of your idea of your obligations and the task you have before you. I think you are to be congratulated too on the opportunity that has fallen to you in connection with the expanded naval shipbuilding program and all that goes with it. I believe the program is headed in the right direction, and I believe you will get the money. But it will not be as easy in years to come, perhaps, as it is this year. Part of that will depend on your advance planning. You know what you are doing, and you have a fine background. I know this committee is interested in the problems you will encounter, and we might be able to be of some assistance. You certainly have all of our interest and backing, as far as that is concerned. I do think that one of the reasons we are in trouble financially in the Government with an unbalanced budget, inflation, and enormous, unbearable interest rates is because we have not spent the money that we had with the care that we might have. That is one of the causes. I hope you see it that way and try to use commonsense and good judgment in the expenditures of these funds. But do not sacrifice quality. You have to have the quality. Do you agree?

Mr. SAWYER. Yes, sir.

Senator STENNIS. That satisfies me. I certainly wish you well.

Mr. SAWYER. Thank you, Senator. I might just respond by saying that I agree entirely with the sentiments you have expressed. It is not always easy to apply the proper decisions up front, and hopefully maybe experience will help in providing judgment. We must be as concerned with the costs of what we are doing and the future implications, many times understanding that the final product will be many years, 5, 7 years in some cases after we make those decisions.

Senator STENNIS. I want to add this. I have great confidence in the quality of the ships that we have, starting with the submarines right on up. It does not frighten me particularly because the Soviets have more than we have. They count all their ships. I have been out among the Navy enough to know we have the quality, and you keep it that way.

Mr. SAWYER. Yes, sir.

Senator STENNIS. Thank you, Mr. Chairman.

The CHAIRMAN. Mr. Sawyer, we are aware that there is being formulated a 5-year shipbuilding program, and we would like to be informed of that and have that as early as possible. We hope you will do everything you can to bring that to us in an expeditious way so we can plan for the future.

Mr. SAWYER. Yes, sir.

The CHAIRMAN. Of course we are concerned not only with the cost of the ships and how we can, if possible, reduce the cost of our ship construction, but we are also concerned about the time required to build a modern combative vessel. We hope you will address yourself to that problem.

I have a number of questions I would like to submit to you for the record. I would appreciate it if you could answer those for us in the next day or two.

Senator Cohen?

Senator COHEN. Mr. Chairman, I have had a chance to meet with Mr. Sawyer privately and I enjoyed the meeting very much. I feel he is eminently qualified for the position for which he has been nominated.

In line with what the chairman has suggested, what are some of the problems you see with respect to the time, complexity and length of the program? What do you think you are going to recommend in the way of expediting construction of these ships in order to achieve the goal of a 600-ship Navy?

Mr. SAWYER. Frankly Senator, I think we can achieve our goal of 600 within this decade without, let's say, embarking on anything that is going to be inordinately risky or adventurous. I do believe that we have an adequate shipbuilding base.

Senator COHEN. Do you think we have the capability today?

Mr. SAWYER. I believe we have the capability. This generalizing. I am not saying that there are not going to be specific problem areas. I would say these will particularly develop at the vendor, supplier and possibly at the third-tier level. It is a problem even today. But as far as our primary capacity in terms of qualified shipyards throughout the United States to address the type of fleet which I believe we are contemplating, I believe this can be done.

I believe there can be a lot done in the acquisition process to improve planning, which is the key to large complex project construction. Whether these actions in the final analysis are going to be totally viable because of the amount of commitment which is required up front, I am not prepared to say at this time. But I believe there are some things that we can consider, that we can present to this committee for consideration which can be quantified and received in such a way that a proper decision can be made of all of the issues.

Senator COHEN. I have just one other point. You are aware that Congress recently took action to fund the reactivation of some battleships. Largely under the leadership of Chairman Tower, we were able to overcome some opposition on the floor toward the reactivation of the *New Jersey* and *Iowa*. We were able to overcome the opposition not only because of Senator Tower's leadership, but also because of the pledge made by the Secretary of the Navy that that reactivation would cost no more than \$326 million and that it would be achieved in no greater than 21 months' time. Do you commit yourself to the same pledge? And do you see not a realistic but a guaranteed commitment to achieving that result?

Mr. SAWYER. Senator, I am committed to that pledge. And hopefully what I pledge I can guarantee. It has certainly been my experience in the past and I intend to keep it that way in the future.

Senator COHEN. The Secretary signed that letter to me in blood, and mine went on it, as well, on the Senate floor. I think that is the commitment we have to make if we are going to maintain any credibility with the public. If we make a pledge like that, we have to do everything we can to keep it.

Mr. SAWYER. Yes, sir.

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

The CHAIRMAN. Mr. Sawyer, does the committee have your assurance that if you are confirmed by the Senate you will respond to all questions presented to you or your staff by this committee or any other appropriate committee of the Congress in a forthright and expeditious manner?

Mr. SAWYER. Yes, sir.

The CHAIRMAN. Mr. Sawyer, thank you very much for your appearance here today. Congratulations on your new job. It is a tough one. We will be very interested in what you are doing.

Mr. SAWYER. Thank you, sir.

The CHAIRMAN. Our next nominee is Dr. Edward J. Philbin who has been nominated for the position of Deputy Assistant Secretary of Defense for Reserve Affairs.

[The nomination reference and biographical sketch of Mr. Philbin follow:]

NOMINATION REFERENCE AS IN EXECUTIVE SESSION, SENATE OF THE UNITED STATES, JUNE 9, 1981.

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

Edward J. Philbin, of California, to be Deputy Assistant Secretary of Defense for Reserve Affairs, vice Harold W. Chase, resigned.

BIOGRAPHICAL SKETCH OF EDWARD J. PHILBIN

On June 3, 1981, President Reagan publicized an intent to nominate Dr. Edward J. Philbin to be Deputy Assistant Secretary of Defense (Reserve Affairs).

Dr. Philbin was born in New York City in 1932. He was awarded a Juris Doctor Degree by the University of San Diego School of Law (1965); and a B.S. (Engineering) by San Diego State University (1957).

Prior to his designation as Deputy Assistant Secretary of Defense (Reserve Affairs), Dr. Philbin was a tenured Professor of Law and former Assistant Dean at the University of San Diego School of Law. Before joining the USD faculty in 1970, he was a partner in a San Diego law firm, specializing in civil litigation. Dr. Philbin entered the practice of law in 1966 from a career of engineering design and physics research related to a spectrum of military weapons systems for General Dynamics Corporation in San Diego where he was a Senior Physicist.

Dr. Philbin's military career began in 1949 when he enlisted in the Naval Air Reserve and continued with both enlisted and commissioned service in the Air Force Reserve. He currently holds the rank of Colonel, and is an Intelligence Director assigned as Mobilization Augmentee to the Director of Intelligence, Headquarters, Strategic Air Command. He is a Distinguished Graduate of the Air War College resident course (Class of 1978) and was the first Reserve Officer granted a Visiting Professorship in rank by the Air War College (1978-1979). His awards include the Meritorious Service Medal, the Navy and the Air Force Commendation Medals, and the Expeditionary Medal (Vietnam).

He is the author of twenty-four articles and studies in the fields of engineering, physics, law and military affairs, including "Soviet Technology: Status, Trends and Strategies," "Launch Under Confirmed Attack: A Strategic Response Reviewed," and "The Reserve Forces in the 1990's" (co-author).

Dr. Philbin is the recipient of several awards for citizenship and scholarship, including the General Orvil A. Anderson Award of the National Geographic Society for the Air War College research study excelling in political-military thought (1978).

He is married to the former Irene Marie Hall, and has been a resident of San Diego, California, Since 1952.

The CHAIRMAN. Dr. Philbin, do you have any of your family here?

Mr. PHILBIN. No, sir; unfortunately, my wife could not join me on such short notice, but thank you for asking.

The CHAIRMAN. I know that Senator Hayakawa wanted to present you to the committee. He is on his way here, and we will afford him that opportunity when he arrives. At this point, Mr. Philbin, we will let you proceed and make any statement you would like to make to the committee.

Mr. PHILBIN. Thank you, sir.

STATEMENT OF EDWARD J. PHILBIN, NOMINEE FOR DEPUTY ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

Mr. PHILBIN. I am, of course, honored to appear before this committee and I appreciate the opportunity to do so.

Secretary of Defense Weinberger recently stated his conviction that the National Guard and Reserve were essential to the strength of our Nation and the maintenance of world peace. I share that conviction wholeheartedly.

I also believe that the next few years will be a critical period for the security of our Nation. I believe that it is imperative that during these coming years our total military strength be brought to a level which will constitute a message to those who wish us ill, a message that international adventurism will entail a price too costly for them to contemplate.

I am profoundly honored that the President has nominated me to assume during these coming critical years sole responsibility for coordinating all matters concerning a massive portion of the total military force of the United States, components of the National Guard, and the Reserve. I hope for Senate confirmation of my credentials, and I am ready to answer any questions that you may have to the best of my ability, Senator.

The CHAIRMAN. Thank you, Mr. Philbin.

Senator Stennis?

Senator STENNIS. Mr. Chairman, I have already had a chance to talk to Mr. Philbin. We exchanged ideas, and I found him very much in line with my thinking on the subject matter.

One thing we heartily agreed on was that one of the chief sources of strong support out among the people for an adequate military program is found in the members of the Reserve. They are

not just thinking of themselves or their units. They are composed of men of experience, having military training and practice it on the weekends. In this way they are informed, and they are the leaders of the community in other fields. That is one reason why they are so effective in their leadership in this field.

I hope you will keep in touch with those people for that reason, as well as many others. I would be willing to greatly extend the role, assignment, duties, and responsibilities, support and equipment for the Reserves, even at the expense of reducing the manpower level some in our regulars. I believe that is what we will finally come to.

But that will have to come gradually. I certainly expect to support you in your efforts, and I wish you well in every way.

Mr. PHILBIN. Thank you, Senator.

The CHAIRMAN. Thank you very much, Senator Stennis.

Senator Hayakawa has arrived and would like to say a word about the nominee. Senator Hayakawa?

**STATEMENT OF SENATOR S. I. HAYAKAWA, A U.S. SENATOR
FROM THE STATE OF CALIFORNIA**

Senator Hayakawa. Mr. Chairman, thank you.

Mr. Chairman and members of the committee, I am very happy to introduce to you Dr. Edward J. Philbin, a fellow Californian and President Reagan's nominee to become Deputy Assistant Secretary of Defense for Reserve Affairs.

Most recently Dr. Philbin was a professor of law and former assistant at the University of San Diego School of Law. Prior to entering law Dr. Philbin was a senior physicist. His career in engineering design and physics research was related to a spectrum of military weapons systems for General Dynamics Corp. in San Diego.

Dr. Philbin's military career began in 1949 when he enlisted in the Naval Air Reserve and continued with both enlisted and commissioned service in the Air Force Reserve. He currently holds the rank of colonel. He is an intelligence director assigned as mobilization augmentee to the director of intelligence, headquarters, Strategic Air Command. He is a distinguished graduate of the Air War College, resident of course, and was the first Reserve officer granted a visiting professorship in rank by the Air War College.

Dr. Philbin has been awarded the Meritorious Service Medal, the Navy and Air Force Commendation Medal and the Expeditionary Medal for his services in Vietnam. Furthermore he is the author of 24 articles and studies in the field of engineering, in physics, law and military affairs including "Soviet Technology: Status, Trends and Strategies," and another work entitled "Launch Under Confirmed Attack: A Strategic Response Reviewed." He is also coauthor of the "Reserve Forces in the 1990's?"

Mr. Chairman, I believe the President has made an excellent choice in Dr. Edward Philbin, and it gives me great pride and pleasure to introduce my fellow Californian to this committee.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Hayakawa.

Senator Cohen, do you have any questions?

Senator COHEN. I have a couple, Mr. Chairman.

Dr. Philbin, I have not had the privilege of reading your publication on "Reserve Forces in the 1990's," but perhaps we could go a decade back and tell me what you think about the Reserve forces for the 1980's. It seems to me that is our biggest problem to date. I know that you certainly have an impressive background with the Air Force as far as its Reserves are concerned, and I happen to feel that the other services could take a chapter out of the Air Force and the Air Guard, as far as their success is concerned and apply it to their own. We have difficulty in the Army Reserve, the Army National Guard, and I was wondering what you would recommend we do before we get to 1990?

Mr. PHILBIN. Senator, I would of course agree with you. My own observation is that the Air Force Reserve and the Air Guard could be a model for the other services. That statement does not flow from personal bias. I think objective evaluation leads to that conclusion. There is no one particular problem that we have to solve but rather an entire spectrum of problems. I have to offer you my opinion that money alone will not solve these problems. I believe that to have an effective military force you must not only have sufficient money to offer our personnel a minimum dignified living standard—and I think we are approaching that now with the initiatives that I have seen—we also must have the proper military equipment. That is certainly true in the Reserve and Guard today. In addition to modern equipment we must also have real, clearly defined missions and roles for them to train for and to look forward to performing in time of emergency.

Senator COHEN. Do you think we have to have a draft in order to give an incentive? You mentioned dollars and equipment, but you did not mention manpower, as far as quality is concerned. I noticed that Senator Stennis, who unfortunately had to leave, said that you and he share a great deal in terms of manpower. I happen to know from experience that Senator Stennis would like to go to a draft. I was wondering what was your feeling and ideas on that subject.

Mr. PHILBIN. Sir, I am afraid my agreement with the Senator is not total. I do not personally believe that the draft at this time will solve some of the more serious problems that we have in the manpower area: primarily the drain, almost the hemorrhage, of ultratechnologists from all of the services at midmanagement level. A draft cannot possibly help that.

Senator COHEN. I agree with you, and I think that discussions about the draft may become inevitable in the future in terms of expanding our total manpower base. In the past 2 years this committee, again under the leadership of the chairman, as far as pushing for the kinds of pay compensation initiatives, has been responsible for turning around a good deal of the problem that we have experienced in our military.

It is not enough, and we cannot do it by dollars alone, I agree. Equipment is part of it. Quality of life I would add is something that is important, and we tend to overlook quality of life factors. I will not go into a long speech about that.

Let me just ask you one other question. There are short falls in both the Selective Reserve and the Individual Ready Reserve. We have had some exercises such as Nifty Nugget, which have shown that we have serious manpower problems as far as our mobilization

capacity is concerned. I was wondering if you intend to attack the Selective Reserve and the IRR simultaneously. What do you have in mind for that?

Mr. PHILBIN. Yes, sir, I do. I believe that in both areas the manpower problems that we see today will respond to an approach which emphasizes equipment, training, missions and compensation including quality of life. I think that the trend now is up in both the IRR and in the Selective Reserve. I further believe that some new initiatives aimed at the IRR where the major problems lie might help solve those problems, most notably recruitment and retention.

I am very concerned by the fact that the IRR is managed as a large, amorphous group of people. Certainly the people in the IRR must feel that they are mere ciphers in such a large group. I intend to examine ways to give smaller group identity to those people by means of management initiatives such as the use of detached training sites, opportunities for voluntary training of a more creative and modular type and also to offer these smaller groups identities of various types by means of insignia and similar techniques.

I really believe that it is a managerial mistake to place large numbers of people into a large, unidentifiable mass and then expect them to come forward with vigor and with high morale. I do not think it can be done.

Senator COHEN. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Cohen.

Dr. Philbin, does the committee have your assurance that if confirmed by the Senate you will respond to all questions presented to you or your staff by this committee or any other appropriate committee of the Congress in a forthright and expeditious manner?

Mr. PHILBIN. Senator, you have my word on it.

The CHAIRMAN. Dr. Philbin, we have certain questions that we would like to submit to you for the record.

Mr. PHILBIN. I will do so, sir.

The CHAIRMAN. Dr. Philbin, congratulations on your appointment. We look forward to working with you.

Mr. PHILBIN. Thank you very much.

The CHAIRMAN. Members of the committee, I am advised that nominations for Dr. Philbin, Mr. Sawyer and Mr. Gianelli were not received until June 9 and have not, therefore, been before the committee for the requisite 7-day period. If there is no objection, I will waive the 7-day rule.

I would like to have the committee act promptly on these nominations, so the nominees can get on with their important business. If there is no objection, the Chair proposes to have the committee act on these nominations today along with the nominations of Mr. Hale, Mr. Roser and certain routine military nominations which have been before the committee for the requisite period of time.

If there is no objection we will poll those now. We will have the record remain open until 5 o'clock this afternoon so that members may submit additional questions to the respondents to be answered for the record. Absent members will be polled on the nominations.

Senator COHEN. Mr. Chairman, would it be in order for me to move that the nominees be considered en bloc?

The CHAIRMAN. It would be in order for the Senator from Maine to move that they be considered en bloc. if there is no objection that will be done with the understanding that absent members will be polled.

Ladies and gentlemen, thank you very much.

[Questions submitted for the hearing record follow:]

QUESTIONS SUBMITTED BY CHAIRMAN JOHN TOWER, ANSWERS SUPPLIES BY RUSSELL D. HALE

FINANCIAL MANAGEMENT IMPROVEMENTS

The CHAIRMAN. Mr. Hale, what new improvements do you plan to bring to the Air Force financial management if confirmed?

Mr. HALE. Mr. Chairman, if I am confirmed as Assistant Secretary of the Air Force for Financial Management, it is my firm intention to effect an across-the-board strengthening of the financial management institutions within the Air Force. My highest priority effort will be to increase the return on each taxpayer dollar invested in the Air Force program. In this area, I believe we need an aggressive, new effort to lower the cost of weapons systems and other goods and services the Air Force purchases. We must be innovative with advanced procurement and contract financing techniques, raise production rates to maximum efficiency levels and eliminate fraud, waste and abuse in the management and utilization of Air Force resources. With respect to the ADP responsibilities of the Assistant Secretary, as you know, I bring a substantial professional expertise which I hope to bring to bear so as to streamline the automated data processing acquisition process, enhance competition, and reduce costs. The bottom line of all our efforts must be to improve the return to the taxpayer on the dollars which we are investing in the Air Force program to strengthen our national defense.

IMPORTANT ACCOMPLISHMENT

The CHAIRMAN. Mr. Hale, what is the one most important thing you would like to accomplish in your new job if confirmed.

Mr. HALE. Mr. Chairman, my most important objective if confirmed as Assistant Secretary of the Air Force for Financial Management will be to bring down the unit cost of the major weapon systems in the Air Force program.

CHANGES IN FIVE YEAR DEFENSE PLAN

The CHAIRMAN. Mr. Hale, in the past many of the military services as well as the Defense Department itself have tried to squeeze more programs into each year's budget than the five-year plan could reasonably support. To some degree this can be justified as keeping options open, but on the other hand many are continued by momentum, thus forcing cutbacks and delays in other programs. Could you comment on this?

Mr. HALE. Mr. Chairman, as I have already indicated in my comments to the previous questions, I am deeply concerned about the alarming increase in unit costs of weapon and support systems during the previous Administration. I believe there are a variety of management initiatives and program disciplines which must be adopted in order to reverse this trend. Without drastic action to halt the increasing unit cost of weapons, we will not be able to deploy new systems in sufficient quantity to meet the ever-growing Soviet threat in both strategic and tactical forces. Priority must be given to raising the rates of aircraft procurement and reducing unit cost to acceptable levels without sacrificing our technological lead.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND, ANSWERS SUPPLIED BY RUSSELL D. HALE

TERM OF APPOINTMENT

Senator THURMOND. Mr. Hale, you appear to be exceptionally well qualified for this post by virtue of your formal education and experience in the Department of Defense and Congress. Do you plan to serve in this position for the full four years of President Reagan's term?

Mr. HALE. Senator Thurmond, I regard the President's nomination to serve as Assistant Secretary of the Air Force for Financial Management as a great honor

and it is without reservation that I would serve in this capacity for President Reagan's full term.

FINANCIAL MANAGEMENT LEADERSHIP

Senator THURMOND. Mr. Hale, as you know there has been considerable turnover in this position as well as other similar positions in DOD. I believe you can render an outstanding service to your country by providing continuous leadership in this post. Do you have any particular ideas about how you will approach this responsibility?

Mr. HALE. Senator Thurmond, as I have indicated in my response to previous questions, my highest priority will be to provide aggressive and consistent leadership to improve resource utilization within the Air Force. Both program/budget discipline and strong support for new acquisition and contract management policies will be needed to strengthen the Air Force posture, improve readiness, and bring down unit costs of doing business. I intend to pursue vigorously those business strategies which achieve these goals.

FINANCIAL MANAGEMENT POLICY

Senator THURMOND. As I understand it, this job covers a broad area: accounting, comptrollership, policy and data processing. How do you envision your role in the policy area?

Mr. HALE. Senator Thurmond, as Assistant Secretary of the Air Force for Financial Management, I will serve as a principal policy advisor to Secretary Orr in the areas of program development, budget, accounting, contract finance, management information and data systems. I expect to work closely with the other Assistant Secretaries and the Under Secretary in the elaboration of policy across the Air Force but will assume a vigorous leadership role within those matters assigned to me by the Secretary directly. As you know, I began my professional career as an Air Force officer and have a good knowledge of the quality and professionalism within the financial, comptroller and data automation career fields within the Air Force. I will rely heavily on support and advice from the professional staff but anticipate taking the lead vigorously in those areas where new policy must be laid down to enhance the efficiency and effectiveness of Air Force financial management.

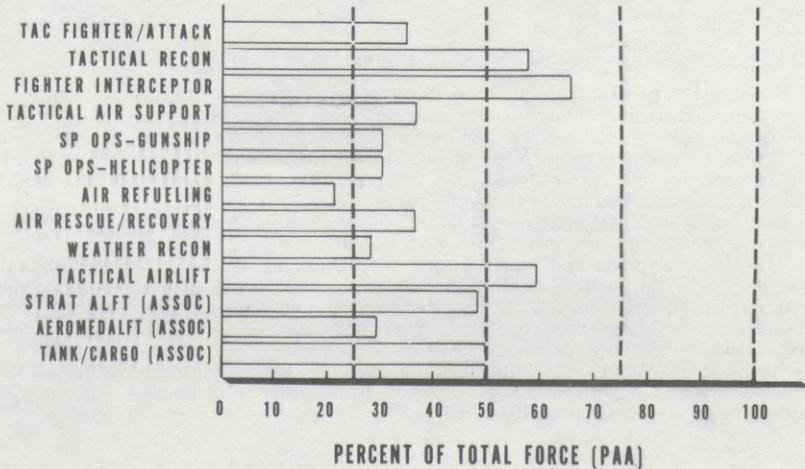
AIR RESERVE FORCES

Senator THURMOND. What are your views as to the utility and present support by DOD for the Air Reserve and the Air National Guard?

Mr. HALE. I am very glad you have asked for my views about the role of the Air Reserve and the Air National Guard. As you know, since I left active duty in 1973 I have with great pride served as a member of the active Air Reserve. It is with reluctance that I will forego that involvement for a place in the Standby Reserve during my tenure as Assistant Secretary of the Air Force for Financial Management. The Air Force is unique among the Armed Services in the degree of its commitment to and support for Guard and Reserve activities. For many years now, the Air Force has characterized this unique relationship as "the total force." It is worth calling the attention of the Committee to the magnitude of the peacetime and wartime taskings that are regularly and routinely assigned to Guard and Reserve forces. The following chart shows the percentage, by assigned mission, of the contribution made by Guard and Reserve forces. With the passage of time this important role continues to grow and without it the Air Force could not perform the important national security missions with which it is entrusted. I have the fullest confidence in the capability of the Air Reserve and Air National Guard forces to meet their responsibilities and strongly support their continued growth within the total force concept.



AIR RESERVE FORCES CONTRIBUTION TO TOTAL FORCE FY 1982



QUESTIONS SUBMITTED BY SENATOR CARL LEVIN, ANSWERS SUPPLIED BY RUSSELL D. HALE

APPROPRIATIONS IN THE MERGED ACCOUNTS

Senator LEVIN. Please list the merged surplus accounts and the appropriation accounts for each merged surplus account in the Air Force Department.

Mr. HALE. The merged surplus account is maintained by the Treasury Department. Following are the appropriation accounts for the Department of the Air Force in the merged surplus account:

Appropriation

Account title:

	<i>Symbol</i>
Military Personnel, Air Force.....	57 M 3500
Military Personnel, Air Force Reserve	57 M 3700
Military Personnel, Air National Guard	57 M 3850
Operations and Maintenance, Air Force	57 M 3400
Operations and Maintenance, Air Force Reserve	57 M 3740
Operations and Maintenance, Air National Guard.....	57 M 3840
Aircraft Procurement, Air Force	57 M 3010
Missile Procurement, Air Force	57 M 3020
Other Procurement, Air Force	57 M 3080
Research, Development, Test and Evaluation, Air Force.....	57 M 3600
Military Family Housing, Defense (Transferred to AF) Oper- ations and Maintenance.....	57-97 M 0700

NEWLY EXPIRED APPROPRIATIONS

Senator LEVIN. Do lapsed funds from newly expired appropriation accounts become part of existing merged surplus accounts or is a merged surplus account

created each year appropriation accounts of similar character expire with lapsed funds? Who determines the groupings of appropriation accounts with merged surplus accounts and what formal or informal guidelines exist with respect to this determination?

Mr. HALE. There is established in the Treasury Department merged surplus accounts for all Air Force appropriations which have had unobligated balances lapsing. Newly lapsed unobligated balances are added to the existing merged surplus account for that appropriation. The appropriating integrity is thus maintained even when going into the merged account and appropriations are not grouped. The only time a new merged account is created is when an unobligated balance lapses for the first time.

USE OF MERGED SURPLUS AUTHORITY

Senator LEVIN. Once unobligated funds of like appropriation accounts lapse, they are classified as unobligated funds under a merged surplus account. Merged surplus authority can be utilized for obligations arising from any one of these expired appropriation accounts. In other words lapsed funds from one expired account can be utilized for obligations resulting from another expired account provided both accounts are grouped under the same merged surplus account.

Is it not true that Departments could obligate merged surplus account funds for a purpose the funds were not originally authorized?

Mr. HALE. Expired and lapsed funds are no longer available for new obligations and can only be used for disbursements and adjustments of prior obligations. An appropriation, authorized for a specific purpose can only be used for that purpose. Lapsed funds of one appropriation may not be used for obligating in another appropriation without prior approval of the Congress (i.e. appropriation 57M3010, Aircraft Procurement, AF, may not be used to cover requirements for 57M3400, Operations and Maintenance, AF). When funds lapse and go into the merged account, the Fiscal Year identity is lost.

RENEGOTIATED CONTRACTS

Senator LEVIN. Can contracts be renegotiated or adjusted with the added cost, once the appropriation has expired, being covered by merged surplus authority? If a contract undergoes mid-term adjustment, what formal or informal guidelines determine whether the added costs can be covered by merged surplus authority or must be brought to the attention of Congress in the form of a supplemental?

Mr. HALE. Once the appropriation has expired, added costs resulting from a renegotiated contract cannot be covered from merged surplus. Only obligation adjustments, due to price increases on existing contracts may be covered from expired funds. Renegotiated contracts must be covered with unexpired funds, through a reprogramming action approved by the Congress or by obtaining a supplemental appropriation from the Congress.

APPROVAL OF MERGED SURPLUS AUTHORITY

Senator LEVIN. If merged surplus authority is utilized to cover obligations, under what circumstances if any is this course of action subject to Congressional review or approval?

Mr. HALE. Merged surplus authority may only be used to cover new obligations at the direction of Congress. One example was in 1976 when Congress directed that \$63,211,061.96 of that authority be used to cover fiscal year 72, Section 3732 authority which was invoked for fuel for the B-52 aircraft in Southeast Asia. The appropriation involved was 57M3400 (Operations and Maintenance, AF).

RESTORATIONS

Senator LEVIN. For each of the last five years how many restorations were made from the merged surplus accounts in the Air Force Department to expired appropriation accounts to cover obligations? What was the value of these restorations?

Mr. HALE. Restorations from merged surplus accounts for purposes of transferring to an expired, but not yet lapsed account to cover obligations is only done through the appropriation process, i.e., restorations from the merged surplus account can not be transferred unless a reappropriation is approved by the Congress. In the last five (5) years the Air Force has had one (1) restoration from the merged surplus account and Congressionally approved reappropriation to expired but not yet lapsed accounts to cover obligation. That was in fiscal year 1976 where Congress authorized the use of \$63,211,061.96 from 57M3400 to cover Section 3732 authority in 5723400

(fiscal year 1972 Operations and Maintenance, AF, appropriation for fuel in South-east Asia).

LIMITATIONS ON USE OF MERGED AUTHORITY

Senator LEVIN. One proposal curbing the use of merged surplus authority strikes all merged surplus authority that has remained on the books for more than three years. This approach leaves intact merged surplus authority that has accumulated during the three most recent years. This amount should be sufficient to meet obligations legitimately covered by merged surplus authority.

Please comment on the impact of this proposal on the current usage of merged surplus authority. I would also be interested in your views on ways to improve management and/or savings of merged surplus authority.

Mr. HALE. The use of merged surplus authority for any new purpose is currently limited to those directed by the Congress. The merged surplus account established and controlled by the Treasury Department, has functioned very satisfactorily for several years and in the opinion of the Air Force, currently needs no new limitations to improve management and/or savings.

QUESTIONS SUBMITTED BY CHAIRMAN TOWER, ANSWERS SUPPLIED BY HERMAN E. ROSER

The CHAIRMAN. Mr. Roser, your 33 years in the nuclear weapons business makes you eminently well qualified to handle the position for which you have been nominated. I have the distinct impression that the nuclear weapons complex has not been adequately funded for the last decade. During that decade you have been a key manager in that complex. From your previous jobs, do you share my impression that the nuclear weapons complex has been underfunded in the past and, if so, what will you do to help restore the situation?

Mr. ROSER. The weapons complex facilities have deteriorated to the point that production stoppages may occur that could cause planned workloads and schedules not to be met. Further, the deterioration of the laboratory and testing facilities increases the risk of diminishing the United States superiority in nuclear weapons technology.

A comprehensive program has been planned and was initiated with fiscal year 1980 funding to restore the existing production base as well as to return the equipment and utilities at the laboratories and testing facilities to an acceptable technological status. I plan to vigorously pursue this vital program to completion. Additionally, adequate capital equipment and general plant project funding are required on a continuing basis to keep the facilities and equipment in good condition. I intend to do my very best to assure adequate funding is supplied to avoid allowing this deterioration to recur.

The CHAIRMAN. As you know, Pantex in Amarillo, Texas, is the sole location in this country where nuclear weapons are assembled. In your view, how is the health of the Pantex Plant?

Mr. ROSER. Pantex is a World War II ordnance plant which was activated in 1951 as a nuclear explosives component facility. The impact of aging, deterioration, and capacity is a matter of major concern to me. Austere budgets over the past decade have forced the reduction of maintenance activities and the deferral of scheduled equipment replacement. This has led to a gradual, but continuing, decline in capability that has now reached the point where planned workloads and schedules for the 1980's may be difficult to meet. The required rate of production is increasing month by month.

Several construction projects are requested in fiscal year 1982 to help alleviate this problem.

The CHAIRMAN. I note that DOE is planning to do an Environmental Impact Statement (EIS) on the operations at Pantex. It is not clear to me why you need to do an EIS. I am not aware of any significant new Federal action affecting Pantex. I understand that the EIS will cost \$2.5 million. Are you familiar with this situation? Is there not some way to avoid spending \$2.5 million?

Mr. ROSER. I feel that there has been considerable misunderstanding about the Environmental Impact Statement (EIS) at Pantex. As you will have noted from my response to the previous question, the Pantex Plant is in considerable need of upgrading and improvement so that we will be able to meet the weapons program requirements of the very near future. For some time, we have been doing an evaluation of the upgrading program that will be necessary. Some of that upgrading already has been funded by the Congress; however, a series of major additional upgrading and improvement programs will have to be funded over each of the next several years.

The Atomic Energy Commission prepared a fairly detailed environmental assessment of the Pantex Plant, which was published in June 1976, so that we would be in compliance with the National Environmental Policy Act. However, with the advent of major new construction, a suit was filed to force DOE to prepare an EIS before proceeding with such construction. Since timing of ongoing construction was critical to making weapons production schedules, DOE and Department of Justice counsel recommended stipulated settlement of the losses, agreeing to the preparation of an EIS in return for agreement not to enjoin critical construction. We are under court order to proceed with this EIS and have already conducted scoping hearings in Amarillo, Texas.

As to the cost of preparing this EIS, it is unfortunate that these documents are so expensive; however, \$2.5 million is our current estimate of the cost to gather the information, analyze the problems involved, and process the information into a finished environmental document.

The CHAIRMAN. Mr. Roser, many proposals for expanding our nuclear forces or providing quick fixes have run up against the shortage of special nuclear materials. Are you aware of this problem and do you plan to address it?

Mr. ROSER. I am well aware of the problem. The fiscal year 1981 DOE budget contains funds to initiate actions which will result in increasing the supply of weapon-grade plutonium for the weapon programs. The supply of nuclear materials, including that to be obtained from the 1981 initiatives should be adequate to meet currently projected requirements. Should those requirements increase, however, as a result of the next presidential Nuclear Weapons Stockpile Memorandum, we will be prepared to further augment nuclear material supply. Possible new initiatives include the conversion of Savannah River production reactors to higher productivity cores, acceleration of the design and construction of a Special Isotope Separation plant to separate weapon-grade plutonium from non-weapon-grade plutonium, and installation of a headend dissolver (shear-leach system) into an existing fuel processing facility to extract nonweapon-grade plutonium.

The CHAIRMAN. Mr. Roser, much of the nuclear material production and weapons assembly infrastructure is in need of rehabilitation. What are your plans in this regard?

Mr. ROSER. I agree that the aging and deterioration of the plants for nuclear materials production and weapons assembly are a major concern. Overall plans for restoration of both the nuclear materials production plants and the weapons production, research and development and testing facilities were submitted to Congress with the Department of Energy's fiscal year 1980 budget request and initial work was authorized in fiscal year 1980. The total plan will cost about \$1.25 billion in fiscal year 1982 dollars and is scheduled to be funded incrementally over a 6-year period. I am committed to maintaining the six-year program. Additionally, adequate capital equipment and general plant project funding are required to prevent the problem from reoccurring. I plan to pursue this program vigorously.

The CHAIRMAN. Mr. Roser, what do you plan to do to ensure optimal cooperation between the Department of Defense and the Department of Energy?

Mr. ROSER. I will continue our dialogue with the Department of Defense using all available channels of communication to ensure both parties are apprised of all programmatic requirements, budgetary matters, capabilities, and issues. I intend to support and encourage ongoing discussions, particularly nuclear materials and weapon system issues and decisions. In addition, recommendations from a joint Department of Defense/Department of Energy study to improve the nuclear weapon planning and acquisition process have been, and are being, implemented. I will continue to support these and any other steps which enhance communication and cooperation between the two departments.

The CHAIRMAN. Mr. Roser, what are your views on the disposal of defense nuclear waste?

Mr. ROSER. Congress has, as the Committee is aware, authorized the Waste Isolation Pilot Plant project for the purpose of providing a research and development facility to demonstrate the safe disposal of radioactive wastes resulting from defense activities. I fully support the fiscal year 1982 budget submitted by this Administration which provides funding to allow the project to be continued in accordance with Congressional direction. From this project and other research and development activities, we should obtain the data which will allow us to make the proper decisions concerning the best disposal options for transuranic and high-level wastes at the various DOE sites. As to low-level wastes, I fully support the current approach of disposal of defense wastes in unlicensed burial grounds on the DOE reservations.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND, ANSWERS SUPPLIED BY
HERMAN E. ROSER

Senator THURMOND. Mr. Roser, I am very pleased that President Reagan has nominated you for this most important position. There are few people in this country today who are better informed than you on the nuclear weapons business. What do you feel are the highest priority needs to get our nuclear weapons complex back to an acceptable state of readiness?

Mr. ROSER. The restoration of the aging equipment and facilities is our highest priority and must be accomplished in a timely manner if we are to meet planned workloads and schedules. In addition, we must increase future-year capital equipment and general plant project funding to halt the deterioration of the nuclear weapons complex facilities.

We also need to revitalize our research, development, and test programs. This will require an increase in research, development, and testing manpower and an increase of our current underground test level.

We must have adequate facilities at the laboratories and at Nevada to support long-term research, development, and test activities. A decade of minimal construction funding has caused a large backlog of critically needed facilities. This has resulted in a degradation of the laboratories' ability to carry out the weapons research, development, and test programs. In the production area, some redundant capacity must be available to provide a surge capability and to ensure that a natural disaster, a catastrophic failure, or an unforeseen technical problem does not cause serious or unacceptable production slippages.

Senator THURMOND. As you know, the Savannah River Plant in my state is the sole source of weapon-grade material in the United States today. I have been concerned for some years that the Plant's operations were being underfunded. Would you comment on the Plant's condition today and what is needed to keep it in operation for the future?

Mr. ROSER. It is true that the funding for the Savannah River plant has been held to a minimum in the 1970's resulting in decreased material production and a deterioration in the plant's condition. However in fiscal year 1982 DOE's Defense Program has proposed a major increase for Savannah River. We are now operating three reactors at full capacity and preparing to start a fourth. We are doubling the fuel throughput for all the reactors. This will necessitate operating the two processing canyons at maximum capacity. In addition we are planning for a new Defense Waste Processing Facility and a new Navy Fuel Fabrication Facility in the near future.

As to the Plant's condition, the majority of the facilities and equipment at the Savannah River Plant were constructed in the early 1950's and have been in continuous service for approximately thirty years. Austerity budgets over the past decade have forced the reduction of maintenance activities and the deferral of scheduled equipment replacements. This has led to a gradual but continuing decline in plant capability. In view of the heavy workloads forecast in the 1980's, the Department has initiated a program to restore production capabilities to correct accumulated deterioration. The program is estimated to cost \$400 million, in fiscal year 1982 dollars, and is being funded incrementally over a six year period.

Senator THURMOND. I am concerned about where our nuclear materials are going to come from after 1990. Can you give us your ideas on this question?

Mr. ROSER. I am confident that the DOE will have the capability of providing nuclear materials required by the weapons program after 1990. The production reactors at Savannah River, for example, should be able to operate well beyond 1990, assuming that adequate funds are provided for periodic restoration and repair. DOE has initiated actions which will result in the construction of a replacement production reactor for operation in the mid-1990's. That reactor should be able to assure the supply of weapon-grade plutonium and/or tritium well beyond the year 2000. Another promising source of weapon-grade plutonium is the Special Isotope Separation (SIS) program. DOE could design and construct by the late 1980's an SIS plant capable of producing weapon-grade plutonium from fuel-grade plutonium.

Senator THURMOND. What are the plutonium requirements for the military in the periods 1980-1990 and post-1990?

Mr. ROSER. The military requirements for plutonium during this decade and the next presently are under review by the new administration. Through fiscal year 1990 the currently approved Nuclear Weapons Stockpile Memorandum (NWSM) requires additional plutonium and additional tritium. The requirements beyond fiscal year 1990 have not yet been specifically addressed. However, the trend in nuclear weapons is toward smaller weapons, tailored effects and reduced intrinsic radiation. If these trends continue there will be a requirement to produce high purity plutonium and to purify the plutonium presently in the stockpile.

Senator THURMOND. Please outline the Department's program for meeting these needs and the proposed budget for accomplishing the needed levels of plutonium and tritium.

Mr. ROSER. The DOE can meet currently projected requirements of plutonium and tritium (as identified in the fiscal year 1981 Nuclear Weapons Stockpile Memorandum (NWSM) approved by the President on October 24, 1980) by the following actions:

Continued operation of the three currently operating Savannah River, South Carolina production reactors.

Restart in fiscal year 1983 of the currently standby L Reactor at Savannah River. Restoration of the four existing production reactors and other production facilities.

Production of high-purity plutonium at Savannah River for blending with low-purity plutonium to yield additional weapon-grade plutonium.

Conversion of N Reactor (Richland, Washington) from production of fuel-grade to weapon-grade plutonium.

Restart of the PUREX fuels processing plant (Richland, Washington) in fiscal year 1984 for the recovery of plutonium from irradiated N Reactor fuel.

Senator THURMOND. Do we have an alternative to constructing a new production reactor? I would like to recommend that we evaluate alternatives and the cost-benefit of each alternative before we lock ourselves in on a project that will cost in excess of \$3 billion.

Mr. ROSER. By 1994, the Savannah River reactors will be 40 years old and since the consequences of lost tritium production capability are severe, it is prudent to plan for a cost-effective replacement production capability.

The tritium and plutonium required to support the national defense program have come from nuclear production reactors from the inception of the program. This method represents a highly successful and fully demonstrated approach that is consistent with reliability needed by a source of nuclear weapons materials. The initial phase of the replacement production reactor (RPR) program, that of assembling a technical data base for the most viable concepts, is in progress. Alternatives will be evaluated using criteria that encompass elements of cost, safety, reliability, production rates, flexibility of converting from tritium to plutonium production mode, and maximizing the utilization of the existing nuclear weapons materials production facilities.

Senator THURMOND. Current planning by the Department calls for operation of both the L Production Reactor at Savannah River and the Purex reprocessing plant at Hanford to meet production and reprocessing requirements. Both of these facilities are currently being reactivated after extensive downtimes. What are your contingency plans if these facilities do not operate reliably? Should we not be developing detailed contingency plans even as we proceed to start up both the L Reactor and Purex?

Mr. ROSER. The DOE is confident that both L Reactor and the Purex fuels processing plant can be successfully restarted and operated. However we are exploring options and actively planning for augmenting nuclear material production as a contingency against potential production loss. If for some unforeseen reason the Purex plant is not operated, it is possible with modifications for the Savannah River Plant to process the spent fuel from N Reactor intended for the Purex plant. Conversely if L Reactor would not operate properly it would have a significant impact on nuclear materials availability. Unfortunately, by the time a problem might be discovered, it would be too late to take remedial action to recover the production loss in fiscal year 1984 and fiscal year 1985.

QUESTIONS SUBMITTED BY SENATOR CARL LEVIN, ANSWERS SUPPLIED BY HERMAN E. ROSER

Senator LEVIN. Dr. Roser, let me read you the explanation Congress was provided last year as to the important contributions the ICF program makes to our nuclear weapons development and production program:

The lasers currently being used in ICF research are also being used to make measurements of the physical properties of materials in regions of high temperature and pressure. These measurements are applicable to the modeling of some aspects of nuclear weapon performance and of nuclear weapon design.

Study of the behavior of ICF pellets will have potential applications to the study of nuclear weapon physics, the modeling of some aspects of nuclear weapon performance and the development and proof of some features of computer codes for nuclear weapons.

In the future, if sufficiently large nuclear energy releases can be obtained from pellet fuel burn, it should be possible to simulate some of the effects of nuclear weapons (now simulated using other techniques) for the study of the vulnerability of weapon system components to such effects. Such nuclear energy releases may also have limited applicability to the simulation of some of the phenomena resulting from atmospheric and high altitude nuclear explosions.

Do you not think that this research is important to our building better, more effective nuclear weapons?

Mr. ROSER. The important benefits from pursuing inertial fusion in the nuclear weapon laboratories will arise when we can generate large amounts of fusion energy by irradiating targets with laser or particle beams. In time we expect to enlarge our understanding of nuclear weapon physics as well as permit the simulation of some nuclear weapon effects. During this research and development, inertial fusion programs in the nuclear weapon laboratories attract and utilize researchers in areas of physics that overlap those of the weapon program R&D and testing activities. This is a near-term benefit in addition to the increase in fundamental knowledge of weapon physics and effects. The inertial fusion groups in the weapon laboratories are certainly an important addition to the capabilities of these laboratories to fulfill their primary mission of designing better, more effective nuclear weapons.

Senator LEVIN. Do you not think that the study of the vulnerability of our nuclear weapons to nuclear effects should be a high priority item in our nuclear weapons development programs? Does it make good national security sense to reduce the budget of a research program which could contribute to making our nuclear weapons more survivable and thus more effective?

Mr. ROSER. The contribution of ICF to studies of vulnerability and hardening of nuclear weapons requires much higher yields from fusion targets than we can now attain. Facilities of higher energy and power planned for the program and now being executed mark the progress toward this longer-term objective. ICF is, of course, just one of the means we are developing for better simulation of weapons effects, no one of which is entirely satisfactory or will meet our needs fully. However, for some effects ICF promises to provide very effective simulation on a laboratory scale and this is certainly an important aspect of the weapons design program.

Senator LEVIN. As Assistant Secretary for Defense Programs, will you support full development of ICF and sufficient funding to maintain the program without delays?

Mr. ROSER. I intend to make the strongest possible case for each of the Defense programs of DOE. I will of course support the President's budget request in its final form. Overall priorities for allocation of available resources may cause some schedule adjustments; however, I believe the ICF program is vital to the laboratories, and I fully support its continued progress toward important benefits to the weapons program.

Senator LEVIN. Both HASC and SASC have had to admonish DOE's Assistant Secretary for Defense Programs to take full responsibility for the ICF program and ensure that the defense perspectives are adequately recognized by the numbers counters at OMB. How do you intend to deal with this problem?

Mr. ROSER. It is my intention to propose a sound program for each of the activities under my responsibility; to establish priorities consistent with our primary mission of meeting Department of Defense requirements; and to present the programs and their particulars as forcefully as necessary to ensure that they are understood, both in DOE and at OMB. I believe this approach will assure proper emphasis on this important program, both within the overall DOE mission and within the broader context of national policy as reviewed and assessed by OMB. I feel very positive about the present trend of defense program resources and hope we can balance them in a way that can and will be fully supported by the Congress.

Senator LEVIN. The new administration's energy policy, as it has stated to several Congressional committees, is to support long range, high risk energy supply activities. Various DOE officials including DOE Secretary James Edwards have testified recently that ICF fits this description. Do you agree with this assessment and thus that ICF requires adequate federal support?

Mr. ROSER. I certainly agree with that in principle; however, ICF must compete for resources with more immediately effective programs in meeting our national defense requirements. Adequate support has to be defined, not just in terms of what level of resources the program can absorb, but also with regard to our other priorities. If we can agree on the priorities, as I hope we can, then I think we can ensure that the ICF program does not suffer arbitrary and unwarranted cuts in funding.

QUESTIONS SUBMITTED BY CHAIRMAN JOHN TOWER, ANSWERS SUPPLIED BY GEORGE A. SAWYER

The CHAIRMAN. One of the problems that always seems to crop up when we look at increasing the size of the Navy is the time it takes to build a modern combatant. Do you have any ideas on how that process might be accelerated? How might you implement them?

Mr. SAWYER. I agree that the time it takes to build a modern combatant is one of the major problems we face as we work toward a 600 ship Navy. To overcome this problem, we are considering several alternatives:

Using what we have: reactivation of the battleships and the *Oriskany* are examples.

Shortening the front-end planning/approval process: Secretary Carlucci's initiatives in minimizing impediments at the early stages of acquisition will help in this regard.

Increasing the use of advance procurement and multi-year procurement: these innovations should shorten shipbuilding construction periods by minimizing the constraining effect of long leadtime material.

The CHAIRMAN. Mr. Sawyer, just recently the Congress funded long lead procurement for the reactivation of the battleship *New Jersey* in the fiscal year 1981 supplemental. In spite of the almost two-to-one margin of support for this action in the Senate, there are several very vocal critics who feel that the time and cost constraints for that reactivation are unrealistic. The Secretary of the Navy has committed himself to 21 months, \$326 million, and a specified quantity of weapons systems improvements.

Do you feel you can meet that commitment and if so, what are some of the circumstances that allow you to be confident that you can meet such commitment?

Mr. SAWYER. The 21 month schedule will not be easy to achieve, but all of our studies to date indicate it is feasible, and I expect to meet that commitment. The \$326M cost estimate is not an unreasonable estimate; unless some unusual difficulties develop—which we currently do not have reason to expect—I also fully expect to meet that commitment. Our confidence is based on the fine condition of the ship when she was deactivated, the high degree of preservation maintained during her inactive status, and the advanced stage of development/availability of most of the electronics/weapons systems we plan to install in her.

The CHAIRMAN. There has been a lot written lately about the capability of the American industrial base to cope with a dramatically increased naval shipbuilding program. What are your opinions of the shipbuilding industry in general? And do you think it will be capable of building all the ships necessary for the U.S. Navy to achieve its 600-ship goal?

Mr. SAWYER. The American shipbuilding industry is a national asset vital to the defense of our country. Not only has this industry served the Navy well in the past but is also fully capable of supporting the Navy's goal of 600 ships. Indeed I believe that among out major shipbuilders on the East, West and Gulf Coasts, there is sufficient capability to address Navy's major combatants and amphibious/auxiliary ship requirements and at the same time build more commercial vessels. That is not to say we will not be confronted with problems potentially at the supplier second tier levels. I expect the Navy and industry will have to resolve a number of issues in a coordinated management effort before reaching the 600-ship goal.

The CHAIRMAN. In line with that, what are some of the other problems the Navy faces in achieving this 600-ship goal? And how do you anticipate trying to solve them?

Mr. SAWYER. Efficient use of the industrial base is a primary concern in the cost-effective acquisition of new ships. The Navy and industry must coordinate efforts to ensure that the most is attained for the tax payer dollar. In this regard shipyards' workloads must be carefully managed to minimize unnecessary, potentially inefficient, workforce transients. And of concern is not only the short term but longer term financial health of the industry. Active competition for shipbuilding and repair work based on quality, performance and price which the Navy will continue to encourage, should contribute in large measure to this end. Other issues which will require intense Navy management efforts include continuing improvement in the quality and productivity of our basic designs, advance planning and procurement for long lead time materials, anticipation and development of adequate second and third tier supplier sources where shortfalls could occur, and the tailoring of our procurement policies to the specific type and complexity of ships being acquired. In general the task ahead will be lengthy and complex. I intend to make maximum use of a cooperative, communicative environment between Navy and the industry to address any necessary issues to accomplish our goal.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND, ANSWERS SUPPLIED BY
GEORGE A. SAWYER

Senator THURMOND. Mr. Sawyer, have you formulated any views on the utilization of public shipyards to undertake construction of a type of ship now limited to private yards?

Mr. SAWYER. The Navy's recent practice has been to assign all of the new construction programs to private shipyards. The capability exists within the private sector to construct every type of ship in the Navy's shipbuilding plan. As you are well aware, there have been major delays in several of the Navy's highest priority shipbuilding programs. If we are to achieve and maintain our 600 ship goal, we must not only maintain current delivery schedules, but also increase the rate of production with future contracts. As a back-up to private industry a study is being made of the feasibility of using naval shipyards to construct certain combatant ships. In general I support the current practice of assigning new construction programs to private shipyards. However, if it is determined that the private sector cannot produce the ships required to reach our 600 ship goal in a cost effective, timely manner, I would support the concept of returning to new construction in naval shipyards on a limited, case by case basis.

Senator THURMOND. Mr. Sawyer, I am very much encouraged by your nomination as I believe a man with your background could assist the Navy and save money for the taxpayers by giving special attention to our shipbuilding programs. Do you plan to make this endeavor your main duty?

Mr. SAWYER. Yes sir. Shipbuilding by its very nature is a lengthy, complex process that involves dedicated commitments in human, financial and material resources. Equipped with an understanding of this process and I believe qualified by my background and experience, my primary task will be to bring the 600-ship Navy to fruition, in both a cost effective and timely manner.

Senator THURMOND. Mr. Sawyer, what do you believe are the causes which have led to some of our current shipbuilding problems?

Mr. SAWYER. A major factor creating problems both for the shipbuilding industry and the Navy in the recent past has been the continuing instability of workload requirements. This has directly contributed to high worker turnover rates, and lower productivity and quality control within the industry. In addition, the ebbing shipbuilding program in recent years has been discouraging potential second sources for ships within the industry, and to the important second tier supplier base. Finally industry has not as a whole been motivated toward capital investment to ensure productivity gains and technological advancement for the future. While no panacea, I sincerely believe the increased work projected into the '80s coupled with intensive Navy/industry management attention will contribute to a large degree toward resolving a number of our traditional industry problems.

Senator THURMOND. Mr. Sawyer, what are your views regarding nuclear power plants for our larger combatant ships?

Mr. SAWYER. I favor nuclear power plants in our large combatant ships. The performance of our nuclear powered ships, especially during extended deployments such as Indian Ocean operations, has been superb. Nuclear power has not only increased these ships' time on station by eliminating their dependence on oil, but has enabled these ships to carry an increased load of ammunition, aviation and escort fuel and other supplies. This has increased the fighting capability of these ships and significantly reduced underway support requirements.

Senator THURMOND. Do you intend to serve at least four years in this capacity?

Mr. SAWYER. Yes. My intent is fulfill the duties of Assistant Secretary of the Navy (Shipbuilding and Logistics) for as long as it serves the nation's and the Navy's best interests.

QUESTION SUBMITTED BY SENATOR JOHN WARNER, ANSWER SUPPLIED BY GEORGE
A. SAWYER.

Senator WARNER. Mr. Sawyer, I understand that the U.S.S. *Ohio* successfully underwent important tests in recent days preparatory to being cleared for shipbuilder's sea trials. As you know this Committee has taken a keen interest in the Trident submarine program and has been particularly concerned about the problems which have plagued this program for many years.

Would you give the Committee any insights you may have concerning steps which should be or are being taken to avoid future difficulties?

Mr. SAWYER. A number of steps have been taken and others are in process to avoid the difficulties experienced in the past in our Trident program. In March, Secretary Lehman appointed a Blue Ribbon Panel whose mission included a review

of the situation at Electric Boat to determine if the major problems of the past were sufficiently resolved so that they would not cause further significant delays, and to assess Electric Boat's ability to achieve revised delivery dates projected by the contractor. The Panel reported that problems were sufficiently resolved to support the revised delivery dates. In addition, the Panel recommended a list of milestones against which Electric Boat's progress could be measured on all ships under construction. The Navy has identified additional milestone areas where problems have manifested themselves in the past. These areas and others are being closely monitored by the Navy to confirm the ability of the contractor to meet the scheduled milestones proposed by the Blue Ribbon Panel.

A Rear Admiral has been assigned full time at Electric Boat as the Supervisor of Shipbuilding, Conversion and Repair, to provide an increased level of management attention. He is actively working with Electric Boat management in the resolution of all outstanding issues. I will be receiving regular status reports on Electric Boat's performance and intend to meet personally with executives of the General Dynamics Corporation, on a periodic basis until all outstanding issues are resolved. While we do not have solutions to all of the problems, I am optimistic that the remaining issues can be satisfactorily resolved.

QUESTIONS SUBMITTED BY CHAIRMAN JOHN TOWER, ANSWERS SUPPLIED BY
EDWARD J. PHILBIN

The CHAIRMAN. The peacetime mission of all Guard/Reserve Components is to train to a level of recognized combat readiness that will insure, when mobilized and deployed, immediate assimilation into the Active Forces with the capability to conduct wartime missions and operations. With sufficient equipment and personnel strength, training is the most important ingredient of readiness. Readiness, in the Total Force environment, requires a higher state of training in the 1980's than ever before as Guard/Reserve missions increase and as threat response times diminish.

If confirmed what steps will you take to enhance training for our Reserve and Guard units?

Dr. PHILBIN. I agree that the Guard and Reserve must now have a higher state of readiness than ever before. The Guard and Reserve have been integrated into the Total Force to such a degree that they must be used for any large scale military action. I believe that an even greater degree of integration should and will occur. I intend to review all training policies and management practices to determine if they fulfill current needs. After that evaluation I intend to revise outmoded training policies and recommend responsive management practices designed to bring the Guard and Reserve to the required state of readiness. As I see it now, more flexibility is needed in the manner in which and when we train, especially for the unit commanders, more training simulators and better training management. Consequently, more full-time support in the Army Reserve Components will be required as well as better close-in training facilities or, alternatively, providing sufficient funds, equipment and personnel to utilize airlift to meet realistic training needs.

The CHAIRMAN. What steps should the Congress take to assist you in this effort?

Dr. PHILBIN. As to what steps the Congress should take to assist me in this effort, I shall need two major things: first, the resources to support additional training, additional full-time support, training simulators, and close-in training facilities or airlift that I have mentioned; second, your support in the revision of training policies affecting management practices to meet today's requirements. This may require some changes in the statutes. It will also require the removal of some restrictions on training imposed by Congressional Committees. Finally, I am deeply interested in the innovative use of cost-effective simulators to train small and geographically remote units of the Guard and Reserve without utilizing extremely expensive, combat-capable equipment. I believe state of the art technology now makes such a concept feasible and I intend to work with the Director of the Defense Advanced Research Projects Agency to further explore this approach.

The CHAIRMAN. The Defense Department has stated that they are not satisfied with the numbers and the mix of skills of those personnel who can be mobilized quickly; this is especially true of health professionals. What measures could be taken to increase the number of such personnel in the Reserves and National Guard?

Dr. PHILBIN. Health professional manpower has been a uniquely difficult problem for both the Active and Reserve Components. Some of the measures which might be taken to alleviate the current shortfalls are awarding Health Professional Scholarships for Reserve commitments, authorizing health professionals to attend professional conferences in lieu of drills or active training, and assigning medical profes-

sional officers to Reserve components following active duty. In addition, we are studying the use of special bonus programs for health professionals.

I intend to work closely with and seek the advice of the Assistant Secretary of Defense for Health Affairs to improve this situation.

The CHAIRMAN. Dr. Philbin, the Reserve Forces Policy Board in its fiscal year 1980 Annual Report and Readiness Assessment of the Reserve Components has expressed its deep concern over the quantity, quality, and availability of our Reserve Forces. The serious degradation of the Reserve Components compounded by low equipment levels directly affect our responsiveness to war should that be necessary. Do you agree with the Board's assessment?

Dr. PHILBIN. I agree with the Board's assessment that a shortfall exists between the actual trained strength of the Reserve Forces and wartime requirements. However, the Board's report was written in June 1980 and I am encouraged by more recent strength increases in the Ready Reserve. I believe that if the Congress continues to provide recruiting and retention incentives, and if the Department continues to improve management of the personnel, that the situation will continue to improve. But, as I have already mentioned, benefits and incentives are necessary but more is required, especially clearly defined missions and the modern equipment to carry them out. I generally agree with the Board's assessment that we have equipment problems within the Selected Reserve. Some of the equipment is obsolete and some is not compatible with the more modern equipment with which they must mesh. There are also significant equipment shortages within the Army Selected Reserve units.

The CHAIRMAN. How will you begin to address the problems that confront the Reserves?

Dr. PHILBIN. I will address the problems that confront the Guard and Reserve by initiating a thorough review and based on the results, recommending or establishing policies and management practices designed to improve them. To do the job adequately, the Reserve Components will need additional resources or a greater share of available resources. The resources that are available should be disturbed between the active and reserve forces on a mission basis. It makes sense for a Guard or a Reserve unit to have the modern equipment if they are scheduled to deploy ahead of an active unit. The distribution of weapon systems should be based upon considerations of who is to fight first, not upon distinctions such as active, Guard or Reserve. The Ready Reserve is a force in being and is capable of making a contribution to the National Defense. Given sufficient resources it can perform the mission.

Finally, I intend to explore vigorously the advantages of unitary purchases of weapon systems. By that I mean the commitment of sufficient funds at the outset to purchase enough equipment to supply active, Guard and Reserve needs. The purchase of the A-10 in this manner is an initiative the true value of which has not yet been fully appreciated.

The CHAIRMAN. The Board recommends reinstatement of the draft as the only means to correct the serious manning problems of our Reserve Forces. What is your opinion?

Dr. PHILBIN. I have the highest personal and professional regard for the expertise and integrity of the members of the RFPB. But the RFPB report was published in mid-1980 and the heavy fiscal year 1980 gains in the strength of the Selected Reserve units of the Army were recorded during August and September 1980 following publication of that report. I am not convinced that a return to the draft is necessary. At present four of the six DOD Reserve Components are at their desired levels. Only the Army Guard and Army Reserve are below objective. These two Components have gained 61,000 in strength since the beginning of fiscal year 1979 and are continuing to increase in strength by approximately 3,000 each month.

However, I do not rule out a return to the draft in the event that this present encouraging trend of voluntarism reverses. I also do not believe that the institution of a draft can solve all of our manpower difficulties. It certainly cannot redress the loss of large numbers of critically needed technicians by all of the Services.

QUESTIONS SUBMITTED BY SENATOR STROM THURMOND, ANSWERS SUPPLIED BY
EDWARD J. PHILBIN

Senator THURMOND. Dr. Philbin, who would be your immediate superior in the Department of Defense? What assurances do you have that your recommendations would receive the personal attention of the Secretary of Defense?

Dr. PHILBIN. My immediate superior would be Dr. Lawrence Korb, Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. I have complete confidence that Dr. Korb will give my recommendations pertaining to Reserve policy and resources the utmost consideration. Dr. Korb's only guidance to me has

been to do everything within my power to enhance the cost effective combat and combat support capability of all of the Components of the National Guard and Reserve. He and Secretary Weinberger believe and have stated publicly that the Guard and Reserve are crucial ingredients in our overall force structure and in our conventional deterrent posture. Dr. Korb has offered his complete assistance to me in this endeavor which I am sure includes bringing to the attention of the Secretary of Defense any items which I believe should be seen by the Secretary.

Senator THURMOND. I have been concerned that the Reserves have no direct line to the Secretary and for that reason I introduced in March a bill to establish an Assistant Secretary of Defense for Reserve Affairs. Has this legislation been brought to your attention?

Dr. PHILBIN. Yes, I have seen the proposal. My unconstrained personal view is that the Reserve forces as well as the active forces will be better served by my working in tandem with the Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics. To establish a mirror image organization competing with the existing organization would be wasteful of resources both at the Office of Secretary of Defense and Service level. As it stands now, the total staff of ASD (MRA&L) has a responsibility to the total force and I intend to emphasize that responsibility.

Senator THURMOND. What is your understanding of the Total Force Concept?

Dr. PHILBIN. The Total Force Policy as I see it means the absolute integration of the Reserve and Active Force Components in a total military force capable of carrying out national policy. I believe that as a concomitant of this view, the Reserve and Active Components must be managed and supported with sufficient resources in peacetime in a manner that is consistent with their planned wartime employment. In other words, Reserve units scheduled to deploy at the same time as active units should meet the same manpower, training and equipment standards as active units, and they should be the beneficiaries of the attention and resources necessary to achieve that objective. In addition, I believe that for the Total Force concept to be truly credible, integration of Active and Reserve forces should be planned and exercised in peacetime, to maximize the ease of organizational realignment on M-Day. I wish to reemphasize that I believe that the National Guard and the Reserve can provide this nation with a major portion of its military power in a cost effective manner. There is a limit to the utility of the Guard and Reserve but we are in my view nowhere near that limit.

Senator THURMOND. Would you favor direct procurement of equipment for our Guard and Reserve forces in cases where the need was clearly established by virtue of Reserve and Guard mission assignments?

Dr. PHILBIN. Sir, I believe that our equipping philosophy should be to give the most modern equipment to those units which are scheduled to be placed in combat first whether those units are Active, Guard or Reserve. This concept should apply to early reinforcing units as well. In this light, I believe that direct procurement may be helpful if it conforms to this equipment philosophy based on the unit mobilization mission and schedule. I could not therefore support procurement of equipment for Reserve units ahead of active units with earlier deployment dates. I also believe that when a need has been established to equip Guard and Reserve units with new equipment, we should at the outset order a sufficient number to fill all of our projected needs and commit the resources to pay for it.

Senator THURMOND. In past administrations the Congress has had to add to the Defense budget equipment to modernize the Reserve. Would you fight to have such equipment included in the Reagan Defense budgets?

Dr. PHILBIN. Yes, sir, I certainly would. As I stated earlier, I believe that the Reserve Components will need additional equipment resources and I will do my utmost to support them in the budgetary process. I intend to pursue vigorously policies which will assure the procurement and distribution of equipment based on the "first to fight" principle. I think we should remember that many Reserve equipment shortages are a reflection of overall equipment deficiency in the Total Force. There is no logical reason to address the Reserve Component problem in the abstract without reference to the overall Total Force shortfalls.

I wish to repeat that in this context, when decisions are made to procure any item of equipment, we must at the outset commit ourselves to purchase enough to satisfy Total Force needs in light of our strategy and contingency plans.

Senator THURMOND. What are your views on proposals to end Reserve pay for federal employees or only allow them to receive the higher of the two pays when performing annual active duty training? (The Reserve would be seriously damaged in the area of manpower if federal employees cannot continue to receive their job salary in addition to their Reserve pay during periods of active duty. Many would quit, and we are already short of personnel in the Reserve.)

Dr. PHILBIN. I recognize that this proposal, which has been submitted as part of the Administration's legislative program, has been hotly debated for several years. Those in favor of the change cite savings in excess of \$30 million a year and believe that the leave pay reduction would not discourage Federal employees from continued Reserve participation. Opponents point out that the reduction in leave pay would be the wrong signal to send to employers of Reservists other than the Federal Government whom we have been trying to persuade to pay their Reservist employees military leave pay. It could cause a serious decrease in retention which would at least partially negate the benefit of the expenditure of \$58 million in fiscal year 1982 planned for reenlistment bonuses. I question whether enough objective analysis has been devoted to this issue. While I must support the Administration's program, I believe that a decision on this matter would profit from an extensive further cost-benefit analysis.

The CHAIRMAN. This hearing now stands adjourned.

[Thereupon, at 11:10 a.m., the committee adjourned to reconvene subject to the call of the Chair.]

[The nominations of Messrs. Hale, Roser, Sawyer, and Philbin were reported to the Senate by Senator John Tower on June 11, 1981, with the recommendation that the nominations be confirmed. The nominations were confirmed by the Senate on June 15, 1981.]

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