



PUBLIC AFFAIRS

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

December 28, 1976
Ref: FOI 76-849

U.S. News and World Report
2300 N Street, N. W.
Washington, D. C. 20037

Dear

This is in response to your December 9, 1976, request and December 14, 1976, amendment for copies of "issue papers...prepared for delivery to the Carter Transition Team." Your first letter was received on December 13, 1976.

Fourteen major staff functions in the Office of the Secretary of Defense and the Organization of the Joint Chiefs of Staff were tasked to provide briefing materials, including issue papers, if any, by the November 10, 1976, memorandum cited in your December 14, 1976 letter. For ease of reference, all resulting issue papers will be discussed and grouped as provided by each staff function.

The Organization of the Joint Chiefs of Staff and the Director of Net Assessment have advised that no issue papers were prepared by their respective offices (see TABS A and B).

The following offices have advised that copies of all issue papers have been provided with no deletions:

- a. The Office of the Assistant Secretary of Defense (Comptroller) has provided the four issue papers at TAB C.
- b. The Office of the Assistant Secretary of Defense (Health Affairs) has provided 25 issue papers at TAB D.
- c. The Office of the Assistant Secretary of Defense (Public Affairs) has provided 11 issue papers at TAB E.
- d. The Office of the Assistant to the Secretary of Defense (Atomic Energy) has provided 3 issue papers at TAB F.
- e. The Office of the Director of Planning and Evaluation has provided seven issue papers (or equivalents) at TAB G.



The following offices have advised that copies of all issue papers have been provided in whole or in part. Discussion of specific deletions, cited exemptions, rationale, and identity of specific Initial Denial Authorities responsible for withheld portions are provided on the cover sheet for each office.

- a. The Office of the Assistant Secretary of Defense (Intelligence)/ Director of Defense Intelligence, has provided four issue papers in whole and portions of the 2 remaining papers at TAB H.
- b. The Office of the Assistant Secretary of Defense (Legislative Affairs) has provided one issue paper in toto and two in part at TAB I.
- c. The Office of the Assistant Secretary of Defense (Installations and Logistics) has provided 98 issue papers in whole and 5 in part at TAB J.
- d. The Office of the General Counsel (DoD) has provided 8 issue papers in whole and 2 in part at TAB K.
- e. The Office of the Director, Defense Research and Engineering, has advised that it has provided 17 issue papers without deletion and portions of 38 others (see TAB L).

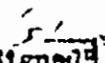
The following offices have advised that some issue papers have been denied in their entirety although others have been provided in whole or in part. Discussion of specific deletions, cited exemptions, rationale, and identity of specific Initial Denial Authorities responsible for withheld portions are provided on the cover sheet for each office.

- a. The Office of the Assistant Secretary of Defense (Manpower & Reserve Affairs) has advised that it has provided 24 issue papers in their entirety, portions of 94 others, and denied two in their entirety (see TAB M).
- b. The Office of the Director of Telecommunications and Command and Control Systems has advised that it has provided 14 issue papers in whole, portions of 12 others and has denied the 5 remaining papers in their entirety (see TAB N).
- c. The Office of the Assistant Secretary of Defense (International Security Affairs) has advised that it has provided 33 issue papers without deletions and has denied the remaining 153 (listed) in their entirety (see TAB O).

Although the format used for development of the issue papers included provision for a "DoD Position", the entries provided in the attached issue papers do not necessarily reflect the current or intended DoD viewpoint for any particular issue or recommendation. This disclaimer also applies to those issue papers provided by the Military Departments.

An appeal, if desired, concerning denial of any issue papers, or portions thereof, described above or in the attachments to this letter, may be forwarded, within 45 days of receipt of the letter, to the Assistant Secretary of Defense (Public Affairs), The Pentagon, Washington, D. C. 20301.

Sincerely,


•Signed

Charles W. Hinkle
Director, Freedom of Information
and Security Review

Enclosures
TABs A-0

cc (w/o atchs): The Spec Asst to SECDEF
OGC
PA/DDI

DIRECTOR, TELECOMMUNICATIONS AND COMMAND AND CONTROL SYSTEMS

The attached documents represent the "issue papers" prepared by DTACCS for the Transition Team in connection with the transition from the Ford to the Carter Administration. Although they do not fully conform to the definition of "issue papers" as defined by U.S. News and World Report letter of December 14, 1976, they are believed to be broadly within the intent of that definition. The Director, Telecommunications and Command and Control Systems, advises that positions have been withheld or deleted from these documents as follows:

Category 1: Funding information which includes staff opinion, advice and recommendations is denied pursuant to 5 U.S.C.(b)5.

Category 2: Information properly classified under E.O. 11652 is denied pursuant to 5 U.S.C.(b)1.

Category 3: Issue papers denied in their entirety as information properly classified under E.O. 11652 and not segregable.

Category 4: Issue paper denied in its entirety under 5 U.S.C.(b)5 as a staff recommendation pending decision.

The Initial Denial Authority in this instance is John J. Kristoff, Captain, USN, Executive Officer, DTACCS.

CATEGORY 1

E-4 Advanced Airborne Command Post (AABNCP)
Joint Tactical Communications TRI-TAC Program
Airborne Command Center
DCS Research and Development
Automatic Secure Voice Network (AUTOSEVOCOM)
Automatic Secure Voice Communications - Phase II Program (AUTOSEVOCOM II)
Single Channel Ground and Airborne Radio Subsystems (SINCGARS-V)
Worldwide Military Command and Control System Automatic Data
Processing (WWMCCS-ADP)
Automatic Digital Network (AUTODIN) and AUTODIN II
SATIN IV (Strategic Air Command Automated Total Information Network)
Telecommunications Center Automation Programs
Army Automation
Navy Automation
Air Force Automation
NSA Automation
Pentagon Telecommunications Center Consolidation
General Service (GENSER)/Special Intelligence (SI) Consolidation
Other Consolidations
Automatic Voice Network (AUTOVON)
Joint Multichannel Trunking and Switching System (JMTSS).
GWARC

DTACCS - 1

E-4 ADVANCED AIRBORNE COMMAND POST (AABNCP)

1. General System Characteristics. The AABNCP is a modified Boeing 747 (E-4) aircraft with advanced Command, Control and Communications (C³) equipment. It is designed to serve as the Airborne Command Post for the National Command Authorities (NCA) and Strategic Air Command (SAC). The AABNCP program is structured under a phased concept. In the initial phase, existing EC-135 equipment was transferred into the first three E-4A aircraft to provide an interim National Emergency Airborne Command Post (NEACP) and SAC capability. The second phase includes the procurement of one E-4B test bed aircraft, the development of the advanced C³ equipment including installation and checkout of the equipment in the test bed aircraft. The third phase includes the procurement of two more aircraft and will retrofit the first three aircraft with the advanced C³ equipment. The completed program will then consist of six AABNCP aircraft.

2. Intended Mission. The overall objective of the program is to provide the NCA and SAC with a more survivable command and control system that will operate during all phases of a general war. Besides an advanced C³ capability, the AABNCP will include improved capabilities such as a greatly increased floorspace, a larger battle staff, and significantly improved aircraft performance. The advanced C³ equipment will provide a greatly improved communications capability which will permit more rapid and thorough analysis of a developing international crisis and will allow more selective response to general war provocations.

3. Basis for FY 78 Request. During FY 78 the modification required prior to installation of the advanced C³ equipment and actual installation of the equipment will be accomplished. This equipment includes a 200 KW LF/VLF terminal, SHF and UHF SatCom terminals, a secure voice capability and a communications processor. This will be followed by the initiation of an extensive ground and flight DT&E test program.

4. Major Issue. None.

5. Current Program Status. Development of the advanced C³ equipment is on or ahead of schedule depending upon the system. The number four E-4B testbed aircraft is at E-Systems undergoing modifications required for integration/installation of the advanced C³ equipment. Critical Design Review is approximately 90% complete with no major deficiencies identified at this time. The 1200 KVA power system has been flight

certified. The three E-4A aircraft obtained under phase one of the program are in operational use in support of the NEACP mission. These aircraft have completed the in-flight refueling modification and as of 23 November 1976 have accumulated 3000 hours of flight time.

6. Funding. See attachment

E-4 ADVANCED AIRBORNE COMMAND POST (AABNCP)

6. Funding (TOA, \$ Millions) *

	<u>FY 76</u> <u>& Prior</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Cost To</u> <u>Complete</u>	<u>Crnt Est.</u> <u>Total Prog.</u>
RDT&E	177.4	69.0						n/a	
Aircraft Pro- curement	101.3	0						n/a	
Military Con- struction Funds	0	19.7						n/a	

* The above program funding reflects the 23 Oct 76 FYDP.

** Includes for retrofit costs to bring the first 3 aircraft to the upgraded configuration.

JOINT TACTICAL COMMUNICATIONS TRI-TAC PROGRAM

1. (U) General Systems Characteristics: The TRI-TAC program is a joint development and procurement effort to satisfy the tactical communications needs of the Army, Navy, Air Force and the Marine Corps. It encompasses the acquisition of new multi-channel transmission, switching and terminal equipment which will provide the digital capability needed for efficiency, reliability and security. The program is implemented by the joint TRI-TAC Office which produces the plans and system design concept, monitors the specific equipment developments as assigned to the Services by the DTACCS, and coordinates the joint testing.

2. (U) Intended Mission: To provide common equipment for multi-channel tactical trunking and switching systems to support joint operations of the U. S. combat forces in the early 1980s. The equipment will interconnect with the Defense Communications System (DCS) and have the capability to interface with our allies (i. e., NATO).

3. (U) Basis for FY-77 Request: The FY 77 funding supports the TRI-TAC Office, the joint test facility, provides for continuation of developments initiated in prior years and new tasks to be assigned in FY 77. These include the AN/TTC-39 family of automatic switches, smaller unit level switches, secure terminal devices, radios, technical control equipment, and modifications to existing equipment to permit utilization of large existing inventories with the new designs.

4. Major Issues: Tactical communications should be developed jointly to produce economic advantages and to support effective multi-Service operations. Congress was critical of U. S. involvement in project MALLARD with the UK, Canada, and Australia and as a result the TRI-TAC Program was established as a US-only-program to give first priority to the communications needs of our three Military Departments. Congressional interest in the program continues.

5. Current Program Status: Engineering development of the AN/TTC-39 family of automatic switches and associated secure voice terminals which was initiated in April 1974 is a major program under DSARC control which will be completed during FY 79. Contract awards were made in FY 75 for the development of tropo-radios, facsimile terminal, data terminal, digital multiplexer, and technical control devices. Engineering development of the unit level switches will start in the spring of 1977. The TRI-TAC office is continuing to refine the consolidated procurement plans reflecting the individual service transitional plans. A joint test facility under the TRI-TAC office has been established at Ft. Huachuca, Arizona for testing of all equipment under the TRI-TAC program.

AIRBORNE COMMAND CENTER

1. General System Characteristics. Will provide an improved airborne command facility for use by the Unified Commanders (CINCs) or task force commander during crisis situations. Capabilities could include both strategic and tactical communications systems, surveillance capability, data processing, and hardened against nuclear effects. Sufficient area should be provided for a battle staff to function adequately. Aircraft should be capable of deploying worldwide to crisis area within approximately 12 hours.
2. Intended Mission. The objective of the program is to provide a more flexible and responsive command, control and communications (C³) capability beyond that currently available for the command and control of a large range of military operations. The primary mission of the ABCC is envisioned to consist of theater crisis management and worldwide support of conflict below general nuclear war. The concept includes providing a near real time, continuous C³ capability between the NCA and concerned CINC/task force Commander.
3. Basis for FY 78 Request. This is a new start in FY 78. The resources initially support study efforts by the Air Force, as executive manager, regarding the SIOP role, definition of mission requirements, development of operational concept, force structure and C³ equipment definition. This is being accomplished in cooperation with the WWMCCS System Engineering Organization, OJCS, and the CINCs. This will be followed by aircraft trade-off studies to identify the best aircraft for the mission.
4. Major Issues. Definition of a development program within fiscal constraints.
5. Current Program Status. The Air Force is defining the requirements in coordination with the CINCs, OJCS and WSEO. The analysis will address airborne C³ roles, missions and concepts of operations and includes as a minimum: strategic communications, tactical communications, battle staff support, automated data processing support, and surveillance. The ADP support is being considered in concert with the Automated Text Message Processing and ADP Research and Development tasks. The strategic communication capabilities include those provided under the Secure Voice and Graphics Conferencing and Jam-Resistant Secure Communications improvements.
6. Funding. See attachment.

AIRBORNE COMMAND CENTER

6. Funding (TOA in Millions)*

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Cost to Complete</u>	<u>Crnt Est. Total Program</u>
RDT&E						-	
Procurement						-	

* These funding figures are gross estimates and will be affected by PBD actions.

DCS RESEARCH AND DEVELOPMENT

1. (U) General Systems Characteristics: The Defense Communications Systems (DCS) provides the US military forces worldwide with voice, data and record services through relatively fixed in-place networks of switching, transmission and terminal facilities. Excluded from the DCS are mobile/transportable facilities, individual subscriber terminals and those communications integral to weapons system.
2. (U) Intended Mission: The DCS RDT&E program is intended to provide the requisite research, development, systems analysis, test and evaluation for major new systems and networks to provide a significantly improved telecommunications capability. The new capability will support major command and control, intelligence, surveillance, weapons systems and administrative and logistics functions.
3. (U) Basis for FY 1978 Request. The _____ requested in FY 78 reflects the Army, Navy, Air Force and DCA support of a centralized RDT&E program oriented towards achieving a predominately digital and secure global switching and transmission system. Technologies addressed include all portions of the electromagnetic spectrum, switching transmission and operational control systems.
4. (U) Current Program Status. A comprehensive set of master transition plans which interrelate with DCS five year plans, DCPs, supporting RDT&E plans are developed and coordinated with the cognizant DOD components.

5. Funding: # 33126 A, N, F, K (RDT&E Only)

(\$ Millions)	<u>FY 76</u>	<u>77</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>
RDT&E	13.6	4.2	19.9					

JOINT TACTICAL COMMUNICATIONS TRI-TAC PROGRAM

Funding (TOA \$ Millions)

	<u>FY 74 & Prior</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 77</u>	<u>FY 78*</u>	<u>FY 79*</u>	<u>FY 80*</u>	<u>FY 81*</u>	<u>Cost to Complete</u>	<u>Current Est Total Progr</u>
PROC	4.4	9.2	19.2	3.7					Undetermined	Undetermined
RDT&E	123.5	110.9	22.0	107.5					Undetermined	Undetermined

* Subject to possible FY 78 PBD changes.

AUTOMATIC SECURE VOICE NETWORK (AUTOSEVOCOM)

OBJECTIVE: The AUTOSEVOCOM network provides limited global secure voice capabilities.

STATUS: The system is composed of 132 switches of three different sizes to provide secure voice capabilities to approximately 1,460 subscribers. The worldwide interconnection of the switches is via AUTOVON. The system uses extensive narrow trunking which has marginal voice quality; the wideband trunks are generally limited to military satellite paths due to high cost of leased circuits. The system has very inadequate capacity and is very limited in conferencing capabilities.

OUTLOOK: AUTOSEVOCOM I will be replaced by SEVOCOM II which will be a digital system having a capability for up to 10,000 subscribers. The CONUS phase of implementation will begin in late CY 1980.

AUTOMATIC SECURE VOICE COMMUNICATIONS - PHASE II
PROGRAM (AUTOSEVOCOM II)

1. (U) General Systems Characteristics: The AUTOSEVOCOM II Program is a totally integrated systems approach to fielding a global secure voice system primarily for fixed plant users. The program, under a central manager, will provide, test and place in operational use a total system including telephones, telephone circuits, switches, communications security equipment and a centralized control system to continuously assess and maintain the operational health of the system. From its inception the approved program has been designed to build upon existing developments/equipments and also be fully interoperable with the secure voice telephones of mobile and tactical users.
2. (U) Intended Mission: The AUTOSEVOCOM II Program will provide fast, reliable and reasonably priced secure communications to a growing community of users to both: (a) counter the proven enemy threat to intercept and exploit the content of our global voice communications network, and (b) permit the rapid establishment of secure communications between widely diverse elements of the DOD to handle crisis situations. The AUTOSEVOCOM II program will provide the capability to counter the threat and provide the required secure voice connectivity between our forces.
3. Basis for FY 1978 Request: The need for a significant improvement in Defense secure voice communications has been recognized for years. However, it was not until CY 1975-76 that the long term research and development efforts in the field of communications security equipment and digital telephone transmission and switching facilities provided an adequate technological base so that a full scale program could be launched. On May 12, 1976 the Deputy Secretary of Defense approved the recommendations of the Defense Systems Acquisition Review Council to enter the system into the Full Scale Development phase addressing the detailed design and interrelationship of all elements. The requested in FY 1978 is needed for:
 - a. continuation of NSA development of COMSEC equipment, to include secure conferencing bridges, for AUTOSEVOCOM II unique equipments as well as equipments common to both the AUTOSEVOCOM II program (RDT&E)

b. continuation of Army RDT&E modifications to the TRI-TAC AN/TTC-39 switch development program to develop a common switch for both fixed plant and tactical applications (RDT&E)

c. Studies, analysis, systems engineering (RDT&E)

d. Procurement of long lead items for COMSEC equipments and first articles for digital access exchanges (Proc)

4. (U) Status: The DCA program manager and Army (as the lead military department) have begun the establishment of the necessary organizational structures and management procedures to implement the DepSecDef decision, the approved system concept and management responsibilities addressed in the charter for management and acquisition of the ASVCM II. The prime contractors for major elements of the system during the initial production and operational phases are, or will be: RCA-Communications security equipment; GTE-Sylvania-overseas switches; AT&T - CONUS switches and selected transmission facilities. The dates presented in this paper reflect the slippage in time for achieving an operational capability which were due to cost and technical overruns associated with some of the equipment to be obtained from the TRI-TAC AN/TTC-39 switch program.

5. | Projected Program: Please refer to the attached Milestone Chart.

6. | Cost Summary: The cost figures presented below are those associated with the development, acquisition, installation and operation of a worldwide system of 10,000 subscribers during the period FY 1977-1985 (in terms of FY-76 constant dollars).

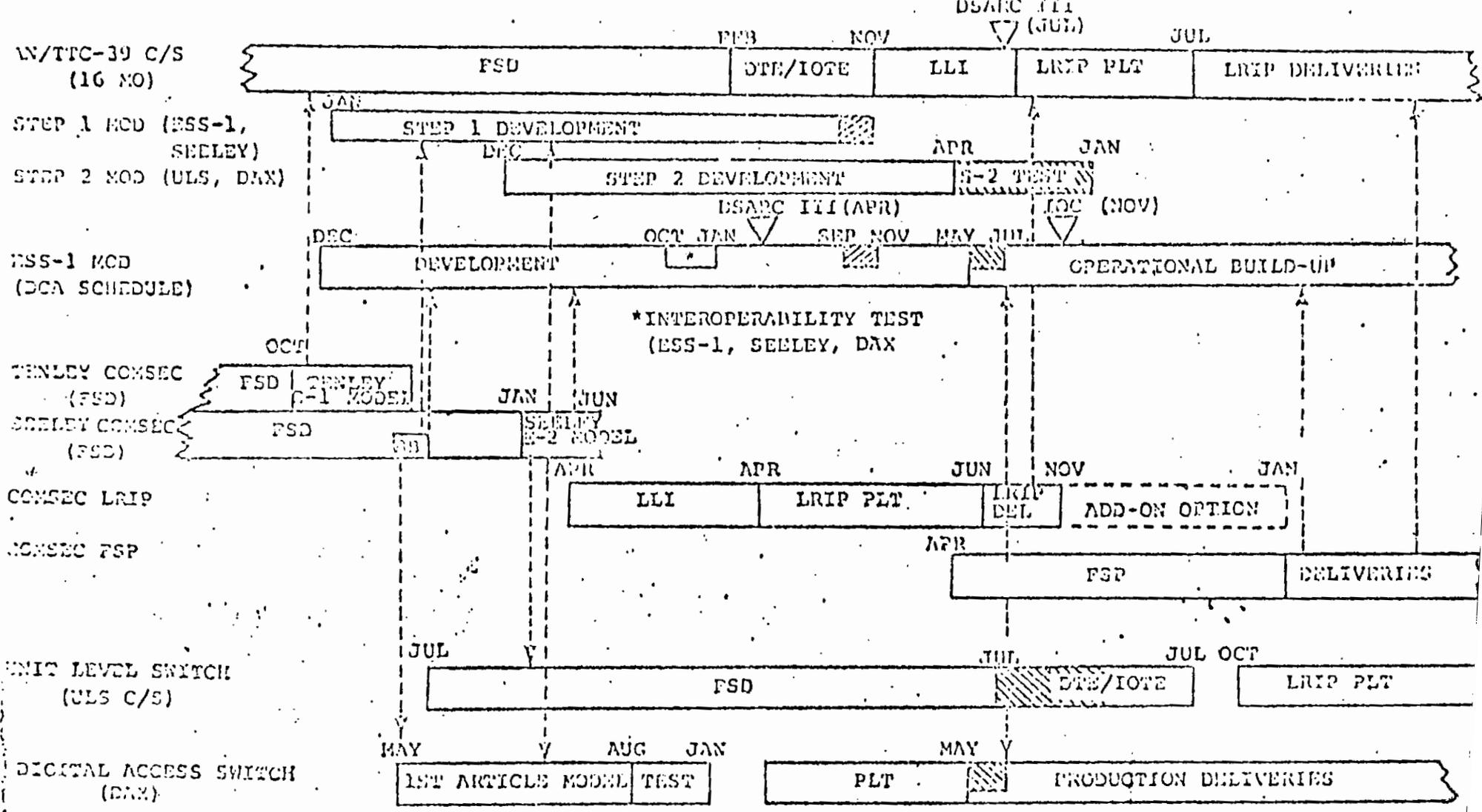
RDT&E
PROC
MILCON
O&M
MILPERS

Encl
Milestone Chart



AN/TTC-39 ALTERNATIVE 1977

CY-76				CY-77				CY-78				CY-79				CY-80				CY-81				CY-82			
1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4



10/21/76

FIGURE 1

SINGLE CHANNEL GROUND AND AIRBORNE RADIO SUBSYSTEMS (SINCGARS-V)

1. Nature of the Development. The SINCGARS-V is the VHF-FM radio communications system providing the primary means of command and control for infantry, armor, and artillery units. It serves as the primary means of communications in the echelons of the Division between Brigade and Division Artillery down to platoons and is critical to the successful conduct of land battle.

2. Background. The current SINCGARS-V equipment series includes the AN/PRC-77 (manpack), the AN/URC-12 (vehicular), and AN/ARC-114 (aircraft) radios. These radios were developed during the 1950's and became operational in the 1960's. There is no commonality of design, parts, or support equipment. They lack electronic counter-countermeasures (ECCM) capability, have a suboptimal communications security (COMSEC) interface, and in the case of the manpack, are excessive in weight and size. A series of Army studies have established a need for replacement of existing radios. About 240,000 radios, 30,000 ECCM modules, and 72,000 COMSEC modules are to be procured.

3. DoD Position. DSARC I met on 17 Feb 76 and approved a program for the development of the SINCGARS-V radio. It also directed that the Decision Coordinating Paper (DCP) be revised to include design to cost, allow for foreign participation in furtherance of US rationalization and standardization goals in NATO, and that functional specifications be used for solicitation. On 26 Mar 76, the JCS validated a joint operational requirement (JOR) for SINCGARS-V and recommended that Army be tasked as the acquiring agent. On 4 May 76, the Army was tasked as the Single Service Acquisition Manager on behalf of all DoD users. On 15 Oct 76, the revised DCP was approved and directed that US and UK firms be allowed to bid on the advanced development. Other NATO nations are to be invited to offer candidate radios for evaluation at the end of the advanced development phase. NSA is to furnish COMSEC information to US firms through the UK government.

4. Funding. Attached table shows the budget estimate through FY 82. Total program cost estimates (in constant FY 76 dollars) are: RDT&E
, Procurement and Operations and Maintenance
through FY 97.

5. Current Status. Army is to submit the specifications to DTACCS for comment prior to release of solicitation to industry. Expect to receive the specification in Dec 76. Contract award for two parallel advanced development contracts is expected in Aug 77. A separate contract for development of alternative ECCM techniques and to support advanced technology efforts will be let in Feb 78. Development and operational testing is scheduled in Jul 79 - Dec 79 time frame with DSARC II scheduled for Apr 80.

SINGLE CHANNEL GROUND AND AIRBORNE RADIO SUBSYSTEM
(SINCGARS-V)

6. Funding (In FY 76 constant \$ Millions)

	<u>FY 76</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>
RDT&E .	1.0	0.2	2.4				

WORLDWIDE MILITARY COMMAND AND CONTROL SYSTEM
AUTOMATIC DATA PROCESSING (WWMCCS-ADP)

1. General Systems Characteristics. The WWMCCS ADP program provides the automatic data processing equipment necessary to support the command and control requirements of the National Command Authority (NCA) and the unified and specified commanders. The basic part of the program currently employs 5,000 people and 35 computers at 26 locations worldwide. The program utilizes a common hardware system the Honeywell 6000 computer series, and standardized software.

2. Intended Mission. The WWMCCS ADP program, with supporting communications services, is intended to ensure that the NCA and unified and specified commanders have the information required for decision making in a timely manner and that they can provide appropriate direction to U.S. forces under all types of crisis situations.

3. Basis for FY 78 Request. The FY 78 request supports the operation and maintenance of the current hardware and software systems, minor improvements in operating system software, and a reduced level of technical research for solving system problems. A new long range research program will be initiated in FY 78. This is a program which was initiated as part of the selected WWMCCS architecture. The objective of the program is to identify advanced operational applications for command and control information processing, to determine the operational benefits of these applications, and determine the technical attributes of the systems and equipment necessary to accomplish the functions. The output of this program will be alternative sets of capabilities and costs for a 1985-1990 WWMCCS ADP system. The program is fundamental to the planning for the future strategic command and control ADP capabilities and for determining the type of system required to replace the current WWMCCS ADP hardware and software systems in the mid 1980's.

4. Present Program Status. The program has achieved a significant milestone in that all major equipment has been installed and is operational. In addition all major functional software conversions have been completed. There are some technical deficiencies that were the subject of a GAO report. These problems included the inability to have completely secure or fully interactive processing on the WWMCCS ADP System. During the WWMCCS Architecture decision making process these deficiencies were discussed but a decision was made to defer technical upgrades for at least four years. The WWMCCS Council decided that much more

work was required on the functional requirements and benefits of an upgraded system. This is the reason they selected the new RDT&E program which will begin in FY 78. They also decided to add the capability for automated text and data handling systems for WWMCCS command centers. Finally they decided to delay any further efforts on ADP for the Advanced Airborne Command Post until the completion of the new RDT&E program.

AUTOMATIC DIGITAL NETWORK (AUTODIN)

OBJECTIVE: The AUTODIN system is a global store and forward switching system to provide common user record/data service to general purpose and special security users.

STATUS: The system which was established in 1963 consists of 9 CONUS switches (leased) and 8 overseas switches (government-owned). A plan was approved on July 9, 1976 to implement minimum enhancements for overseas (O/S) switches to provide system adequateness through 1985. In addition to standard message processing, the AUTODIN has query/response, bulk data and facsimile features, and an electrical NATO interface capability. Approved fiscal procurement programming is:

FY 1977	\$1.7M	O/S memory enhancements
FY 1978		O/S memory enhancement, magnetic tape drive replacement, addition to NATO subscribers
FY 1979		O/S complete magnetic tape drive replacement, upgrade patch and test facilities
FY 1980 - FY 1984		Minor system modifications

OUTLOOK: The award of the AUTODIN II contract will result in a reconfiguration of CONUS AUTODIN facilities after integration of AUTODIN I and II. Additionally, a DCS architecture design for record/data traffic currently being developed will be the basis for a decision on the future of AUTODIN I facilities in the post-1985 period.

AUTODIN II

(AUTOMATIC DIGITAL NETWORK)

1. General System Characteristics. AUTODIN II is a leased data communications network which will begin operation during 1979. It is a secure, common user system which will provide the capability to transfer information among DOD data processing centers as well as between these centers and remote user terminals. It will initially consist of four CONUS switching centers, colocated with AUTODIN I switching centers, with an option to grow to eight centers. This new program will also permit the phased closing of selected AUTODIN I switching centers. The system will provide the capability for large numbers of query/response operations, the transfer of large blocks of data base update information, and the support of "interactive" computer operations. Users of the AUTODIN II system will include members of the command and control, intelligence, and logistics communities as well as environmental services and service management information systems.

2. Intended Mission. Increasing reliance on Automatic Data Processing support, the trend to more terminal-oriented ADP use, growing economic constraints, and the deficiencies of the current AUTODIN I common user message system have created a proliferation of dedicated data networks and new data network plans. Recognizing the need to control these data network developments DTACCS initiated the DOD Data Interconnecting Study which was completed in December 1974. This study, along with planning changes to the DCA proposed AUTODIN II system, provided the basis for the initial approval for AUTODIN II in July of 1975. In addition to this approval a moratorium on new data networks was established and the Military Departments and Defense Agencies were directed to become users of this system when it becomes available.

3. Present Program Status. In November 1975 the Request for Proposals for the AUTODIN II system was released to industry. The bids were received by the government in April 1976 and the source selection process was completed in early November 1976. Based on the cost effectiveness of the program the Director, TACCS granted final approval to AUTODIN II and the contract was awarded on November 10, 1976. The system is expected to be operational in early calendar year 1979.

SATIN IV

(Strategic Air Command Automated Total Information Network)

1. General System Characteristics. SATIN IV will replace the existing, aging data transmission subsystem of the SAC Automated Command and Control System (SACCS) which was installed in the early 1960's. SATIN IV will consist of five major switches and over 200 terminals which will be installed at major SAC headquarters, bomber/missile wing command posts, missile launch control centers, and at the ANMCC.

2. Mission. SATIN IV will provide a survivable and secure data communication network for command and control of the SAC bomber and missile forces. The system will also provide two way information exchange between the National Command Authorities and these strategic nuclear forces during pre-, trans-, and post-nuclear attack phases. Survivability will be achieved through dynamic reconfiguration of communications links using surviving AUTOVON circuits, AUTODIN, and satellite communications (AFSATCOM). SATIN IV traffic will consist of emergency action messages, force status information, and time-urgent missile retargeting information.

3. Basis for FY 1978 Request. FY 78 Research and Development funds are requested for the continuation of the engineering development phase of SATIN IV. A functional prototype of the SATIN IV system will be developed and tested. It will consist of a test bed of the hardware and software necessary to validate the overall system design.

4. Status. A request for proposal was released to industry in January 1976. Final contract negotiations started in late November 1976 and contract award is expected January 1977. This contract will be for a three year prototype development and testing program. A follow-on production contract is planned in FY 80 and the final operational capability is currently scheduled for 1984.

TELECOMMUNICATIONS CENTER AUTOMATION PROGRAMS

OBJECTIVE: The Telecommunications Center Automation programs are aimed at improving the writer-to-reader time and making operations more efficient while reducing personnel costs.

FY 1977 PLAN FOR ASHORE:

Buys/Leases

<u>Category</u>		
Navy O&M	\$2.46M	Leases 2 automated systems; provides leased maintenance for 12 systems; leases 17 remote terminals.
Army OPA	\$2.8M	Procures 1 automated system; procures patch and test equipment to support automated installations.
O&MA	3.65M	Leases 2 automated systems; provides leased maintenance for 6 systems; provides site preparation for 7 locations; provides for software development and maintenance; leased maintenance for remote terminals.
Air Force OPA	\$4M	Procures 5 automated systems and 10 "stand alone OCRs."
O&M	500K	Provides for leased maintenance and software development.
NSA O&M	\$800K	Provides for software development.

CURRENT STATUS:

Navy - 10 systems operational
Army - 4 systems operational
Air Force - procurement and developmental stage
NSA - procurement and developmental stage

MAJOR MILESTONES/QUANTITIES:

1976 - 1981 Complete installation of respective Service programs
 Army - 20 systems total (400 remote terminals)
 Navy - 19 systems total (90 remote terminals)
 Air Force - 7 systems total
 NSA - 50 systems total

1976 - 1981 Development of integrated AUTODIN system architecture
 for AUTODIN II, Phase II period.

FY 1977 PLAN FOR AFLOAT (Naval Modular Automated Communications System (NAVMACS):

<u>Category</u>	<u>Buys</u>
Procurement \$12.1M	Terminals for 72 ships
RDT&E \$2.4M	Software and peripheral development

CURRENT STATUS/MILESTONES:

"A+" systems being installed

"B" systems and additional "A+" systems to be installed during
 1977 (total of 72 systems)

"C" systems to be developed during FY 1977

"D" and "E" systems under evaluation

ARMY AUTOMATION

Automated Multi-Media Exchange (AMME)

- STATUS:
- DTACCS has approved 5 installations (4 operational and 1 test facility).
 - Approval of others on a case-by-case basis.
 - DCA has taken issue with AMME Program. Believe it duplicates AUTODIN system to some degree.
 - SRTs will be available in FY 1978.
 - No WWMCCS interface.

OUTLOOK: Expect Army to install 4-5 AMMEs per year - total approximately 20 systems.

NAVY AUTOMATION

Local Digital Message Exchange (LDMX)

Naval Communications Processing and Routine System (NAVCOMPARS)

Naval Modular Automated Communication System (NAVMACS)

STATUS:

- DTACCS has approved total program:

- 4 NAVCOMPARS installed and operating
- 6 LDMXs installed and operating
- 1 test bed

- 8 additional shore systems planned utilizing hardware from AMME contract.

- SRTs will be available in FY 1978.

- WWMCCS interface developed.

- NAVMACS Systems (A+) being installed on ships.

- B Systems to be installed in FY 1977.

- Most comprehensive program in DoD.

OUTLOOK:

Expect Navy to install 2-3 shore systems and 50 afloat systems per year.

AIR FORCE AUTOMATION

Communications Automated Terminals (CATS)
Automated Telecommunications Program-1 (ATP-1)

- STATUS:
- DTACCS has approved 7 CATS terminals.
 - ATP-1 program currently held in abeyance.
 - CATS will utilize multi-mini approach.
 - ATP-1 will be essentially an on-base AUTODIN concentrator.
 - No planned remote terminals from SRT contract.
 - Least comprehensive Service automation effort.
- OUTLOOK:
- Air Force will install first CATS installation in FY 1977.
 - ATP-1 future uncertain.

NSA AUTOMATION

Project STREAMLINER

- STATUS:
- Approved by ASD(T) in 1973 (Phase I).
 - Currently under development at Fort Meade.
 - Number of planned sites reduced over original plans (72 original sites) to approximately 35.
 - Follow-on phases have been held in abeyance and/or cancelled.
 - Phase I does no more (less) than existing automation efforts. Program was sold on basis of follow-on phases which existing Service programs could not satisfy.

OUTLOOK: First operational system likely in late CY 1976 or early CY 1977.

PENTAGON TELECOMMUNICATIONS CENTER CONSOLIDATION

OBJECTIVE: Reduce existing telecommunications centers in the Pentagon to two GENSER Staff Service Centers (SSC) and two Special Intelligence (SI) facilities.

PROBLEM: Implementation likely to take 3-4 years to complete.

STATUS:

- ODTACCS memorandum of November 25, 1975 approved two SSC configuration.
- Revised Implementation Plan received November 16, 1976.
- SI consolidation under study by JCS--likely to be implemented through planned DIA comm enhancement.

OUTLOOK: DTACCS will likely have to "push" Army to speed completion of project. May entail "encouraging" Army to get more contract assistance. Will require close DTACCS scrutiny to hold down overall costs.

GENERAL SERVICE (GENSER)/SPECIAL INTELLIGENCE (SI)
CONSOLIDATION

OBJECTIVE: To effect consolidation of those general service telecommunications centers with those special intelligence telecommunications centers which are collocated or in the same geographical area.

PROBLEM: NSA and DIA are generally opposed to these consolidations because of "mission impairment, etc."

STATUS:

- Revised draft DoD Directive has been issued for final concurrence/nonconcurrence.
- Navy lead Service in pushing for these consolidations - want to use London as trial site, significant savings.
- DCA's AUTODIN enhancement development should enhance possibilities.

OUTLOOK:

- DoD Directive should be promulgated by end of December 1976.
- Implementation will likely go slow since each potential consolidation will be reviewed on a case-by-case basis.

OTHER CONSOLIDATIONS

OBJECTIVE: Effect inter-Service consolidation of telecom centers in discrete geographical areas regardless of Service or Agency affiliation.

PROBLEM: Studies being submitted by Services to the JCS and subsequently to DTACCS generally take "path of least resistance" and do not result in optimum consolidation solutions.

STATUS:

- Approximately 55 major geographical areas have been identified for study.
- Over 75% of studies have been completed with some consolidations completed or in progress.
- DTACCS has taken issue with many recommendations forwarded by the JCS on these studies and has returned some for resubmission, reconsideration of additional alternatives, and incorporation of automated facilities.
- COTCO Phase I will be completed when Navy installs SRT terminals in FY 1977. Phase II will commence with Navy/ARPA testing likely at CINCPAC HQ.

OUTLOOK: Majority of meaningful consolidations will be completed through installation of automated facilities.

AUTOMATIC VOICE NETWORK (AUTOVON)

OBJECTIVE: The AUTOVON is the global long haul, unsecure voice common user network for the DoD. Its principle use is for command and control along with operational, intelligence, logistical, diplomatic and administrative voice requirements.

STATUS: The network consists of 59 CONUS, including Canada, switches (leased services) and 17 overseas (O/S) switches (government owned). Multi-level precedence insures completion of high precedence calls through "ruthless preemption." Procedural discipline of users is stressed to minimize the number of interconnection trunks required to achieve objective grades of service. At a minimum, trunking is designed to insure designated Flash precedence subscribers have simultaneous Flash Non-Blocking (FNB) calls completed.

OUTLOOK: Special purpose networks (e.g., STRAWHAT, COPAN) are to be integrated into AUTOVON as capabilities are implemented to insure the scope of service required is available. O/S enhancements are being held to a minimum as these switches are to be replaced by the AN/TTC-39 in the 1980s. Selective CONUS switches are to be modified for digital capabilities which is necessary for the implementation of CONUS AUTOSEVOCOM II in 1980.

JOINT MULTICHANNEL TRUNKING AND SWITCHING SYSTEM (JMTSS)

OBJECTIVES: A JMTSS is required to support all military contingency war plans. The JMTSS links component commands and supporting units within a theater of operations on a common user basis and provides access into the Defense Communications System to support the objectives of the WWMCCS. The 1976 Programming, Planning Guidance Memorandum (PPGM) directed programming of resources to adequately support Department of Defense Program Guidance (DDPG) scenario.

STATUS: Communications assets are not available to support a JMTSS for joint operations in a Case 4 (U.S. unilateral operations in an area having no existing U.S. Forces infrastructure) situation. The Army has been assigned the responsibility to provide the Case 4 JMTSS contingency resources. A system design has been developed which is currently being staffed with the Services. Funds have been programmed, FY 1978 to procure hardware. Personnel for O&M will be available as the result of Integrated Tactical Communications System (INTACS) savings.

OUTLOOK: The Army will establish an organization to operate and maintain the Case 4 JMTSS equipments which will be under the JCS. All other JMTSS resources are to be reviewed by the JCS.

GWARC-79

OBJECTIVE: The U.S. will participate in the General World Administrative Conference - 1979 (GWARC-79) of the International Telecommunications Union (ITU). The DoD will participate with the Office of Telecommunications Policy, Executive Office of the President; Department of State; Federal Communications Commission; and other interested Federal Government agencies in this effort and input its needs and positions relative to the allocation of the spectrum.

CURRENT STATUS: DTACCS, in fulfillment of this responsibility, is:

- a. Monitoring the preparations of DoD components with respect to resolution of conflicts within DoD and other Federal Government agencies.
- b. Mediating and resolving issues which cannot be settled through established channels.

DTACCS will rely on the Military Communications-Electronics Board (Joint Frequency Panel) for required status briefings and early advice on major decision matters. This panel will also be used as a focal point for the exchange of information between DoD components.

Arrangements have been made to have the Electromagnetic Compatibility Analysis Center assist DTACCS and the Joint Frequency Panel with the preparations for GWARC-79. A focal point of contact has been established within the Office of the Director of Defense Research and Engineering to coordinate GWARC-79 matters of mutual concern.

CATEGORY 2

Defense Satellite Communications System (DSCS)
Fleet Satellite Communications System (FLTSATCOM)
Project SEAFARER/ELF
Worldwide Military Command and Control System (WMCCS) Selected
Architecture Implementation

Enclosure 2

DTA CCS - 2

Defense Satellite Communications System (DSCS)

1. General System Characteristics:

The current DSCS Phase II system is utilizing both DSCS satellites and satellites owned and operated by our allies (NATO, and UK). The present coverage provides communications support in the Pacific with a DSCS II in the Atlantic via the NATO IIIA and Indian Ocean area via the SKYNET IIB for U.S. unilateral requirements. Numerous terminals are deployed on a worldwide basis in support of the NCA, WWMCCS Intelligence Relay and the Diplomatic Telecommunications System (DTS).

2. Intended Mission:

By mid-1978 the DSCS will have established a fully operational DSCS space segment consisting of four operational satellites with two on-orbit spare satellites to assure a near 100 percent available communications capability. The four operational satellites will provide the NCA, WWMCCS and other critical users worldwide connectivity independent of terrestrial communications networks which is not available through the present space segment. The availability of the DSCS space segment comes at a critical time period since the NATO III satellite will no longer be able to accommodate U.S. requirements due to increased NATO needs. In addition, the UK SKYNET satellite which is supporting a minimum number of U.S. requirements in the Indian Ocean will be nearing its end of life with no replenishment satellite other than a U.S. DSCS. The ground segment of the DSCS will be a mix of modified Phase I terminals and new militarized HT and MT terminals that are completely redundant. These terminals, coupled with the new digital modulation and multiplex equipment, will provide complete security to information being transmitted via the DSCS. In 1979, highly sophisticated anti-jam equipment will commence delivery to WWMCCS locations to assure continued communications capability even in a hostile jamming environment.

3. Basis for the FY78 Request:

The FY78 funding is required one TITAN IIC launch vehicle, one interim upper stage (IUS) and launch support cost for the April 1978 launch of satellites number 11 and 12. The other procurement account of the Army will continue to procure the digital modulation and multiplex equipments, spread spectrum modems for anti-jam operation, and medium and contingency satellite ground terminals for all DSCS users. The Navy will continue to procure the AN/WSC-2 SHF ship-board terminals to be deployed on major combatants. The RDT&E request

is for continued full scale development of the DSCS III spacecraft qualification model and two prototype R&D satellites. The first of these R&D satellites is planned to be launched in the last half of 1979.

4. Background:

The DSCS Phase II program was approved by DCP 37 in June 1968. It provided for the development of a new synchronous communications satellite and new militarized heavy and medium transportable (HT and MT) satellite ground terminals.

The first two DSCS satellites, which were launched in November 1971, developed a number of operational anomalies and prematurely failed after 10 months and 19 months of operation. After satellite redesign, the next two satellites were launched in December 1973 and one is still operational over the Pacific. The next two satellites failed to achieve orbit (May 1975) due to a malfunction in the third stage of the TITAN IIC launch vehicle. An additional six satellites are currently under contract. These satellites will be launched two at a time in April 1977, October 1977 and April 1978.

5. Current Program Status:

The loss of the Atlantic DSCS satellite launched in 1973 created a severe operational impact. This, together with launch failure of May 1975 re-emphasized the need to have on-orbit spares and to plan with the full realization that launch failures will occur, as has been the experience of DoD and the COMSAT Corporation. Accordingly, the FY1977 and 1978 request contains funds for the procurement of six additional DSCS II satellites and three launch vehicles.

With respect to the ground portion of the program at the beginning of 1977, there will be in excess of 100 terminals utilizing the DSCS space segment. These terminals consist of modified Phase I terminals, the new HT militarized terminal (six), Navy shipboard terminals and the DTS terminals. Digital modulation and multiplex equipment will commence delivery in mid 1977 to convert the DSCS to a digital system thereby providing security of all information transmitted via the system.

DEFENSE SATELLITE COMMUNICATIONS SYSTEM
(DSCS)

Funding (TOA, \$ Millions)

	<u>FY 76 & Prior</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Cost To Complete</u>
Procurement	475.1	303.6						*
RDT&E	184.0	39.4						*
TOTAL	<u>539.1</u>	<u>343.0</u>						

* The DSCS is a continuing program required to maintain communications support from the NCA to deployed forces. The present ground equipment being procured has a projected life of 15 years. The DSCS III satellites under development will provide the required space segment through 1990.

FLEET SATELLITE COMMUNICATIONS SYSTEM (FLTSATCOM)

1. General System Characteristics: FLTSATCOM will provide reliable beyond-the-horizon communications for shipboard, airborne and shorebased fleet units. Operating in the UHF spectrum and employing synchronous equatorial orbiting satellites (FLTSATs), connectivity will be provided for high speed data links, anti-jam Fleet Broadcast, and secure voice utilizing terminals based on current UHF radio technology. Additionally, the FLTSATs are host to Air Force Satellite Communication System (AFSATCOM) transponders.
2. Intended Mission: FLTSATCOM supports the command, control communications of Naval Fleet units.
3. (U) Basis for FY 78 Request: Proposed FY - 78 RDT&E continues development effort on modulation subsystems to more effectively use FLTSAT channels, and continues development of information exchange systems (IXS) for automated message handling. Proposed FY 78 Procurement funding buys shipborne terminals, IXS equipment, and one spacecraft.
4. (U) Major Issues: None
5. (U) Current Program Status: The Navy is the executive service for FLTSATCOM. The space segment is procured through the USAF Space and Missile System Organization (SAMSO) and the earth segment is procured through the Navy Electronic Systems Command.

Space Segment - SAMSO awarded TRW a development contract in November, 1972. Technical and weight problems have caused an overall 18 month program delay. These problems are believed to be largely resolved. Production of the first flight spacecraft was authorized in mid-1975 with the first launch scheduled for November 1977.

Earth Segment - Procurement and installation of shore terminals, Fleet Broadcast transmitters and receivers, and information exchange systems are proceeding normally.

6. Funding (TOA \$ Millions): See attached sheet

	<u>FY 75</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>	<u>TOTAL</u>
Procurement	185.0	72.3						
RDT&E	103.9	1.6						

PROJECT SEAFARER/ELF (U)
(FORMERLY PROJECT CLARINET SANGUINE (U))

1. (U) General System Characteristics. Transmitter complex consists of buried array of crossed antennas with from three to twenty transmitters located above ground in the antenna field. Antenna spacing two to five miles.

Area

covered includes all current SSBN and projected TRIDENT operating areas.

2. (U) Intended Mission. Provide assured command and control of strategic forces under hostile conditions while CONUS is a sanctuary. Maintain submarine survivability into the 80's by permitting communications at greater depths and higher submarine speeds than is currently possible with very low frequency radio.

3. (U) Basis for FY 78 Request. FY 78 efforts include, assuming a site selection decision, completing final design of test facility prototype equipment and facilities, construction of test facility at selected site, continuing biomedical/ecological research and continuing system design refinement of the receiver/transmitter equipment.

4. (U) Major Issues. Where to construct the transmitter and antenna complex and environmental implications. Location of the system in Michigan being opposed by "concerned citizens" mainly on the basis of environmental issues. Opponents of SEAFARER, while small in number, are vocal and well organized. In Nevada and New Mexico the issue is mission incompatibility between system and existing site missions, as expressed by Air Force, Army and ERDA. Nevada governor asked that his state be dropped from consideration. System is acceptable to New Mexico government. Numerous environmental studies are being accomplished in order to improve our understanding of the effects of ELF radiation. Congress generally supports the need for the system in the interest of improving the command and control of the strategic submarine forces; however, individual congressmen often reflect the pressures received from constituents who oppose the system. Lacking a decision on site selection, available alternatives/courses of action capable of fulfilling the communications requirements must be addressed.

5. (U) Current Program Status. Numerous other biomedical/ecological research studies are continuing in an effort to identify and understand any

harmful effects resulting from ELF radiation. The Wisconsin Test Facility (WTF), built in 1969, is continuing its operation in support of the Propagation Validation System (PVS) test program. The PVS testing, started in August 1976, involves 18-24 hour transmissions from WTF to selected submarines equipped with prototype receivers. Results to date confirm system technical parameters. Draft Environmental Impact Statements (DEIS) are being prepared for Michigan, New Mexico and Nevada sites. The National Academy of Sciences (NAS) is completing an independent review of completed biomedical/ecological research. The NAS report is to be included in DEIS planned to be filed in early CY 1977. Design validation of site independent hardware continuing.

6. (U) Funding - See attachment.

PROJECT SEAFARER

6. Funding (TOA, \$ Millions) *

	<u>FY 76</u> <u>& Prior</u>	<u>FY 77</u>	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>Cost To</u> <u>Complete</u>	<u>Crnt Est.</u> <u>Total Prog</u>
a. Proc	0	0							
b. RDT&E	100.3	14.8							
c. Const	0	0							

d. Funding Status or Problem. FY 77 - The major effort through FY 77 is RDT&E including: continuation of the Propagation Validation System (PVS) employing prototype ELF receivers installed in operational submarines; biomedical/ecological research; design validation of site independent hardware; Environmental Impact Statement preparation, publication and review activities; and DSARC II with associated site selection decision during mid CY 1977 time frame. FY 78 efforts are listed in para 3 above.

There is a degree of uncertainty in the FY 78 and outyear program funding. This is caused by prototype test facility design and increase in Michigan antenna site plus cost escalation.

* The funding data shown above is based on 23 Oct 76 FYDP and does not reflect increased program costs of \$ or more for Michigan site caused by increase in antenna size due to higher earth conductivity.

WORLDWIDE MILITARY COMMAND AND CONTROL SYSTEM
(WWMCCS) SELECTED ARCHITECTURE IMPLEMENTATION

1. | Description

- a. (U) By memorandum on 24 June 1976 the Deputy Secretary of Defense directed the implementation of the improvements to the WWMCCS contained in the selected WWMCCS architecture. DoD Directives 5100.30 and 5135.1 assign responsibility for the WWMCCS in the Office of the Secretary of Defense to DTACCS.
- b. (U) The responsibility of the Command and Control Directorate is to assure that the specific programs comprising the baseline WWMCCS and the improvements provide the capabilities dictated by the architecture and evolve consistently. Funding and detailed supervision of the individual programs reside elsewhere in DTACCS. System Engineering, integration planning and technical supervision of the improvement programs and of the rest of the WWMCCS is assigned to the WWMCC System Engineer.
- c. (U) The selected WWMCCS architecture was evolved under the auspices of the WWMCCS Council. The major effort was through a contract with IBM supervised by DTACCS, beginning February 1974. The selected architecture consists of the capabilities currently operational or in development (the baseline WWMCCS) plus eleven improvements required by 1985. Ten of the eleven improvements are being planned by the WSE and the DoD components responsible for implementing specific programs to obtain them.

- (10) (U) Research and Development in the Operational Utility of Automatic Data Processing (ADP). The WWMCC System Engineer (WSE) will initiate a program to examine the operational utility of ADP in support of military command and control functions.

The WSE will define and prosecute a functional research and development program to identify and demonstrate applications of ADP which offer significant improvement in the operational effectiveness of the WWMCCS. The object of the program should be to provide sufficient demonstration of advanced functional capabilities to support future decisions on the evolution of WWMCCS ADP. The primary emphasis should be on information requirements supporting operational command center functions such as situation assessment and operations planning. The program must demonstrate a capability to provide an integrated and credible information base for responsive and easy use by decision makers and their supporting staffs.

The program should be on the order of three to five years in duration and should include the heavy involvement of the WWMCCS operational community. The WSE shall inform the WWMCCS Council of the program structure, operator participation and refined cost estimates by April 1977.

2. (U) Mission. The primary mission of the WWMCCS is support of the National Command Authorities. It provides the means by which the President and the Secretary of Defense can receive warning and intelligence, apply the resources of the Military Departments and assign military missions and provide direction to the Unified and Specified Commands. It also supports the Joint Chiefs of Staff in carrying out their responsibilities.

The secondary mission of the WWMCCS is support of the command and control systems of the Unified and Specified Commands and the related management/information systems of other DoD components.

3. (U) Basis for FY 78 Request. The FY 78 request provides for the initiation of the programs selected architecture new programs as directed by the DepSecDef.
4. (U) Major Issues. None.
5. (U) Current Program Status. During FY 77, the WSE and cognizent agents are developing program plans and technical analysis and preparing for program initiation in FY 1978 and beyond.
6. (U) Funding. All funding is shown in millions of dollars.

	FY 77	FY 78	FY 79
Research and Development	5.3		
Procurement	0		
Military Construction	0		
Operations and Maintenance	1.8		

CATEGORY 3

Air Force Satellite Communications System (AFSATCOM)
Minimum Essential Emergency Communications Network (MEECN)
Communications Security (COMSEC)
ANMCC Survivability Improvements

CATEGORY 4

Deep Basing Technology

Atch 4

DIRECTOR, DEFENSE RESEARCH AND ENGINEERING

The attached documents represent the "issue papers" prepared by DDR&E for the Transition Team in connection with the transition from the Ford to the Carter Administration. Although they do not fully conform to the definition of "issue papers" as defined by U.S. News and World Report letter of December 14, 1976, they are believed to be broadly within the intent of that definition.

Seventeen papers recommended for release in their entirety are listed in Enclosure 1. Some parts of some of these papers qualify for withholding under exemption 5.a.(1), in that they contain advice, opinions, and suggestions. However, it is determined that withholding would not serve a significant and legitimate governmental purpose.

Partial denial is made on the 16 papers listed in Enclosure 2 under exemption 1 in that they contain classified security information.

The material has been reviewed and it has been determined that the denied information is properly classified under E.O. 11652 and its disclosure could reasonably be expected to cause damage to the national security.

Partial denial is being made on the 22 papers listed in Enclosure 3 under exemption 5. The particular parts of each paper have been indicated by brackets and categorized as falling either under exemption 5.a.(1); i.e., papers containing advice, opinions, and suggestions, or as falling under 5.a.(2); i.e., information generated preliminary to decision, the release of which might interfere with orderly execution of plans.

With respect to the denied portions of the 22 papers listed in Enclosure 3, the "significant and legitimate governmental purpose" is the protection of the ability of the government to receive candid advice, opinions, and recommendations from its employees without having the rendering of such inhibited and biased through the possibility of public controversy on them prior to their consideration. Similarly, orderly government would suffer if proposed governmental positions were prematurely exposed to those who might benefit or seek to influence them as the result of such premature disclosure.

The Initial Denial Authority in this instance is Mr. S. E. Clements, Executive Assistant, Office of the Director, Defense Research and Engineering.

Enclosure 1

PAPERS TO BE RELEASED

Note: Some portions of these papers qualify for withholding under Exemption 5, but use of the Exemption is waived.

Defense R&D Laboratories

Federal Contract Research Centers (FCRCs)

DOD R&D Testing Using Human Volunteers

Joint Service Development/Test Programs

Systems Acquisition Management

Prototyping

Travel Funds

DOD Medical Research Charter

Reduction of Outyear Operating and Support (O&S) Costs

Visibility and Management of Operating and Support Costs

Life Cycle Cost (LCC) Reduction

Design to Cost

Specifications and Standards

Reliability and Maintainability

Soviet Technological Doctrine and Practice

Competition in Defense Procurement

Expeditious JOT&E of IIR MAVERICK

DEFENSE R&D LABORATORIES

1. Subject of Interest: ODDR&E is directing various changes which will increase innovation in the Defense Research and Exploratory Development and some advanced technology demonstration programs.

2. Background: The DoD Technology Base comprises approximately 74 in-house Research and Development facilities and 56,000 civilian workers, including about 24,000 professionals. These laboratories monitor the expenditure of some \$3B per year, about one-half of which is spent internally. Several major changes are underway which are directed toward increasing the innovation and productivity in the laboratories.

- o The laboratories' roles in Technology Base planning and supervision is being increased. To initiate this, block funding of the laboratories has been increased and lead laboratory concepts for technology areas have been implemented.
- o We are increasing the use of investment strategies as a technique for apportioning the resources across the various technology areas in the Technology Base.
- o The laboratories are being assigned prime technology area responsibilities. The size of the laboratories is being reduced by manpower drawdowns in redundant and lesser productive areas.
- o The percentage of the Technology Base work which is performed by universities and industry is being increased to take advantage of their unique contributions to the program.
- o The roles of the laboratories in support of systems acquisition is being increased. To expedite this a change to DoD 5000.2 was implemented which requires a Technology Assessment Annex to Decision Concept Papers for systems which are meeting Defense Systems Acquisition Review Council Milestones I and II.

3. DoD Position: As in-house laboratories play a key role in military R&D, the actions enumerated above have been accepted and are being implemented.

4. Current Status: Funding allocation increases in the Technology Base are being applied selectively across the technology areas based on a careful evaluation of various investment strategies. The Air Force and Army have implemented the block funding technique; the Navy is moving in that direction. Ceilings have been placed on the amount of Technology Base program which will be performed in-house with the ultimate goal of achieving a maximum of 30% in-house. The manpower drawdown in the Air Force has been completed and is approximately on schedule for the Army and Navy. The drawdown amounts to approximately 6,900 authorizations to be completed by the end of FY 78.

UNCLASSIFIED

FEDERAL CONTRACT RESEARCH CENTERS
(FCRCs)

1. Issue: Will the revised policies and procedures for managing DoD-Federal Contract Research Centers (FCRCs) be acceptable to Congress?

2. Background: Federal Contract Research Centers (FCRCs) are DoD sponsored non-profit corporations dating from WWII. The number of FCRCs has been reduced from 21 to 8 since 1964. Each FCRC is distinctive and generally performs different functions. Other government agencies have similar organizations.

<u>Laboratories</u>		<u>System Engineering/ Tech Direction (SE/TD)</u>		<u>Studies & Analyses (S&A)</u>	
	(FY76)		(FY76)		(FY76)
MIT Lincoln	\$51M	MITRE Corp	\$45M	RAND	\$17M
Johns Hopkins	\$53M	Aerospace Corp	\$82M	CNA	\$10M
Penn State	\$8M			ANSER	\$2M
				IDA	\$11M
	<u>\$112M</u>		<u>\$127M</u>		<u>\$40M</u>

Laboratory FCRCs perform difficult technical projects embracing both research and new prototype systems concepts. (SE/TD) FCRCs provide technical support in defining, developing, producing and fielding space, communications and command and control (C³) systems. (S&A) FCRCs provide sound and unbiased professional analyses and recommendations for force planners, logistics managers, R&D managers, high officials on DoD staffs, etc.

A high degree of control is maintained over FCRCs. The Senate Armed Services Committee provides an overall fiscal ceiling. Four major problems exist with using FCRCs:

- o Several years ago, Congress expressed concern regarding salaries, number, size of operation, etc. These concerns resulted in the imposition of a Congressional fiscal ceiling. However, this ceiling has not kept pace with inflation.
- o Congressional concern has been expressed more recently regarding how we use FCRCs, i. e., as "extension of headquarters staffs," especially the S&A FCRCs.

- o Part of the for-profit industry sector is opposed to both the non-profit and sponsored aspects of FCRCs, especially as pertains to the success of some FCRCs in diversification.
 - o The fiscal ceiling has especially been a hindrance in accomplishing space and C³ SE/TD work.
3. DoD Position: An extensive review was conducted of FCRCs in 1976 in response to Congressional desires. Principal actions are as follows:
- o Analytical Services (ANSER) will no longer be an FCRC.
 - o The Applied Physics Laboratory (Johns Hopkins) and Applied Research Laboratory (Penn State) will not be considered FCRCs beginning in FY 1978.
 - o MIT Lincoln Laboratory, Center for Naval Analyses (CNA), Project Air Force (formerly Project Rand) and the Institute for Defense Analyses (IDA) will not be allowed to exceed their present manpower levels. The non-Project Air Force aspects of RAND Corporation will not be considered an FCRC.
 - o MITRE-Bedford will be separated from MITRE-Washington. All DoD C³ work will be done at Mitre-Bedford. MITRE-Washington will not be considered a DoD FCRC. Mitre-Bedford will not do non-DoD work unless of direct benefit to DoD. Level of DoD effort at Mitre-Bedford will be governed by DoD C³ workload.
 - o Aerospace Corp will be restricted to DoD space program endeavors except on programs of direct benefit to DoD (i. e. joint DoD-NASA). Level of DoD effort at Aerospace will be governed by DoD space system workload.
4. Current Status: A report was provided the four concerned Congressional Committees. Informal approval received. DoD will be implementing above actions in the FY 78 budget process. Congressional Committees reactions in their reports on the budget will provide basis for future management of FCRCs.

DOD R&D TESTING USING HUMAN VOLUNTEERS

Subject of Issue: Continuing concern by many groups that humans are being used as guinea pigs needlessly and under circumstances of unacceptable hazard.

Background: The DoD, as one of many Federal agencies who perform tests using human test subjects, has been drawn into the overall public and Congressional dialogue on the subject. In 1975, Congressional committees held hearings that discussed tests, primarily related to chemical agent and hallucinogenic drug testing, that were conducted in the 1950, 60s and early 1970s. This discussion resulted in a report that highlighted abuse and an inadequate follow-up of the test subjects. These practices had been stopped and the control of such experimentation had already been markedly improved in the 1970s by DoD because of its own concern and the national revision of standards for use of human volunteer subjects, although this point was carefully avoided or ignored in the hearings.

DoD Position: DoD must conduct tests that use human test volunteers in several of its human related RDT&E program. Each Service has formal and effective approval procedures to insure that the proposed tests are needed and worth the investment and risk, properly planned, safely and competently conducted, and that proper follow-up is assured. As new guidelines or laws are passed related to this on a national level, they are included in the DoD process of approval, review, conduct, and critique of our R&D. In all cases, only fully informed and volunteer subjects will be used.

JOINT SERVICE DEVELOPMENT/TEST PROGRAMS

1. Problem: Proliferation of hardware and programs aimed at meeting the same basic operational requirements.
2. Background: Unnecessary proliferation of systems and subsystems intended for similar operational requirements can dilute the effectiveness of R&D resources, deters competitive procurement and ultimately consumes excessive operations and support resources. With severe budget constraints in the R&D area, this problem cannot be overemphasized. Operational requirements must be carefully examined and coordinated to eliminate the costly consequences of duplication, strive for subsystem and system interchangeability, and achieve interoperability and flexibility of mixed forces. Commonality of hardware is sought to reduce the costs of training, maintenance, and support. DDR&E places heavy emphasis on structuring joint RDT&E programs through memoranda of agreements, lead Service assignments, and close coordination with other OSD offices such as DTACCS and ASD(I&L) in working groups.

Certain technology areas have been identified as prime candidates for special attention in DDR&E because rapid movement in the state of the art encourages proliferation. As an example, electronics technology can be found as a major cost element of almost every weapon system. Since one-third of the DoD budget in some way or other is tied to electronic related expenditures, it is an area that has been highlighted as worthy of special attention. This is particularly important in electronic subsystems in view of the fact that annual support costs for these military equipments are equal to the annual procurement costs and are increasing due to the relatively high labor content. Therefore, Joint Service programs in the electronics area are highly leveraged and provide a basis for significant cost reductions.

3. DoD Position: Joint Service programs are an effective approach to stemming proliferation of programs aimed at meeting similar operational requirements. Our policies to achieve this objective are stated in DoD Directives; identified and restructured as necessary in the planning, programming, and budgeting cycles; and when necessary, by fiat. A special policy for Single Service Management of Selected Electronic Equipments has received tri-Service Secretarial endorsement and is expected to be finalized in March 1977.
4. Status: We have established commonality between Services that is intended to satisfy sister Service requirements in virtually all DSARC reviews. Working groups and special committees have been formed to more closely examine the areas where high payoff potential exists. The Directive on electronic equipment will utilize the requirements process and other existing means to identify those items which are candidates for Single Service management. The assignment of the "lead"

Service on a case-by-case basis will be made by the appropriate OSD offices.

At the present time, there are 78 joint Service R&D programs; and similarly, there are 14 joint operational test programs. For example, the NAVSTAR (Global Positioning System) is a tri-Service development to reduce net DoD navigation costs by a significant percentage while enhancing the performance of weapons and simplifying their design. During the past year, the Air Force has been assigned as Executive Agent for the development of the new beyond visual range air-to-air missile, which is a replacement for Sparrow. The new missile will be based on previous DARPA research and designed to satisfy a JSOR. Similarly, the ultimate Sidewinder replacement will be based on a continuing evaluation of seekers and development of operational requirements.

SYSTEMS ACQUISITION MANAGEMENT

1. Issue: In order to maintain national security in times of highly constrained defense budgets it is imperative that we manage the acquisition of defense systems in a highly efficient manner.
2. Background: The basic policies for the management of defense systems acquisition were established in mid-1971 with the publication of DoD Directive 5000.1, "Acquisition of Major Defense Systems." Since that time the results of several study efforts for improving the defense systems acquisition process have been published, i.e., the Commission on Government Procurement, the Army Material Acquisition Review Committee, the Navy/Marine Corps Acquisition Review Committee and most recently the Acquisition Advisory Group.
3. DoD Position: While many of the recommended improvements to the defense systems acquisition process have already been implemented we are continuing to evaluate and adopt other promising changes.
4. Current Status: In many areas we have made major strides in improving the management of DoD systems acquisition. Some of these management initiatives are:
 - a) Fly-before-buy (hardware demonstration)
 - b) Achievement milestones vs calendar milestones
 - c) Competition, especially during system validation
 - d) Design to Cost
 - e) Hi-Lo force mix
 - f) Creation of viable options
 - g) Maintaining strong technical base
 - h) Improved program management

Other areas of promising efforts underway but still evolving are:

- a) "Front-end" planning-mission needs and affordability
- b) Life Cycle Costing

Sound management of defense systems acquisition impacts on the defense posture of the U.S. It is probably the single most important task of DoD as it impacts directly on force readiness, the yearly defense budget and also the outyear expenditures for operating and maintaining our weapon systems. We will continue to evaluate all facets of the acquisition process seeking improvements in national defense and more efficient development, production, operation and support of our defense system.

PROTOTYPING

1. Issue: To improve the basis for management decisions during the development and acquisition of defense systems and equipment.
2. Background: Prototyping stresses the use of hardware demonstration, rather than paper studies, as the basis for key program decisions. It has been referred to as the "fly before buy" or "test before buy" approach to system acquisition. In practice, it calls for investment in a few demonstration models (prototypes) and evaluation of test results prior to making a major commitment of funds or resources. It was promulgated as management policy by former Deputy Secretary of Defense David Packard, has been emphasized as a management tool by his successor, DepSecDef Clements, and has become an important aid to defense decision-making. Congress has debated the merits of prototyping and endorsed its application in defense programs.
3. DoD Position: Prototyping is an aid to management that reflects a basic principle of sound decision-making: systematic reduction of risk. It must always be viewed in the decision-making context. It is not, and must not become, an end or objective in itself. We emphasize prototyping where it is needed to support and strengthen our basis for decisions, not as "the thing to do" in order to get programs approved.
4. Current Status: We have gained considerable experience in prototyping over the past several years; however, there is still some misunderstanding of the difference between its two fundamental applications.

Prototyping is used during the acquisition cycle to reduce the risks associated with applying advanced technology to meet defined operational requirements. These are the "full-scale engineering development" prototypes. (Examples: Mechanized Infantry Combat Vehicle; Utility Tactical Transport Aircraft; Advanced Attack Helicopter; Submarine Launched Cruise Missile.) Where it is impractical to prototype an entire weapon system, the concept is applied to subsystems and components. (Examples: AWACS Radar; Airborne TACAN; Navy Modular Electronic Warfare Suite.)

Prototyping is also used to explore and advance new technology prior to the definition of specific requirements. These are "technology base" or "exploratory development" prototypes. Their purpose is to provide viable options for future decisions. Exploratory prototyping creates technological alternatives, exploits technical opportunities, stimulates competition and innovation, retains key industry design teams, and improves our ability to make performance/cost tradeoffs. (Examples: Air Combat Fighter; Advanced Medium STOL; Electronically Agile Radar.)

Budget Related Issue

TRAVEL FUNDS

Issue: ODD(R&AT) has insufficient travel funds to adequately perform its assigned tasks for FY77.

History: ODD(R&AT) is allocated travel funds from DDR&E. These funds are used to pay for transportation and per diem in performing our program monitoring tasks, to satisfy U.S. responsibilities in international travel for the Defense Research Group and for The Technical Cooperation Program, to maintain staff specialists professional proficiency through attendance at technical symposia and meetings and to publicize the technical thrusts and management changes which we are implementing in the Technology Base program. The travel funds allocated in FY76 was \$42.3K. Our request for FY77, in view of the total inadequacy of FY76 funds, was \$76K. Our allocation for the first 6 months of FY77 is \$14.7K. We have reduced the \$14.7K by the amount required to meet international obligations for the first 6 months of FY77 plus a \$1K contingency fund, and allocated the remainder on a prorata basis to the AD Offices and the Front Office Staff. We anticipate that the funding to be allocated for the second half of FY77 will be approximately \$14.7K.

Position: DDR&E is aware that the FY77 allocation is inadequate. Travel, other than that supported by others, is by and large restricted to program monitoring plus the international commitments.

ODD(R&AT)
30Nov76

Budget Related Issue

DOD MEDICAL RESEARCH CHARTER
(vis-a-vis other Federal Agencies)

Subject of Issue : Congressional actions on DoD budget requests are being denied in cases where any other agency is conducting research in the area.

History: Congressional actions during FY 76 and FY 77 budget cycle denied DoD requests for money for research in drug and alcohol abuse, and a series of infectious and dental diseases. The basis for denial has been that the Department, Health, Education, and Welfare (DHEW) is doing work in these fields and the DoD, therefore, should not require any effort in the area. This has been cited especially in cases where the DoD level of effort is much smaller than the DHEW commitment. A GAO review of infectious disease research was completed in FY 76, overseas laboratory reviews are underway now which could cause further areas to be so identified in FY 78 and beyond.

Budgetary Impact: Previous reductions were not made until late in the fiscal year. As a result, money had been committed to new and continuing efforts under the authority of the Continuing Resolution. Thus, when all funds programmed for the effort were withdrawn, additional funds were also lost due to the fact that the earlier commitments to contracts had been made and could not be recouped.

DoD Position: DoD does carefully coordinate and draw from the civil and other Federal agency research. It conducts research only on the unique problems of the Military Services or those aspects of the problem that the civil sector cannot or will not address. Thus, rather than duplicate, the smaller DoD investment represents a complimentary effort that provides specialized results of interest to DoD.

UNCLASSIFIED

REDUCTION OF OUTYEAR OPERATING AND SUPPORT (O&S) COSTS

1. Issue: To reduce the fraction of the outyear DoD budget allocated to system operating and support costs, while at the same time maintaining operational readiness.

2. Background: Continued growth in the fraction of the DoD budget allocated to operate and support current systems has impaired force modernization. Greater emphasis is needed on reducing the future O&S costs of systems now being developed, so as to reverse this trend as new systems enter the inventory.

Better visibility on the specific O&S costs of current systems is a necessary step in defining and reducing the O&S cost of future systems. The next step is to employ the results of that improved visibility.

3. DoD Position: We are confident that we can achieve the ability to identify and track the O&S costs of individual types of defense systems. We must also control the future O&S costs of systems now in development, so as to achieve a net reduction in the O&S portion of the DoD budget.

4. Current Status: The DepSecDef memorandum on Reduction of Outyear Operating and Support Costs, 28 February 1976, directed the Military Departments to establish O&S cost targets for each major system now in development, and to propose methods to assess the net O&S cost impact on future Department budgets of all DSARC decisions.

The Services have forwarded their planned approaches to the establishment of O&S cost goals for all major programs now in the DSARC process and proposed methodology for annual assessment of the net O&S cost impact of DSARC decisions during the preceeding year. Refinements required by ASD(I&L) review are now in progress.

UNCLASSIFIED

VISIBILITY AND MANAGEMENT OF OPERATING AND SUPPORT COSTS

1. Issue: To develop methods for determining the operating and support costs attributable to particular Defense systems.

2. Background: SecDef and DDR&E posture statements for FY 1976 mentioned the need to improve visibility on the operating and support (O&S) costs of current systems, as a necessary step in reducing the life cycle cost (LCC) of future weapon systems.

During SecDef's testimony, Senator Culver asked for LCC estimates on the 10 most expensive systems then in development. DDR&E responded with current estimates for 8 of the 10 systems.

Thereafter, Senator Culver proposed an amendment to the Authorization Bill that required DoD to include LCC estimates for all major systems in its budget, beginning with the FY 1977 submission. This amendment was deleted in conference when DoD stated it was unable to provide such estimates for all major systems. However, DoD did indicate it might be possible to submit LCC estimates for aircraft systems with the FY 1978 budget.

3. DoD Position: We can estimate system acquisition costs fairly well, and are improving that capability, but DoD accounting systems were not set up to identify all operating and support costs by individual weapon systems. We are working to improve visibility on operating and support costs.

4. Current Status: ASD(I&L) has been tasked to define the management information system needed to account for O&S costs by weapon system type. The Services have presented their proposed management information systems for ASD(I&L) review. Refinements in response to ASD(I&L) review are now in progress.

ASD (Comptroller) has been tasked to modify the DoD accounting systems as necessary to accommodate the information system defined by ASD(I&L).

OSD and the Services are working to improve cost comparability among the Services.

The Air Force demonstrated a prototype O&S cost management information system for aircraft during FY 1977 and is now evaluating its effectiveness prior to scheduling its expansion to other types of weapon systems. The Army and Navy are working on similar projects, and the Navy has also developed plans for an O&S cost Management Information System for ships.

UNCLASSIFIED

ODD&E/O&A(P)
22 NOVEMBER 1976

UNCLASSIFIED

LIFE CYCLE COST (LCC) REDUCTION

1. Issue: To define and reduce the total cost of acquiring, operating, maintaining and supporting defense systems, while at the same time maintaining force modernization, readiness and operational effectiveness.

2. Background: LCC reduction is a major objective of the DoD. There is also considerable Congressional interest in this subject. Present appropriation accounting makes it relatively easy to identify development, procurement and military construction costs of specific weapon systems. However, operating and support (O&S) cost appropriations are related to type of organization and function, rather than to type of weapon system.

3. DoD Position: We can estimate system acquisition costs fairly well, and we are improving that capability. We can and are holding acquisition programs to predetermined unit cost thresholds as a necessary but not sufficient part of LCC reduction. Additional steps are necessary to define and reduce the O&S cost of current and future weapon systems. Those steps are now underway.

4. Current Status (more detail in attached backup papers):

Design to Cost - DoD Directive 5000.28, May 1975, directed the Military Departments to design systems to predetermined unit production costs, and to trade off performance, schedule and quantity as necessary to meet cost goals. Most major systems not yet in production either have established DTC goals or have made cost an "equal partner" with "cost drivers" in early design studies. DTC is an issue at DSARC reviews and corrective action is directed for breach of DTC thresholds.

Visibility and Management of Operating and Support Costs - A DepSecDef memorandum dated 16 October 1975 directed ASD(I&L) to define the management information system needed to account for the O&S costs of current systems by system type. ASD (Comptroller) was directed to modify DoD accounting systems as necessary. The Military Departments have presented their proposals for such an information system and refinements are in progress.

Reduction of Outyear Operating and Support Costs - A DepSecDef memorandum dated 28 February 1976 directed the Military Departments to establish O&S cost goals for each major system development program and to propose methods for an annual assessment of the net impact of all DSARC decisions on the O&S portion of their outyear budgets. The overall objective is a net annual reduction in that fraction of the DoD budget allocated to O&S costs.

Reliability and Maintainability - Reliability and maintainability (R&M) are system parameters that link system design characteristics to O&S cost, readiness and operational effectiveness. Quantitative R&M requirements are now included in almost all DCPs; however, DoD policy on R&M needs to be clarified and extended to subsystems and less-than-major systems, in order to facilitate LCC reduction. DDRAE and ASD(I&L) are preparing a DoD Directive on this subject and supervising the revision of appropriate Military Standards.

UNCLASSIFIED

DESIGN TO COST

1. Issue: To specify and constrain the cost of each new system so DoD can afford to buy the quantities of systems it needs to meet national security objectives within current and foreseen budget constraints.

2. Background: Design to Cost (DTC) is a management policy similar to cost control techniques used in the commercial sector. DTC established unit cost as a parameter equal in importance with system performance, program schedule and other factors that can drive program cost, such as produceability, logistic support concept, data requirements, safety/survivability, etc. It requires planners to set cost goals the DoD can afford to pay, and to trade off system design parameters against those goals. It further requires that cost be emphasized in trade-off decisions throughout the acquisition process, and that cost estimates be verified as within pre-set goals prior to award of the production contract.

3. DoD Position: Design to Cost is necessary to counter the escalating costs of defense systems. We plan to continue applying it to new development programs (both systems and subsystems).

4. Current Status: Design to Cost policy was formalized in DoD Directive 5000.28, issued in May 1975. Each Program Manager receives comprehensive instruction on Design to Cost policy and implementation experience as he goes through the Defense Systems Management College. Design to Cost objectives have been routinely established on all recent major development programs. Examples include the A-10, F-16 and Advanced Medium STOL aircraft, the F-18, Patrol Frigate, Submarine Launched Cruise Missile, UTTAS helicopter, Advanced Attack Helicopter, and XM-1 tank. Such objectives are being defined for more recent programs on a routine basis. While initial emphasis was on designing to a unit production cost, primarily because DoD's ability to estimate and measure unit cost is better than its ability to estimate and measure Life Cycle Cost, DoD is now increasing emphasis on making design tradeoffs to control life cycle cost drivers.

SPECIFICATIONS AND STANDARDS

1. Problem: With increasing costs of defense systems, equipment and material, there were concerns that military specifications were the "cost drivers".
2. Issue: Military specifications and standards have occasionally contained unrealistic, obsolete or marginal requirements which resulted in excessive costs.
3. DoD Position: DoD is attacking the problem on three fronts:
 - a) ASD(I&L) and DDR&E co-sponsor the Defense Material Specifications and Standards Board to review on a continuing basis the total specifications and standardization program management to recommend necessary changes in policy to the SecDef.
 - b) At the request of DepSecDef, the Services have established RFP (Request for Proposal) Review Boards to review and "scrub" RFPs, prior to their formal release to bidders, of any excessive requirements and unwarranted cost-driving requirements, including specification requirements.
 - c) ASD(I&L) and DDR&E jointly established a Defense Science Board Task Force to recommend appropriate specifications and standards policy.
4. Status:
 - A. DMSSB:
 - 1) Now have five Technical Panels (i.e., Materials, Electronics, Metrication, Clothing and Textile, Audio Visual). The Metrication Panel, for example, prepared an interim policy on the use of the metric system of measurement in the DoD which was signed by DepSecDef.
 - 2) A task group revised the DoD Standardization Manual covering specification preparation, coordination and management.

B. RFP Review Boards:

All three Services have established these review boards and are actually scrubbing new major system RFPs. On several procurements, draft RFPs were submitted to industry prior to formal release to bidders soliciting comments on the identification of cost-driving elements and suggestions on how to meet the intent of the need at lower cost.

C. Defense Science Board Task Force:

Found that while needing continual attention for improvement, specifications and standards were adequate and not the fundamental problem. The problem was really the over-application (or blanket application) of these documents, which in many cases resulted in unwarranted costs. Among the Task Force recommendations are: 1) "tailoring" or selective application of the specification requirements to each program, 2) establish an environment to provide incentives or contractors/bidders for proposing tailored specifications and for recommending cost effective waivers to reduce costs, and c) education of Program Managers on specification applications to avoid excessive costs. The Services are currently initiating actions to implement those recommendations.

UNCLASSIFIED

RELIABILITY AND MAINTAINABILITY

1. Issue: To reduce the operating and support cost of defense systems while maintaining or increasing their readiness and operational effectiveness.

2. Background: Reliability and Maintainability (R&M) are measurable performance parameters that link system design characteristics to readiness, effectiveness, operating and support cost. Improved R&M simultaneously increases readiness and percentage of successful missions, while decreasing maintenance, supply and manpower requirements. In the past, field reliability has often been only a fraction of that "demonstrated" by the contractor in REL DEMO done to a MIL STD. This occurred because REL DEMO test criteria did not realistically approximate actual field conditions and definitions of a "failure" were not relevant to actual field experience. OSD has major initiatives underway to improve this situation.

3. DoD Position: Increased emphasis must be placed on improving the R&M of systems during RDT&E, rather than trying to fix systems already in production.

4. Current Status: Quantitative R&M thresholds are now included in virtually all DCPs and attainment of these thresholds has become an issue at DSARC reviews. The Deputy Director (Test and Evaluation) has placed a high priority on R&M in his reviews of test programs and test results, as reflected in his reports to the Deputy Secretary of Defense and the DSARC Chairman at all critical milestone decisions.

ODDR&E and OASD(I&L) are preparing a DoD Directive on R&M to ensure these parameters are addressed as an integral part of the acquisition process for both major and less-than-major system and subsystem programs.

The Military Departments are revising Military Standards pertaining to reliability, especially the reliability of electronics equipment. These revisions will translate DoD policy to the Defense industries. They include increased realism of tests conducted in laboratory test chambers. The cost of more realistic test facilities is to be paid for by shorter total test time and greater correlation of laboratory and field reliability values.

The Services have recently included in their budgets funds to improve readiness and reduce operating costs for equipment in the field. This is accomplished primarily through the upgrading of equipment reliability and maintainability identified by organizations specifically charged with this responsibility such as the Air Force Productivity, Reliability, Availability and Maintainability (PRAM) Program Office.

Government and industrial technology base activities are exploring the feasibility of using highly reliable electronic modules as basic building blocks for widespread application to electronics equipment. High design reliability and tight quality control are to be paid for by savings achieved through volume production and standardization.

Contractual approaches are being developed which will incentivize contractors to design equipment for high reliability and low repair costs. Approaches

SOVIET TECHNOLOGICAL DOCTRINE AND PRACTICE

1. Subject: The relationships between Soviet science and technology doctrine and practice and their military technological status.

2. Background: Soviet doctrine was enunciated by Lenin--"One must either master the highest technology or be crushed", and has been continually reaffirmed--"The development of Soviet science has special significance today when the scientific-technological revolution has become the most important area in the competition of the two opposed world systems" (Communist Party Central Committee Resolution, December 1973). Soviet policy is set by the Politburo, and is specifically oriented toward establishing credible military scientific-technical superiority over the U.S. R&D management is highly centralized; the Politburo's executive agent is the Council of Ministers, 75 percent of whom have technical backgrounds. The USSR has deliberately emphasized the greatest possible rate of advance in military technology at the expense of improvements in the civilian sector. Soviet policy is to exploit innovations achieved in civil R&D for military purposes, but because of the weakness of Soviet civil R&D, we have not seen any instances in which it has contributed significantly to their military technology. There is no Soviet counterpart to the cross-fertilization process in U.S. industry and commerce which advances military and civilian technology together in many areas that are militarily important to the U.S. Within the military sector, past Soviet practice emphasized continuity of effort and incremental improvements. Today there are many indications of willingness to take the risks of applying and exploiting advanced technology.

3. DoD Position: Soviet doctrinal emphasis on science and technology has led to a commitment of resources for military R&D which must be regarded as a serious threat to the military balance between the U.S. and USSR. The U.S. can meet this challenge only through a sustained and vigorous program of RDT&E to advance and exploit its strong technologies. Such a program is feasible at affordable cost, because of the inherent weakness in the Soviet system of separating military and civil R&D. The rate of advance of Soviet military technology--overall--will be inhibited as long as their civilian sector is excluded from supporting such advances, although with special emphasis they have been able to surpass the U.S. in some fields of technology. The U.S. can retain the technological initiative and preserve the military balance if it has the will to do so.

4. Current Status: Soviet military R&D increasingly is producing a variety of quality military equipments. Also, there are strong indications, in the form of a number of Soviet military R&D activities and new systems being deployed (e.g., air cushion vehicles, radar satellites), that the Soviets have broken away from their long-standing policy of technological conservatism. Several of the Soviet military R&D activities are not well understood, but are a matter of concern because they appear to be related to key missions of U.S. forces (e.g., new approaches to ballistic missile defense and anti-submarine warfare). Avoidance of technological surprise requires a coherent R&D effort to generate new technological options in mission areas where U.S. vulnerability may be uncertain and where the risk of surprise is great.

UNCLASSIFIED

COMPETITION IN DEFENSE PROCUREMENT

- 1. Issue: To utilize competition to the maximum extent feasible during the acquisition of defense systems and equipment.
- 2. Background: Competition between system concepts, present and proposed systems, contractors, subcontractors, and even between the Military Departments is the paramount motivating factor during both development and production of defense hardware. Winning the development and/or production contract is a far greater incentive than the profit rate or any "incentive clause" after competition is reduced to a sole source.
- 3. DoD Position: Competition is to be used wherever economically feasible throughout the acquisition cycle, to include competitive development, production and alternate sourcing.
- 4. Current Status: Most of our recent major programs include a competitive prototype phase during advanced development, with comparison of test results ("fly-off", "shoot-off") as a key factor in the decision to advance the program into full-scale engineering development. Examples include the A-X prototype competition which resulted in selection of the A-10 Close Support Aircraft, the Air Combat Fighter (F-16), Advanced Attack Helicopter, M1-A tank, and Submarine-Launched Cruise Missile.

On high volume production programs, second source competitions are also held. Examples include the Army's TOW and Shillelagh antitank missiles, the Sparrow and Sidewinder air-to-air missiles, and the MK-48 torpedo.

When competition is not economically feasible at the weapon system level, subsystem and component competition is often implemented.

DIR&E
30 Nov 1976

UNCLASSIFIED

72

EXPEDITIOUS JOT&E OF IIR MAVERICK

1. ISSUE: As a result of DSARC II of IIR MAVERICK in September 1976, operational uncertainties were surfaced which affected the potential operational utility of the system.
2. BACKGROUND: Even though a comprehensive advanced development test program had been successfully accomplished by the developing agency, there remained some doubts about the operational utility of IIR MAVERICK in particular combat scenarios. To resolve these uncertainties, DepSecDef directed that a Joint Operational Test and Evaluation be initiated and conducted in a compressed timeframe. Test planning is in progress with the USAF as the executive Service. A partial report will be provided in March 1977 and a final report by August 1, 1977. An independent contractor has been chosen to assist in test planning, monitor test conduct and provide an independent analysis at the completion of the joint tests.
3. RECOMMENDED POSITION: DD(T&E) support and provide advice and direction as appropriate, to the Joint Test Director.

Enclosure 2

Papers to be Partially Denied on Exemption 1 - (Classified)

- Notes: 1. Some portions of these also qualify for Exemption 5 and such papers are also listed on Enclosure 3 for those portions.
2. Some of these papers are unintelligible due to deletions as indicated.

Chemical Warfare Readiness Improvement (also on Enclosure 3)

M-X

SLBM/TRIDENT II (unintelligible w/deletions)

Briefing Paper (also on Enclosure 3)

Special Nuclear Materials (unintelligible w/deletions)

Space Defense (unintelligible w/deletions)

High Energy Lasers (unintelligible w/deletions)

NATO Airborne Early Warning (AEW) Aircraft (also on Enclosure 3)

NET Technical Assessment--U.S. vs. USSR RDT&E

Chair Heritage (also on Enclosure 3)

Cannon Launched Guided Projectile Copperhead (CLGP) (also on Enclosure 3)

Impact of Procurement Changes on the F-18 (also on Enclosure 3)
(unintelligible w/deletions)

Air to Air Missile Inventory (also on Enclosure 3)

Conventional Airfield Attack Missile (also on Enclosure 3)

General Support Rocket System (GSRS) (also on Enclosure 3)

Infrared Imaging Seeker (also on Enclosure 3)

CHEMICAL WARFARE READINESS IMPROVEMENT

1. (U) Subject of Issue: DoD efforts to improve chemical warfare (CW) posture, both protective and retaliatory.

2. | Background:

o USSR poses serious threat in CW.

o

o US has ratified Geneva Protocol with reservation which essentially bans first use of CW.

3. (U) DoD Position: Supports efforts to modernize chemical warfare capability and to improve protective posture to allow continuing operations in a CW environment.

4. | Current Status:

Defensive Programs:

o FY 1977 budget contained \$37.4M for defensive RDT&E, FY 1978 budget contains []

o FY 1977 Army budget contained \$95.8M for procurement, O&M, and war reserve funds; FY 1978 budget contains [] all for improvement of defensive and protective posture.

o FY 1977 Air Force budget contained \$17.2M for protective items; FY 1978 contains []

o Training is being improved in both Army and Air Force, about [] personnel will be added to training and disaster preparedness teams by FY 1978.

Retaliatory Programs:

o Binary chemical munition RDT&E is continuing; is programmed by FY 1978.

o

o No production decision on binary munitions has been made, nor has any modernization program been undertaken pending further review of national policy in this area. Various studies are in progress to better develop the DoD position.

*Conference of the Committee on Disarmament (UN)

M-X

Issue: What should be the M-X development pace?

1. Subject

The M-X is envisioned as a large, highly accurate, MIRVed missile (approximately 170,000 lbs) capable of being moved from aimpoint to aimpoint in a manner which will conceal its location such that all aimpoints, whether they be visible above-ground shelters or invisible subterranean trenches, are credible to the offense. If attacking weapons are added by the offense, additional aimpoints can be proliferated at relatively low cost. The M-X thus achieves a very high prelaunch survivability. It will also retain the rapid response characteristics and positive command and control features inherent in a land based ICBM.

2. Background

Four new-generation Soviet ICBMs and [] payload variants have been developed since the Vladivostok Accord. This evolving Soviet ICBM force with its improvements in accuracy, throwweight, targeting flexibility, and prelaunch survivability is a formidable threat to our land based missile force, as well as our cities. Additionally, vigorous Soviet missile R&D effort beyond the current deployment activities indicates a Soviet trend towards improvement of their counterforce capability and a broadening by its potential base for rapid quantity and quality improvements. Survivability of U. S. land based ICBMs in the 1980s, as well as a partial redress of the growing throwweight imbalance, can be achieved by making the ICBM transportable and hard to an optimal degree. By providing credible aimpoints which are cheaper than the weapons required to destroy them, an arms race can be avoided.

3. DoD Position

The DoD believes in the TRIAD as an absolute necessity for strategic deterrence because the diversity of three entirely different systems will preclude a potential disaster by one technology breakthrough. ICBMs offer a unique capability not present in the other two legs of the TRIAD, namely, capability across the entire target spectrum; a time urgent, hard target kill capability; facility for positive command and control; and an excellent inherent capacity for redressing throwweight imbalances. As the ICBM is vital to the TRIAD, its survivability should therefore be insured.

4. Current Status

M-X technology has proceeded in the advanced development stage for several years, particularly in the areas of guidance and propulsion.

Basing mode studies have been accomplished, indicating that the shelter and trench concepts as the most promising.

5. Funding (Millions)

<u>FY 78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>

SLEM/TRIDENT II

Issue: Why do we need TRIDENT II missile for a new SLEM?

1. Subject /

2. Background |

In our strategic TRIAD the SLEM force at sea is the least targetable by opposing strategic systems.

TRIDENT II represents another timely step in the effort of expanding the "haystack".

3. DoD Position \

By virtue of the relative invulnerability and increased capacity of the TRIDENT submarine, an orderly development of the TRIDENT II to fully utilize the new submarine capability is considered highly desirable.

4. Current Status |

5. Funding (Millions)

<u>FY 77 & Prior</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>
0					

0

Originator: DDRGE
Date: 30 November 1976

BRIEFING PAPER

Purpose: To describe weapons systems under development which might be:

- Constructed as having a first strike capability
- Subjects of concern in arms control negotiations because of:
 - Possible verification problems.
 - Possible threats to Soviet strategic war-making capabilities.

1. Possible First Strike Weapons

The only conceivable reason for our attempting a first strike would be to disarm the Soviets, i.e., to deliver a surprise initial attack of such magnitude as to reduce to a relatively negligible level the Soviet capacity for retaliation. Otherwise, we invite their retaliation. They have an assured second strike capability -- achieved through a TRIAD similar to our own -- which we cannot obliterate by any present or proposed capability, or even by capabilities which are still in the realm of speculation. At least twice in the last thirty years the Soviets did not have an assured retaliatory capability; they were engaged in provoking us; and yet, it was not in our nature to attempt even limited military action against them.

The ability to execute a disarming first strike requires three essentials:

- Accurate location of all Soviet strategic weapons.
- Sufficient weapons to attack effectively all Soviet strategic weapons.
- Surprise.

We do not possess either of the first two military capabilities and our open society forecloses the third essential. Still, there are some who believe that the development of certain weapons systems poses a potential first strike capability. In this context, a hard target kill (HTK) capability is most often cited as a first strike capability. An HTK capability would be necessary but not sufficient, without satisfying the above criteria, for a first strike. U.S. HTK capabilities and goals derive from a desire for effectiveness and efficiency in a retaliatory role, and -- for those weapons targeted against his strategic nuclear forces -- to destroy his residual or reserve force to preclude coercion or further bargaining concessions after the onset of hostilities.

Not only do we not seek a first strike capability, we seek to reduce incentives for an opponent to strike first in a crisis situation by providing our forces with such characteristics that an aggressor would not significantly change the outcome by striking first in a crisis. This is the essence of strategic stability.

Those systems most frequently criticized as having a first strike capability are:

a. M-X.

which will be deceptively based among a large number of hardened aim points. It will satisfy requirements for, (1) multiple aim point basing to redress the increasing vulnerability of silo based ICBM's; (2) greater payload to somewhat offset the existing Soviet throw-weight advantage in new ICBM's and SLBM's; and, (3) the capability to attack effectively an expanded and harder set of targets.

Through M-X development we seek the ability to maintain a credible second strike which is in fact that which deters a Soviet first strike. However, the ultimate foundation of the credible second strike is in numbers of deployed weapons and not in the weapon system development. They are separable considerations.

M-X multiple aim point basing is criticized by some on the grounds that it is difficult to verify numbers of missiles. We note that while this may be true in the general case, deployment constraints can be devised which permit high confidence counting even without on-site inspection; and that on-site counting is quite reliable, in any event. Banning mobile missiles is tantamount to giving up on ICBM's, since it is only a matter of time before the survivability of U.S. silo-based ICBM's will be unacceptably low. Further, mobile ICBM's, because of their high survivability, do not invite a first strike (there is no premium for striking first) and hence represent a stabilizing influence.

b. Improved Yield and Accuracy for MINUTEMAN.

MINUTEMAN III is being improved

These are interim improvements to redress throw-weight asymmetries and maintain

essential equivalence pending the availability of M-X. Numbers of MINUTEMAN III are inadequate, even with improved accuracy and higher yield, to represent a first strike threat.

c. MaRV (Maneuvering Reentry Vehicle).

MaRV's are potentially applicable to any ballistic missile. They have two applications. One is for evading defensive missiles, the other is for improving overall missile system accuracy. /

As with other weapons systems or components, this development does not threaten any adversary. Further, deployed quantities can satisfy, potentially only one of the three essential criteria for a first strike.

d. Bombers and Cruise Missiles.

These represent no conceivable first strike potential because of the long flight times involved.

2. Subjects of Concern - Verification

a. M-X: Discussed above under first strike.

b. Cruise Missiles: Two cruise missiles are currently in advanced development: the air launched cruise missile (ALCM) and the TOMAHAWK sea launched cruise missile. The ALCM, deployed on B-52s, could significantly enhance bomber force effectiveness by diluting Soviet air defenses, supplementing penetration range, and providing increased overall targeting flexibility. There are two versions of the TOMAHAWK. The conventionally armed anti-ship TOMAHAWK will provide the Navy a much needed capability to insure that our ships and submarines will not be out-ranged by potential adversaries. The nuclear armed Land Attack TOMAHAWK could be deployed on submarines, surface ships, aircraft, and mobile land launchers for tactical or strategic attack.

Both ALCM and TOMAHAWK are highly accurate, flexible, inexpensive weapons. They are small, aerodynamic vehicles that fly at high subsonic speeds at very low altitude making them very difficult to detect and destroy. They use common TERCOM terrain matching guidance, system turbine engine, and nuclear warhead.

It is expected that a decision will be made in the next few months on whether to enter engineering development with either ALCM or TOMAHAWK or both.

If cruise missiles are covered in future SAL agreements, there could be two aspects of compliance verification to be addressed. The first aspect could be verification of the total number of cruise missiles deployed or in storage and the second could involve limits on range of the missiles.

There is no known adequate technical basis for verifiably constraining cruise missile range. For example, some current Soviet missiles, with substantially less range than the potential U.S. cruise missiles, are physically much larger than the U.S. cruise missiles would be. An overriding consideration bearing on the problem of limiting cruise missile range is the fact that the geographical distribution of Soviet targets requires a long range for U.S. cruise missiles whereas heavy coastal population and industrial concentration in the United States permits attack by short range Soviet cruise missiles. There is no realistic way to differentiate between tactical and strategic cruise missiles.

3. Subject of Concern - Threats to Soviet Strategic War-Making Capabilities

- a. U.S. Offensive Systems: Discussed in 1. above.
- b. ABM: We have no deployed ABM capability. We have a program (~\$200M) in advanced component and systems technology. No weapons system is under development. ABM R&D has the following objectives which represent no threat to any Soviet strategic war-making capability:

- Maintain a capability to develop and deploy an ABM system should one be required for defense of ICBM forces, C³ systems, or other high value targets.

Maintain the U.S. lead in ABM technology through investigation of advanced components, technologies, and systems concepts that could yield a technological breakthrough.

c. Space Defense:



SPECIAL NUCLEAR MATERIALS

Issue: Does U. S. run short of special nuclear materials for its weapons?

1. Subject

The term special nuclear materials (SNM), consists of enriched uranium, plutonium, and tritium.

2. Background

o There are two alternatives which may be considered:

o ERDA has "mothballed" capacity

3. DoD Position (U)

N/A

4. Current Status

5. Funding (U)

N/A

SPACE DEFENSE

1. Subject

2. Background

3. DoD Position

4. Current Status

o

o

5. Funding (Millions)

FY 76 & Prior

77

78

79

80

81

9.2

12.0

HIGH ENERGY LASERS

1. Subject of Interest

2. Background

o The program is essentially in the exploratory and early advanced development stage.

o We have made a concerted effort to focus on technology and avoid directing major portions of our efforts toward specific near term applications.

o [

o [

o [

o [

o All three Services and DARPA are involved and ODR&E has a stronger than usual coordination role.

o [

o [

3. DoD Position

[

4. Current Status

o [

o [

o [

o [

o [

NATO AIRBORNE EARLY WARNING (AEW) AIRCRAFT

- I. PROBLEM: NATO has a need for an airborne early warning aircraft to provide the key element in establishing control of the air environment wherever NATO forces are engaged.

Tri-Major NATO Commanders requirement has been stated for a force of these aircraft. A decision on this matter will have to be made during the Feb-May 1977 time frame.

II. BACKGROUND

Since 1973 the US has proposed that NATO accept the USAF E-3A AWACS (or a derivation thereof) as the candidate aircraft to satisfy the Tri-Major NATO Commanders ROC for a force of NATO Airborne Early Warning aircraft. Several different NATO committees, study groups, and steering committees have been formed to provide recommendations on aircraft type, configuration, force size, ground interface modifications with NADSE, Strida II, UKADGE, and 407L/412L.

Other NATO nations such as Norway and Netherlands have expressed strong support, but

The most recent expression of NATO on this matter was at the 8 December 1976 NATO Defense Planning Committee meeting. At that meeting the NATO Defense Ministers reaffirmed the importance of a NATO AEW force and agreed to a meeting of high level experts in early January 1977 to examine financial aspects to be followed shortly thereafter by a meeting of Defense Ministers to decide whether or not to proceed.

III. DoD POSITION :

- IV. Status: DoD representatives are preparing for participation in the meeting of the NATO high level experts to be held in January 1977.

NET TECHNICAL ASSESSMENT--U.S. vs. USSR RDT&E

1. Subject of Interest: The relative capabilities of the U.S. and USSR for performing military RDT&E.

2. Background:

These analyses show the USSR outspending the U.S. in military RDT&E for at least the last six years.

More substantive comparisons take into account differences in RDT&E style (e.g., willingness to innovate), market base for technology advances, and relevance to system mission capability. A judgmental assessment has been made taking these factors into account, and indicates a comprehensive pattern of improvement in the quality of Soviet military RDT&E. Although U.S. technological quality generally continues to surpass that of the USSR, the combination of Soviet quantitative advantage and quality improvements is of serious concern to future U.S. national security.

3. DoD Position: The U.S. leads overall in military technology, and needs to retain the lead to maintain--at reasonable cost--a military balance with the USSR, so as to deter global conflict and deter or win limited wars. The U.S. has an inherent advantage, in that advances in several militarily important technologies are jointly supported by the military and commercial markets (e.g., aircraft gas turbines, semi-conductor and integrated-circuit industries, and computers). There is no counterpart to this joint market support in the Soviet Union. Soviet RDT&E effort in the past has generally emphasized continuity of effort and incrementalism, but in recent years they have shown that they can pull ahead of the U.S. if there is no U.S. commercial base and DoD does not support technology advances (e.g., chemical warfare). Today, Soviet military RDT&E exhibits increasing willingness to invest in high-risk technologies with potentially great payoff in military applications. The U.S. can beat the Soviets without commercial support if DoD chooses to do so (e.g., air-to-air avionics and military space systems), despite the advantages to Soviet intelligence from the U.S. open society.

4. Current Status: The U.S. has shown the Soviets that superior technology can offset numerical advantages in materiel and personnel. Declared Soviet science/technology policy is to surpass the U.S., but they have signalled key deficiencies by aggressive attempts to transfer technology from the U.S.

However, there are gaps in our understanding of some Soviet military RDT&E activities, which appear to be related to vital mission areas of U.S. forces. Three steps need to be taken to avoid technological surprise: (1) Continue to monitor and assess Soviet RDT&E activities and their potential relationships to the military balance. (2) Maintain a vigorous R&D effort to generate technological options in areas where our vulnerability is uncertain and risk of surprise is great. (3) Maintain a persistent and coherent program of RDT&E for advancing and exploiting militarily important technology areas where U.S. is strong. In addition, the U.S. must develop new strengths for application in selected mission areas where Soviet efforts are creating an imbalance.

Budget Related Issue

CHAIR HERITAGE

Issue: (U) The Navy has been prevented by Congressional action from continuing the Chair Heritage Program at _____ funding levels.

History:

The Fiscal 1977 request for authorization contained an Exploratory Development and an Advanced Development project in support of Chair Heritage. The Advanced Development program, budgeted at \$3.4M, was to initiate the development of an Advanced Test Accelerator (ATA). These funds were deleted by the Joint Committee on Armed Services pending recommendations from a review of the Chair Heritage program by the JASON Committee. *

(U) The JASON Committee completed its study and reported favorable regarding program continuation. The results of the JASON review and the proposed program were presented to the Congressional staffs and a request for approval to proceed was sent to the HASC. However, HASC concurrence has not been received. All FY 77 funds are deferred pending resolution of this issue.

Position: (U) HASC - Current position is not known. Impending meeting with HASC staff may clarify situation.

ODDR&E

Impact: (U) Delaying this program for more than a year will break up the leading team in Lawrence Livermore Laboratory and delay the answers needed to establish the feasibility of the use of this machine as a viable weapons system.

*A DARPA Advisory Committee

CANNON LAUNCHED GUIDED PROJECTILE COPPERHEAD (CLGP)

1. Problem: The Army has been in Engineering Development since 1975 on a 155mm Cannon Launched Guided Projectile with terminal homing capability, and has the program on contract to Martin-Marietta. The Navy has also been doing similar in-house work on a 5" projectile for ship-board use and more recently has done work on an 8" guided projectile. DoD has continually stressed commonality of the Navy 5" and the Army 155mm rounds,

On the other hand, the House Armed Services Committee has continued to reduce Army funding for COPPERHEAD thus delaying the program, while directing that more commonality studies be conducted.

2. Background: Martin Marietta Aerospace and Texas Instruments Incorporated were selected in February 1972 for participation in Advanced Development. During this phase the major subsystems of the COPPERHEAD (CLGP) were gun-fired to determine survivability. The two contractors, with different design concepts, were authorized to enter into the Validation Phase of Advanced Development in September 1973.

DSARC II was held on 19 June 1975, resulting in authorization to enter Full Scale Engineering Development. Martin-Marietta was awarded an Engineering Development Contract on 25 July 1975. The contract modification for the restructured contract, necessitated by Congressional reduction in FY 76/77 was signed 25 Jun 76 and increased the program by \$5M. A task force chaired by DDR&E with Army, Navy, and Marine Corps members, conducted a guided projectile commonality study during May thru Sep 76. This study was completed and forwarded to Congressional Armed Service Committees on 27 Sep 76. The task force recommended that both 5" and 155mm guided projectile development should be continued. In view of the above, the Army was authorized to initiate Producibility Engineering Planning (PEP) on 15 October 1976. The HASC subsequently held up PEP and approval to initiate it was given to the Army on 3 December 1976 with liability limited to \$850,000 and efforts to stop at end of February 1977.

3. DoD Position:

saC

4. Status:

IMPACT OF PROCUREMENT CHANGES
ON THE FIS

1. Problem: The FIS program

[Empty box for Problem description]

2. Background:

[Empty box for Background description]

3. DoD Position:

[Empty box for DoD Position description]

4. Current Status: The PBD's reflect these changes.

AIR TO AIR MISSILE INVENTORY

1. Problem: USN and USAF fighter aircraft are

2. Background: A number of factors have caused a shortage of air-to-air guided missiles. The War in Vietnam caused expenditures to be high both for combat and training, the increasing cost of new missiles results in reduced quantity buys, and the low missile kill probability translates into a requirement for more missiles to meet substantially the same threat. In addition, development programs for new missiles (AIM-7F and AIM-9L) both ran into problems which resulted in delays and further exacerbated the inventory problem.

3. DoD Position:

For the immediate future, we must strive to develop a new generation of missiles which (a) are more affordable by virtue of lower cost of acquisition and ownership, (b) have a higher kill probability so that we need to procure them in fewer numbers, and (c) can be developed on schedule.

4. Current Status:

These missiles will be joint (USN/USAF) developments.

The prime candidate for the CAAM is

3. DoD Position:

4. Current Status: The PRDs reflect the DoD position with initial funding established in FY78.

technical approach (BTA). Five contractors were chosen to assist in development of system concepts and to propose in-depth technical and cost tradeoffs and program cost and schedule data. In addition, a survey of foreign rocket system technology was conducted for application. The SSC then proceeded with a Cost and Operational Effectiveness Analysis comparing the BTA to foreign, existing U.S. and parametric systems.

3. DoD Position:

4. Status: The Army is preparing for a DSARE I on 11 January 1977, and if the program is approved, contractual effort will begin in March-April 1977.

GAO(LW)
LTC Cass
3 Dec 76

INFRARED IMAGING SEEKER
(For Air to Ground)

1. Problem: The Air Force has received OSARO approval to enter Engineering Development with the MAVERICK missile with an Infrared Imaging Seeker (IIR). The Navy now agrees to utilize MAVERICK IIR, while the Army is not presently fully supporting development of an imaging seeker for HELLFIRE.

2. Background: Efforts have been on-going at the Army Missile Command since 1972 to develop an imaging seeker suitable for helicopter use on a small diameter missile. Contractors involved in this Exploratory Development have been Hughes and Texas Instruments. During the same timeframe the Air Force has more energetically funded an Advanced Development program with Hughes for a MAVERICK seeker. They are now ready for Engineering Development to commence in April 1977. The Navy, while earlier supporting BULLDOG and a non-imaging seeker, is now supporting MAVERICK imaging.

3. DoD Position:

4. Status: Air Force starts ED in April 1977 on MAVERICK IIR for AF/Navy use. The Army is working a very low level 6.2 effort in FY 77, while planning a nominal 6.3 start in FY 78 for a HELLFIRE imaging seeker. Joint operational tests are being conducted.

Enclosure 3

Papers to be Partially Denied on Exemption 5

Technology Base Funding Increase

Control of Size of In-House Technology Base Program

DOD Use of Animals in Research

Chemical Warfare-Biological Defense

Chemical Warfare Policy

Chemical Warfare Readiness Improvement (also on Enclosure 2)

Weather Modernization

Computer Software

Bombers

Briefing Paper (also on Enclosure 2)

Ballistic Missile Defense

High/Low MIX

XMI Tank Program

FRG/UK/US Tank Gun Firing Trials

NATO Airborne Early Warning (AEW) Aircraft (also on Enclosure 2)

Test and Evaluation Efficiency

Major Range and Test Facility Base

TRIDENT I Flight Test Program at the Eastern Test Range (unintelligible
w/deletions)

Independent Research and Development

Export of Technology

Standardization and Interoperability within NATO

Human Resources & Manpower R&D

TECHNOLOGY BASE FUNDING INCREASE

1. Subject of Interest: The term Technology Base refers to the Defense Research (6.1) and Exploratory Development (6.2) categories of the RDT&E budget, and part of the Advanced Development (6.3) category.
2. Background: The Technology Base constitutes approximately 20% of the DoD RDT&E budget. It is the foundation for the RDT&E program and provides the technology options for new techniques, new systems and better manpower use leading toward improved military capability. The Technology Base contributes to the economic health of the nation through commercialization of R&D by-products. The Technology Base is performed in the in-house laboratories as well as through contractual efforts with universities, and industry.

The Technology Base effort decreased about 46% in terms of constant dollars beginning in FY 64. This trend was reversed through increased financial support to the Technology Base beginning in FY 76. This increase has been supported by DoD and the Armed Services Committees and the Appropriations Committees.

3. DoD Position: The Technology Base is our foundation for the future security of the nation. It has given us some notable firsts in military capabilities, including initiatives in laser systems, improved jet engines, improved aerodynamics, advanced simulators for an undergraduate pilot training, improved materials, night vision devices, communications technology and reduced mortality for the combat injured.

4. Current Status: The PPGM specifies an increase in Research (6.1) of a minimum of 10% per year in constant dollars through FY 80 and, further, that Exploratory Development (6.2) shall not be decreased below the FY 78 budget request in constant dollars in FY 79-83. It goes on to specify that the percentage of 6.1 achieved in FY 80 to the total RDT&E budget and the percentage of 6.2 achieved in FY 78 to the total RDT&E budget will be maintained as the minimum guidance level in subsequent years.

This increase will continue the trend toward reinvigorating our Technology Base program and will serve as tangible evidence of a renewed commitment to technological superiority on the part of the DoD and Congress.

Budget Related Issue

CONTROL OF SIZE OF IN-HOUSE TECHNOLOGY BASE PROGRAM

Issue: We are restructuring the Technology Base program by decreasing the amount of work done in-house and increasing the amount done in industry and universities.

History: The DoD Technology Base has three major participants (the in-house laboratories, industry and universities), each performing a unique part of the overall program. Over the past ten years there has been a decrease of approximately 40% in the level of effort in the DoD Technology Base program. This decrease has been taken primarily in the university and industry programs while the in-house effort has remained essentially level. The in-house portion had increased from approximately 23% of the total Technology Base program in FY 68 to approximately 43% in FY 76. We are restoring the level of effort as well as the balance between participants by increasing the funding in the program, directing that the increase go primarily to the university and industry programs and by a manpower drawdown of approximately 10% in the in-house RDT&E program. Our goal is to reduce the in-house portion of the DoD Technology Base program to approximately 30%.

Position: In FY76 the Air Force program was approximately 43% in-house, the Navy 41%, the Army 60%, and, with DARPA and DNA essentially all contract, the overall DoD level is 38%. We are continuing to control the in-house program by establishing a maximum level of effort for the Army, Navy, and Air Force in FY 77.

DOD USE OF ANIMALS IN RESEARCH

Subject of Issue: Periodically, and from public and Congressional interest to DoD using animals in research, especially beagles, occurs.

History: Annually in the Spring, several animal protective associations and Congressional members reopen a letter campaign which questions the need for, the proper care of, and the use of animals in research. A favorite tactic has been to associate this complaint with a DoD program that is also judged unpopular or inhumane by other groups, such as chemical warfare agent development, and to use this as a basis for getting restrictions on animal use placed into DoD budget and authorization legislation. The constraints, however, are written in a manner making them applicable to more than DoD and more than the unpopular program to which they are attached (i.e., all Federally supported research).

DoD Position: Testing using animals is essential for the conduct of DoD research in the medical and life sciences areas. Substitutes for animals are used to the maximum possible.

We comply with all laws and guidelines regarding the proper use of animals. This has been published in DoD Instruction 3216.1, Policy on Animals in DoD RDT&E, Clinical Investigations and Instructional Programs. Without use of animals in testing, the R&D programs to establish standards for human exposure to toxic substance, combat trauma and blood substitute care, procedures and materials and new drugs and vaccines could not be qualified for human use.

CHEMICAL WARFARE-BIOLOGICAL DEFENSE

1. Subject of Issue: Chemical warfare and chemical/Biological (CW/BB) defense programs.

2. Background

- o Program Objectives: In support of current national policy, these programs are designed to maintain a deterrent to possible use of CW/BW against U.S. or Allied forces and to provide a retaliatory capability if deterrence fails. The emphasis of the program is to provide the necessary defensive equipment and procedures to warn of, withstand, and recover from an attack. The effort includes an assessment of the threat and the vulnerability of U.S. forces.
- o The USSR has the world's greatest capability to operate in a CW environment.
- o The US retaliatory stockpile requires modernization to be credible; major improvements in the defensive posture are required.
- o Strong Congressional opposition exists to the development of binary munitions (a new, safe packaging configuration where non-lethal components form the same toxic chemicals as the present stockpile when fired) as a means of modernization; good Congressional support exists for an improved defensive capability.
- o RDT&E is generally adequate; however, procurement of defensive equipment and troop training needs improvement and emphasis.

3. DoD Position

- o Supports effort to improve US forces capability to operate in a chemical/biological environment; encourages Allies to follow similar course.
- o Supports limited effort to modernize retaliatory capability.

4. Current Status

- o OSD guidance in PPGM* and DPPG** emphasizes defensive programs, both in RDT&E and procurement, while maintaining through selected segments of general purpose forces the capability of limited retaliation.

o The Department of the Army has completed one study, "Chemical Warfare Policy, 1980-1990," prepared by the Strategic Studies Institute. A similar study is in progress by Stanford Research Institute, using the same threat analysis and terms of reference, funded jointly by the Army and the ASD(ISA). The JCS is developing, under contract with IDA, a system for estimating chemical munition requirements utilizing a two-sided wargame scenario based on an analysis of targets. The Army has a similar effort in progress at the Concepts Analysis Agency. The Director (P&B) has completed a contract study with SPC Corp. analyzing chemical warfare program issues. NSSM 192 which discusses current national policy alternatives is still outstanding.

o Procurement of defensive equipment and training is being emphasized in both Departments of Army and Air Force; Department of Navy contract study in progress to define scope and specific needs.

Budget Related Issue

CHEMICAL WARFARE POLICY

1. Subject of Issue: Long-standing Chemical Warfare (CW) policy is: no-first use of CW, maintain a chemical warfare capability to deter the use of CW against the US or its Allies and to be able to retaliate in-kind should deterrence fail, and be able to protect the US forces against CW attacks.

2. Background: The above policy has been stated many times, most recently in 1969 when the US relinquished any biological warfare capability. In January 1975, the US ratified both the Geneva Protocol and the Biological Weapons Convention (BWC). The Geneva Protocol bans first use of CW only since all major powers retain the right to retaliate in-kind. The BWC binds all parties to continue negotiations on an agreement banning chemical weapons.

A number of studies by the Department of the Army, ASD(ISA), Director (P&E), the JCS, and the Navy are in various stages of completion. The Congress has requested the GAO to review the total CW policy and posture.

3. DoD Position: Supports extensive efforts to improved protective posture through R&D and procurement and encourages Allies to follow similar course; supports limited efforts to maintain a retaliatory capability.

4. Current Status:

WEATHER MODIFICATION

1. Issues:

a. Advertant Modification. Senator Pell opposes DoD involvement in weather modification, and has been instrumental in involving the U.S. in a treaty to prohibit military weather modification.

b. Inadvertant Modification.

2. Background:

There is public concern, and in some cases fear, that man's weather modification activities may cause unacceptable damage and human suffering.

DoD has been criticized for its precipitation enhancement operations over Vietnam. Senator Pell has pressed to restrain DoD from all research or operations in weather modification.

The U.S. is negotiating a convention, "The Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques."

The Congress has asked the Executive Agencies to conduct research into stratospheric pollution. NASA and NOAA are tasked to conduct a research and monitoring program. DoD operates majority of facilities that can sample in stratosphere, but such routine sampling beyond DoD mission.

3. DoD Position:

a. DoD presently is not engaged in any classified research or operations in weather modification. All DoD activities are reported to and published by the National Oceanic and Atmospheric Administration.

b.

c.

BOMBERS

Issue: In the Missile Age, why do we need bombers?

1. Subject

Bombers remain the one leg of the TRIAD where U. S. still retains significant numerical advantage over its Soviet counterpart. This advantage is in both hard and soft target kill capability. Bombers can be launched on warning and dispersed. The bomber is recallable after launch; it can be rerouted enroute; it can be used in different levels of conflict. The bomber can demonstrate U. S. resolve by adjustment of alert rate without actually entering into combat. Its long time to reach intercontinental targets precludes it as a first-strike force. The bomber force is thus a stabilizing force.

2. Background

Continued improvement of Soviet air defenses make the strategic bomber's job increasingly difficult. Since the 1950s, the B-52 has been the backbone of the bomber force. Improved avionics and addition of air launched missiles (SRAM) has permitted growth capability but the aircraft's basic technology is that of the 1950s. Large radar cross section, softness to blast effects and its bombing and navigation system limit the continued potential of the B-52.

The B-1 is scheduled to enter the inventory in the early 1980s. The B-1 will allow the continuance of the most flexible leg of our TRIAD, the bomber, to maintain superiority over the Soviets with its improved penetration capability, low radar cross section, superior avionics, and larger and more flexible weapon mix.

3. BoB Position

4. Current Status

Some B-52 avionics improvements are continuing where practical and necessary to maintain its effectiveness. The development of the B-1 is nearing completion. The great wealth of test data show that the B-1 is ready for production.

5. Funding (Millions)

<u>FY 76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>	<u>82</u>
600	129	487				

BALLISTIC MISSILE DEFENSE

1. Subject

The Ballistic Missile Defense (BMD) program is comprised of two complementary efforts -- The Advanced Technology program and the Systems Technology program.

2. Background

Our BMD efforts are directed at maintaining a technology lead over the Soviets and supporting U.S. strategic offensive forces and Intelligence Agencies by maintaining an in-depth understanding of BMD technology. These are sustained, broad-based efforts to investigate and develop new technologies and concepts and to provide a systems technology base for application to various types of future BMD systems. With the deactivation of the SAFEGUARD system we no longer have a deployed BMD system and with the reorientation of the Site Defense program we are not developing an operational system.

The principal focus of the Systems Technology effort through 1978 will be directed toward terminal defense issues. Modest efforts are also being initiated on a non-nuclear intercept capability that could complement a terminal system, and on a very low altitude concept applicable to the defense of a mobile ICBM force. These two new tasks will form the basis for the future efforts and the level of funding for them requires consideration.

The BMD efforts are the Army's only strategic programs.

3. DoD Position

4. Current Status

- o Funding level is inadequate in FY 78 to properly support new tasks.
- o The BMD programs are the responsibility of the Army.

5. <u>Funding (millions)</u>	<u>FY 76</u>	<u>77</u>	<u>78</u>	<u>79</u>	<u>80</u>	<u>81</u>
Advanced Technology	97.0	102.7				
Systems Technology	100.0	100.1				

HIGH/LOW MIX

1. Problem: Is the High/Low Mix a viable concept for modernizing our forces.
2. Background: The Warsaw PACT presently has a quantitative advantage in weapon systems over the US and are increasing the quality of new systems as they enter their inventory. At the same time, the US is faced with the problem of increasing weapon system costs. The High/Low Mix is a force structure planning concept which attempts to offset these problems by procuring a small fleet of high-performance systems ("High") to counter the superior threat, and a larger fleet of lower-performance systems ("Low") to counter the average threat. The concept has been implemented by either developing large numbers of "low" systems where we have a qualitative advantage, or to develop small numbers of expensive "high" systems for missions in which we have near parity of numbers. The latter approach has worked fairly well except that it forces a relatively fixed composition because the "low" systems are generally out of production.

In May 1974, the Secretary of Defense told the SASC that he would approve expansion of the Air Force tactical structure from 21 to 26 wings if the Air Force could develop and field large numbers of missionized versions of the YF-16 Lightweight Fighters such that the total cost of the 26 Wing force would not be significantly greater than the previous 21 wing "high" force.

3. DoD Postion:

4. Current Status: The High/Low Mix concept is included in mission area planning and Extended Planning Annexes which provide force structure estimates out to 15 years. Some examples of high/low mixes in which we are developing low systems are the F-15/F-16, F-14/F-18, A-10, and FFG-7 Patrol Frigate. High system mixes being developed are the UTAH/UH-1, XM-1/M-60, AAH/COBRA, and

XMI TANK PROGRAM

1. ISSUE: XMI Tank/Leopard 2(AV) Tank Comparative Evaluation.

2. BACKGROUND:

a. The US Army and the FRG's Federal Ministry of Defense entered into an agreement in December 1974 to make all reasonable efforts to achieve maximum standardization on the XMI and Leopard 2 tanks. As part of this agreement, the US Army confirmed its intention to test the Leopard 2, as modified to meet US requirements, to the same ground rules and constraints established for the XMI and include it in a comparative test and evaluation.

b. The competitive test of the US Chrysler and General Motors XMI prototypes was conducted during the period February-April 1976. The comparative test of the FRG's Leopard 2 (American Version)(AV) was conducted during the period September-December 1976.

c. In July 1976 an Addendum to the 1974 agreement was approved which concerned the procedures to be followed in attempting to identify and amplify areas of potential standardization in the XMI and Leopard 2 tank programs. Major areas to be considered were the main gun and ammunition, engine, track, transmission, and fire control.

d. Following a four-month delay in the XMI program to permit the contractors to resubmit additional proposals based on the standardization addendum, Chrysler was awarded the full-scale engineering development contract on November 12, 1976.

e. Access to XMI test results were closely controlled within the Army and OSD to protect the highly competitive nature of program. DD(T&E) evaluation of test results was performed by the assigned military staff assistant. DD(T&E) assessment of test results, released prior to selection of winning contractor, was written in a generic sense.

f. The US is scheduled to select by March 30, 1977, either the Chrysler proposal or the FRG's Leopard 2(AV) proposal for continued full-scale engineering development.

g. Charges of lack of OSD and Army objectivity during test and subsequent evaluation of Leopard 2(AV) have been raised in the press and by DCA Int'l representatives. These charges have been manifested in press articles to the effect that OSD has predetermined the US tank to be superior to the Leopard 2(AV); DCA International representatives have discussed their apprehensions concerning objective T&E analysis with various Departments of State and Defense officials.

3. RECOMMENDED POSITION:

FRG/UK/US TANK GUN FIRING TRIALS

1. ISSUE: Relative effectiveness of US 105mm M68 gun with improved ammunition, FRG 120mm smoothbore gun and developmental ammunition, and UK 120mm rifled gun with current and developmental ammunition.

2. BACKGROUND:

a. A FRG/UK/US joint evaluation of main armament systems for main battle tanks was conducted between November 1973 and August 1975. The overall objective of this Trilateral Tank Main Armament Evaluation was to seek a decision on a common solution for the main armament of the FRG Leopard 2, the US XM1, and the UK/FRG Future Main Battle Tank (FMBT). The candidate systems studied in the evaluation were the FRG 120mm smoothbore system, the UK 110mm rifled bore system, and the US 105mm rifled bore system.

b. The Trilateral Group recommended that production of the XM1 be initiated using the improved 105mm system but consideration be given in the XM1 program to possible incorporation of a 120mm armament system at a later date; that the first lot of Leopard 2 be produced with the 105mm system but the Leopard 2's turret design optimized for a 120mm armament system; and that an optimal main armament system, giving consideration to both smooth and rifled bore designs but based initially on the FRG 120mm smoothbore system, be developed as expeditiously as possible for the Leopard 2 Lot 2, FMBT, and possible product improvement of the XM1.

c. In January 1976, the Secretary of Defense approved the Army's recommendations to initiate production of the XM1 with the improved 105mm gun system and plans for a cooperative development program for an optimal tank main armament system for the long term future. The SecDef also requested the Army to assure that the production XM1 design could accommodate a 120mm gun with essentially no change in the tank design other than the turret.

d. A FRG/US July 1976 addendum to original 1974 MOU specified FRG and US would strive for maximum standardization in tank programs to include eventual use by both countries of 120mm gun. A January 15, 1977, decision date was established for selection of the 120mm gun system design. In July 1976, the XM1 tank program was delayed four months to permit US contractors an opportunity to present proposals based on the standardization agreement.

e. Congress (HASC) objected to delay in XM1 program and passed a resolution to effect that XM1 should be fielded with US 105mm M68 gun. Further, the resolution stated the gun was not to be replaced until threat dictates need for larger gun, and the 120mm gun proven, through tests, superior to the 105mm gun.

f. FRG/UK/US conducted additional tank firing trials, November-December 1977 to include UK 120mm rifled bore designs, to supplement 1975 Trilateral data and attempt to resolve FRG issues and relative merits of 120mm smooth and rifled bore systems.

3. RECOMMENDED POSITION:

Test and Evaluation Efficiency

1. Issue: Are TD(T&E) policies under DoD Directive 5000.3 resulting in undue program delays, excessive costs, or both, due to test requirements?

2. Background: In carrying out the directives which implement the efforts to correct the deficiencies highlighted by the Blue Ribbon Defense Panel, testing beyond that required under earlier practices is often included in the R&D phases of system acquisition programs. The testing itself, and the correction of deficiencies uncovered in testing are significant elements in the cost of the RDT&E phases of the program and its duration.

Thus, observations and corrective actions which, under earlier procurement methods, would have taken place after field introduction, are specifically identified as part of the development and initial operational testing efforts, and made a part of the budgetary reckoning.

The present T&E procedures lead to the acquisition of systems which are more nearly ready for operational use, and less susceptible to the need for extensive backfit or "get well" programs to correct previously undetected deficiencies.

3. DSB Assessment: A task force of the Defense Science Board, under the Chairmanship of Dr. Eugene Fubini, was created in May 1976, and charged with assessing the effectiveness of current T&E policies and procedures. The final report of this task force will be available in February 1977.

4. Recommended Position:

TRIDENT I FLIGHT TEST PROGRAM AT THE EASTERN TEST RANGE

1. ISSUE: Tests associated with the effect on the TRIDENT I (C-4) missile upon activation of the missile Flight Termination System (FTS) will be completed in March 1977.

2. BACKGROUND: In preparation for TRIDENT I (C-4) missile flight test initiation on the Eastern Test Range, the navy conducted a static firing test of the first booster stage and activated the FTS of the TRIDENT I (C-4) missile in June 1976. When the FTS was activated, detonation resulted.

The DER&E decision did not specify actions to be taken if the demonstration tests resulted in detonation.

3. RECOMMENDED POSITION:

IR&D/B&P RESEARCH AND DEVELOPMENT

1. Issue: To develop a means of satisfying the objectives of IR&D and B&P which can be supported by the Executive Branch, the Congress and the Industry.
2. Background: Industrial firms, particularly those in the higher technology product areas must engage in a continual effort whose objectives include developing and maintaining a competition posture in chosen product areas by advancing the technology and exploring innovative concepts in these chosen product areas. Part of the effort may be funded by direct customer technology contracts primarily in the defense environment. The balance must be considered a necessary cost of doing business and these costs must either be expensed in the current accounting period or capitalized for recovery in later accounting periods. DoD has permitted defense contractors to expense such costs as overhead charges on defense contracts since 1959. The rationale and the groundrules for such allowance have been the subject of continuing review and analysis both within DoD and within the Executive Branch. Certain elements of Congress have repeatedly criticized both the rationale and the administration of the IR&D/B&P effort and in recent years has imposed constraints regarding relevancy of the effort via amendments to the appropriation acts (see Section 203 of the Defense Appropriation Act for FY 71, Public Law 91-441). A further constraint on total dollars to be allowed for recovery by DoD contracts has been threatened (Proposed).
3. DoD Position: DoD maintains that IR&D/B&P are normal costs of any business and therefore are allocable charges to a contractor's overhead subject to certain restrictions concerning relevancy and amount of dollars allowed. The ASPP details the contractual groundrules for IR&D/B&P allowance while DoD Instruction 5100.66 establishes the policy and procedures for technical evaluation of relevancy and technical quality.
4. Current Status: The subject of IR&D/B&P has not arisen in the Congress since the submission by DoD of the results of a study regarding funding of IR&D/B&P by line item of the budget. This report forwarded to the McIntyre and Proxmire Subcommittees in April 1976 resulted from Joint Subcommittee hearings in September 1975 called to discuss the results of a comprehensive GAO study of IR&D over the preceding two years. The concept of Line Item Budgeting and Contract Allocation of IR&D/B&P funds to major contractors was one of the recommendations in the GAO report.

The Office of Federal Procurement Policy is developing an Executive Branch policy on IR&D for release as an OMB Circular.

DDR&E
2 Dec 1976

UNCLASSIFIED

EXPORT OF TECHNOLOGY

1. Issue: High technology transfer to the Bloc countries, either directly or via our Allies, is of deep concern to DoD. Past technology transfers and the expiration of the Export Administration Act during the last Congress resulted from strong differences of opinion on the value of present export controls. This was coupled with the criticism of DoD for inadequate allocation of resources to this problem. Arms Export Control Act of 1976 (Public Law 94-329) will require clear definition of "defense articles" and "defense services" that will be subject to the provision of the Act. Also to be considered is the erosion of our competitive economic base resulting from unrestricted exports of high technology.
2. History: The transfer of high U. S. technology to the Soviet and Chinese Bloc is creating increased concern in the DoD and among certain segments of the Congress. During this past two years, various committees have been set up by the Congress, the President, Commerce, Defense, State and the GAO to highlight the various views.

The Defense Science Board completed a study in Feb 1976 recommending a streamlining of the export control list to emphasize control of technology rather than control of products as is now the case. DepSec Clements assigned DDR&E the responsibility to implement the recommendations and the AD (International Programs) has this effort underway. This is now a broad interagency effort. Primary focus is on the identification of critical strategic technologies and mechanisms of technology transfer. Some of the required improvements of the administration of export controls within DoD have also been identified pertaining to the allocation of additional resources to the export control problem.

3. Impact: The Congress failed to extend the Export Administration Act due to lack of time and many unresolved issues.

The accomplishment of these aims in timely manner as requested by Congress and Industry will demand high level DoD management attention and allocation of requisite resources.

STANDARDIZATION AND INTEROPERABILITY WITHIN NATO

1. Problem: NATO's combat capability, military efficiency and deterrence could be significantly improved through greater standardization and interoperability of weapon systems in the Alliance. Greater standardization should also result in appreciable long term efficiencies in development, production, logistics, training, and maintenance.
2. Background: The obstacles to achieving standardization of equipment in NATO are many. Most national procurement decisions are sufficiently large that considerations go beyond purely military aspects and cover such other vital national-level considerations as industrial production base, employment, technology base and balance of trade. However, we are finding ways to deal with these problems.

Generally, the most satisfactory approach to contending with domestic problems associated with standardization is through licensed production of standard equipment in both North America and Europe-- examples are the ROLAND II Short Range Air Defense System and the F-16 programs.

Many of the benefits of standardization can be realized through ensuring interoperability of equipment--for example, being able to service aircraft on each other's airfields, being able to communicate with each other, and being able to use common fuels and ammunition.

3. DoD Position: The DoD strongly supports NATO standardization and interoperability efforts. We have strengthened the DoD Weapon System Acquisition process to ensure that adequate consideration is given to foreign solutions, that U.S. systems are designed to be interoperable with those of our NATO Allies to the greatest degree possible and practical. We seek methods by which our NATO Allies will be encouraged to agree to U.S. solutions (e.g., through co-production opportunities) when appropriate.
4. Current Status:

HUMAN RESOURCES & MANPOWER R&D

1. Issue: The House Appropriations Committee reduced the FY 76 program request in this technical area by \$20M. The Senate Appropriations Committee restored \$10M.

2. Background: This technical area includes work in training; training devices and simulators; personnel, manpower, and contemporary issues (equal opportunity, race relations); and human factors in weapon systems development and operations. In reducing funding, the House Appropriations Committee questioned both the utility and priority of the R&D. The Senate restoration was to enable the highest priority training and simulation projects to be continued.

The FY 77 funding request for the five Program Elements reduced by Congress in FY 76 was held to the FY 76 budget request level, a substantial reduction from the growth planned for this area. The area of Human Resources R&D was separated into three categories of work: (1) the technologies for training, simulation, training equipment and human engineering, (2) a smaller effort in the personnel and manpower area, and (3) a separate effort in the social science contemporary issues area. The purpose was to clearly delineate these three sub-areas of work so that they can be independently structured and appraised.

This action was successful since no across the board reduction was made by Congress in FY 1977.

3. DoD Position:

The technology area has been retitled to Training and Personnel Technology to emphasize program reorientation.

4. Current Status: Congress has requested and the GAO has conducted a major survey of the area. The GAO report is expected to be released in January 1977 to the House Appropriations Committee.

OAD(E&LS) ³⁰⁰
29 November 1976

REMOTELY PILOTED VEHICLES (RPV'S)

1. Issue: Remotely Piloted Vehicles (RPV's)

2. Background: DoD has considered that RPV's offers significant capabilities for high risk missions in the area of battlefield surveillance. DARPA's 5-year initiating thrust in RPV's for military missions will conclude in FY 77. The three Services are each funding the types of RPV's pertinent to their individual needs, with a Tri-Service coordinating group and DDR&E guarding against redundancy and duplication. The Army (Aquila Program) is concentrating on a mini-RPV (under 200 lbs) for reconnaissance and artillery correction and designation with the objective to provide to TRADOC an interim RPV system for development of the ROC** for the full militarized system. The Navy is also pursuing a mini-RPV (under 300 lbs) to provide an over-the-horizon targeting capability for Harpoon equipped ships. Since many of these ships are small and non-aviation rated, the RPV size is constrained to under 300 lbs for logistics reasons. The Air Force has a long operational history with midi (300 to 3000 lbs) RPV's such as the BGM-34C for photo-reconnaissance and electronic warfare jamming and deception. A large portion of their program is to increase the utility of these systems with engineering improvements. The Air Force expendable drone program, involving a midi-sized decoy and a mini-sized harassment weapon, was cut from \$7M to \$2M by Congress to keep these programs from going to full scale engineering development. (believed to be premature by Congress). The only maxi-RPV (over 3000 lbs) is the Air Force Compass Cope long-endurance, high-altitude, surveillance platform intended to carry all weather systems such as Sidelooking Airborne Radar (SLAR) to provide tactical battlefield surveillance. Congress withheld \$3M of the \$6M FY 77 appropriation for Compass Cope until the Air Force committed to a specific payload. In general, Congress has paid particular attention to the RPV programs.

3. DoD Position:

*Training and Doctrine Command
**Required Operational Capability

OAD(E&PS)
1 Dec 76

4. Current Status: Twenty Aquila airframes and two ground control stations will be delivered to TRADOC in the Spring of '77 for a six month evaluation leading to a ROC for the engineering development. A Navy RFQ** for its mini-RPV will be released this month and contractor selection will be made in the Spring of 1977. The Air Force study on the RPV control system will begin in late FY 77.

*Joint Tactical Integrated Data System

**Request for Quotation

Budget Related Issue

ELECTRON DEVICES

Issue: The funding for development of electronic devices has decreased over the past ten years in terms of real dollars and as a percentage of investment in electronic systems. Since these devices are key to the performance, reliability, cost, size and weight of future systems, PDM guidance was established two years ago increasing the electron device budget.

History: The current PDM* directs an increase in electron device funding of 10% per year with FY 1975 as the base. In addition, the Services were directed to establish device Advanced Development Programs. The Air Force, Navy programs are in accord with the guidance. The Army has decreased device funding and the House Armed Services Committee (HASC) refused to approve their proposed Advanced Development Program start in FY 77. A Navy Advanced Development Program with a similar sounding title was also cancelled by the HASC but the real device program survived,

5a(i)

Impact:

5a(i)

*Program Decision Memorandum

OAD(E&PS)
30 Nov 76

Budget Related Issue

REMOTELY PILOTED VEHICLES
(RPVs)

Issue:

Problems have been encountered in schedule slippages and cost overruns. RPV's have drawn considerable Congressional attention.

History: The Air Force has a long operational history with mid-sized (300 to 3000 lb) RPV's for photo-reconnaissance and electronic warfare. They have not needed to develop small radars and infrared imagers for the 200 to 300 lb class of mini-RPV's the Army and Navy intend to use.

Position:

The Air Force under PE 63739E is formulating the concept of an RPV mission control system that is intended to be JTIDS* compatible.

*Request for Quotation

**Joint Tactical Integrated Data System

OAD(E&PS)
1 Dec 76

Budget-Related Issue

IRRADIATED FOOD PROGRAM

Subject of Issue: Congress has charged the DoD to conduct the national RDT&E program for the use of ionizing radiation as a means of sterilizing meat products.

History: DoD initiated R&D to study this approach for preserving meat products over a decade ago. After an initial period, it was decided to terminate the work. The civil sector and other Federal agencies also terminated like efforts. However, Congress rejected the DoD proposal for cancellation and requested that it continue the work even though it had no requirements for the products of the work. In 1974 DoD had brought the technology to a state where four meat products (beef, ham, other pork products, chicken) were ready to undergo testing to demonstrate acceptability for human use, per FDA standards. Beef testing was started. In 1975 the Secretary of the Army accelerated the test program by adding the other meats in simultaneous efforts rather than the sequential tests earlier planned. Congress was advised of the acceleration of the program.

Budgetary Impact:

Funding for all Service food technology R&D is an Army responsibility since they serve as the DoD Executive Service for this effort.

DoD Position:

6a(2)

Budget Related Issue

MANPOWER, PERSONNEL AND CONTEMPORARY ISSUES

1. Issue: R&AT raised serious concerns with regard to both the level of R&D effort allocated to Manpower, Personnel and Contemporary Issues and

5a(i)

2. History: Concern over this technical area by the House Appropriations Committee staff resulted in a 25% reduction in the Human Resources program in FY 76. Continued concern by the Congress with regard to utility of R&D in this area is expected.

5a(i)

3. Current Position: The Services have been requested to brief ODD(R&AT) on their proposed FY 78 Tech Base programs in this area. The objectives are an assessment of the utility of the R&D, whether the level of investment and the expected return justify an annual investment of over \$20M, whether the planned program is correctly focused, and whether the program (or portions thereof) should more appropriately be funded from a non-RDT&E account.

4. Impact:

5a(i)

Budget Related Issue

FACILITY FOR PRODUCTION OF BINARY CHEMICAL WARFARE MUNITIONS

- 1. Issue: The Department of the Army has proposed a loading, assembly, and packaging (LAP) facility for the new binary artillery projectiles to be constructed at Pine Bluff Arsenal, Arkansas.
- 2. Background: This facility was included in the FY 1975 procurement and Military Construction Authorization (MCA) request in the amount of \$5.5M. It was authorized by both houses of Congress but was deleted on a floor amendment during the appropriations process. It was included again in the FY 1976 budget request for \$8.8M. After extensive hearings it was deleted pending further discussions at the UNGA Conference of the Committee on Disarmament (CCD). Because of this decision, no request was made in the FY 1977 budget in accordance with Congressional wishes to delay one year to allow further negotiations. No substantial progress in disarmament discussions has been evident during the one year delay.

3. DoD Position:

[Redacted]

52(1)

- 4. Current Status: The funding for this facility has been made the subject of an ASD(C) PBD issue and is being raised as a funding issue at OMB level.

[Redacted]

32(1)

Budget Related Issue

SIMULATORS - FLIGHT AND NON-FLIGHT

- 1. Issue: The entire spectrum of training and simulation technology has been marked by DD(R&AT) as an area for concentrated growth. Programmed increases for this area of technology have begun.
- 2. History: OSD initiated an effort in FY 75 to increase the use of flight simulators to improve training, reduce costs and reduce use of fuel. Congress has in general supported the program. High level interest item due to high leverage in terms of cost reduction/performance effectiveness.
- 3. Current Position:

The FY 1978 budget request includes

- 4. Impact:

ARMY RDT&E DRAWDOWN

Issue : The Army has agreed to a manpower drawdown to reduce its in-house Technology Base work and to increase its program with universities and industry.

History: The Laboratory Utilization Study which was completed in 1975 concluded that the Army in-house program in several areas including materials and electronics was too large. An agreement was made with the Army to reduce its RDT&E in-house strength by 2900 authorizations using end strength FY74 as the basis and completing the drawdown by FY78. These reductions by fiscal year are as follows: FY 75 -905, FY76 -829, FY77 -733, and FY78 -433. The Army has met its commitments as of FY76, however,

5a(1)

We have encouraged the Army to take these reductions through hiring freezes, attrition, and transfer of the manpower to work and funding in other areas.

Position:

ODD(R&AT) is insisting that the manpower drawdown be completed as scheduled.

5a(1)

NAVY BLOCK FUNDING

Issue: We are encouraging the Navy to provide most of their Technology Base funds directly to their laboratories in large "blocks" without distribution through the Systems Commands.

History: The Navy Technology Base funding to the Chief of Naval Material Laboratories is distributed to the laboratories in two ways. Some of the funds are given directly to the laboratory by the Chief of Naval Material for work which has been previously agreed upon. A major portion of the laboratories' Technology Base funds, however, are provided through the Systems Commands for work which is primarily supportive of the particular Systems Command.

We have encouraged the Navy to block fund most of the Technology Base funds directly to the laboratories once the laboratories technical program has been agreed upon by the laboratory, the Systems Command, and the Chief of Naval Material.

Position: The Navy has proposed to "block program" funding to the laboratories.

ELECTRONIC COUNTER COUNTER MEASURES (ECCM)

Issue:

History: The lessons learned in the Yom Kippur Israeli war indicated the need for a major thrust in ECCM. There are several aspects to a good ECCM posture.

Positions: DoD Directive C-4600.3, Electronic Counter Counter Measures Policy defines the tasks and responsible agencies with regard to threat definition and evaluation of impact upon system performance. The implementation of this policy is still being formulated. To create an ECCM awareness in the service laboratories, DDR&E has sponsored symposia on ECCM topics and has induced the Air Force to create Program Element 63750F-CCM Advanced Development. The Army and Navy technology base program element managers have been made aware of the need for responsive attention to this subject.

OAD(E&PS)
1 Dec 76

AIRCRAFT PROPULSION

Issue:

Discussion: At the present time there is no continuing program of advanced development for small aircraft engines technology. Increasing interest in drones, aerial targets, and RPVs indicates a need for active support of this technology.

The Joint USAF/Navy Technology Demonstrator Engine (JTDE) program meshes the Navy efforts in large aircraft engine technology work with the larger related programs of the Air Force, to the benefit of both.

Positions: DD(R&AT).

Army and Navy.

OAD/ET
30 Nov 76

LIQUID PROPELLANT GUNS (LPG's)

Issue: The House Armed Services Committee (HASC) has deleted all Navy funding in FY 77 and beyond for LPG's and directed that the Defense Advanced Research Projects Agency (DARPA) should support any future efforts.

Discussion:

[Empty box for discussion content]

Work in the technology of LPG's has been supported sporadically since the mid-1950's. However, for a decade prior to about 1970, the level of effort was extremely low. In about 1970 the Navy, jointly with DARPA, decided to support a major effort to develop LPG's based on a bulk-loaded propellant charge design concept. The HASC in acting upon the FY 77 budget observed that LPG's had been supported for over 20 years with little apparent useful outcome and therefore deleted the Navy RDT&E funding.

Position:

[Empty box for position content]

COMPOSITE MATERIALS

Issue: Should technology base support for R&D work on advanced composite materials be redistributed?

Discussion: Current and planned R&D on these materials encompasses work with organic, carbon, or metal matrices reinforced by graphite, carbon, or boron fibers. Demonstrations of organic (epoxy) matrix composites in full scale aircraft components have been underway for several years and major structures are components of flying aircraft. The Air Force alone has spent more than \$150M on this technology since 1961. Army and Navy also have spent large amounts. There is now widespread support and heavy investment by industry for work on these materials, and they are increasingly accepted for state-of-the-art design.

Carbon matrix and metal matrix composites potentially fill more specialized but very demanding roles in aircraft and missile design.

Positions: DD(R&AT).

Air Force.

TRANSPORTATION AND DISPOSAL OF HAZARDOUS/TOXIC MATERIALS

1. Subject of Issue: Transportation and Disposal of chemical warfare agents, missile fuels, some industrial type chemicals, ammunition, and similar items has become a public concern

2. Background:

The Environmental Impact Statement process must be fully followed and become a part of the decision making process.

3. DoD Position: The NEPA and all applicable laws will be fully followed,

4. Current Status: Planning is proceeding in accordance with applicable laws to continue movements necessary in the interests of national security or to improve operations.

CHEMICAL WARFARE AGREEMENTS

1. Subject of Issue: A part of US Chemical Warfare policy has been our willingness to negotiate an agreement to develop an effective, verifiable ban on CW.

2. Background: Article IX of the Biological Weapons Convention (BWC) (ratified by the U. S. in January 1975) binds all signatories to continue negotiations on an agreement banning chemical weapons. The U. S. has negotiated in this area, particularly through the UNGA Conference of the Committee on Disarmament (CCD) for at least ten years. It has been the subject of a number of other Conferences.

The USSR submitted a convention to the UN in 1972 almost identical to the BWC which contains no verification procedures. The major obstacle to date in all agreements is the definition of the chemical agents to be banned and reaching agreement on practical and effective inspection and verification procedures and other safeguards.

3. DoD Position:

4. Current Status:

NANSEN DRIFT

1. Issue: Should the United States freeze a decommissioned icebreaker into the Arctic Ocean North of Soviet Siberia such that prevailing ocean currents will carry it across the Pole to exit near Greenland in about 2 years? Project name: NANSEN DRIFT.

2. Background: The Navy has been a strong proponent for the NANSEN DRIFT project, pointing out the opportunity to conduct new research in the Soviet Arctic and to support political objectives of the United States. They estimate the project will cost \$15 million over a three year period.

NSF has been somewhat reluctant to undertake the project, probably as a ploy to force heavier funding support from DoD and other agencies. The project is supported strongly by the National Research Council, the Department of State, and in principle by DoD. The Norwegians support the project.

3. DoD Position: None. DoD needs to establish its position on NANSEN DRIFT. Part of this decision is the level of financial support to provide to the project.

NAVAL ARCTIC RESEARCH LABORATORY (NARL)

1. Issue: What should be the future status of NARL?

2. Background: The Naval Arctic Research Laboratory (NARL), Ft. Barrow, Alaska, is the only continuously operated U.S. research laboratory on the Arctic Ocean providing complete logistics support and coordination of mission research for the Navy and other government agencies. It is operated by a civilian contractor and is managed by the Office of Naval Research (ONR). NARL is a complete self-sustaining base facility on over 5,000 acres of land consisting of over 170 buildings, an airstrip, and modern laboratory facilities. The laboratory maintains a fleet of 6 fixed-wing aircraft, plus various over-land vehicles and water craft. In addition, NARL operates some 14 remote camps along the Alaska coast supporting research projects.

The operating budget of NARL is approximately \$7.0M per year, paid for from RDT&E funds. Other government agencies doing R&D at NARL provide reimbursements but these reimbursements do not cover their operating and logistics costs. The Navy estimates that only 15% of NARL activity is in direct support of DoD sponsored research and development.

There is a continuing need for NARL as a Navy or National base camp on the Arctic Ocean.

3. DDR&E Position: On 18 October the Navy was asked to review the management and financing of NARL, and to adjust RDT&E funding at NARL to a level consistent with the RDT&E work performed at NARL by 1981.

ADVANCED TECHNOLOGY GUN

1. Problem: An advanced technology aerial cannon is needed to enhance the capabilities of our tactical aircraft.
2. Background: The M31 (30mm), which was developed many years ago, and the GAU-8 (30mm) are the principal guns planned for Service use. Both the Navy and USAF have expended a considerable amount of work trying to overcome the shortcomings of these two guns,

3. DoD Position: DoD wishes to continue development of advanced multi-purpose aerial cannons.
4. Current Status: FY1978 funding for future gun development continues at a very modest p. co.

TWO-PLACE A-10

1. Problem: Why do we need a two-place A-10?

2. Background:



3. DoD Position:



4. Status:



COMPASS COPE

1. Problem: Should the COMPASS COPE program be continued.
2. Background: COMPASS COPE was conceived by the Air Force as a long-endurance, high flying, remotely piloted multi-mission vehicle.
3. DoD Position:
4. Current Status: The PBDs reflect the DoD position.

FLIR/LOPAIR

1. Subject of Interest: Advanced chemical agent warning and detection systems; Long Path Infra-Red (LOPAIR) an Army development and Forward Looking Infra-Red (FLIR) a Navy development.

2. Background:

o Program Objectives: To provide an advanced chemical agent detection and warning system for combat use.

o The Army has evaluated long path infrared detection methods for some years. An active concept pursued from 1954 to 1965 was terminated in favor of a passive concept. Critical technical problems in discrimination of agents from smoke, dust, and other interferences have existed in the past. However, the present passive LOPAIR which entered Advanced Development in January 1974 is believed to have resolved these technical problems.

o The Navy, while evaluating the FLIR for fire control purposes (the primary mission), discovered that technicians could observe emissions from incoming aerial targets. By the use of optical filters, some discrimination of emissions can be made.

o Initially the HASC* requested a side-by-side test; this was fully planned, but not performed. Subsequently, the HASC requested that LOPAIR be terminated in favor of FLIR but did authorize reprogramming for a side-by-side test. The Army did not follow complete guidance on the funding for the side-by-side test. The HASC then initiated a GAO investigation of all expenditures.

3. DoD Position

4. Current Status: The DoD initial request to the HASC to continue both developments was refused.

REACTIONS/ISSUES

Outside ARPA Reactions. The ARPA program has been well received by OSD, OMB, and the Congress. Presentation of "thrusts" has been easily understood and the potential significance of the breakthroughs readily appreciated. Whereas prior to FY 1976, the total ARPA budget remained essentially static at around \$200M, this year's budget will be [] A great deal of enthusiasm has been generated for the program in the Services, Joint Chiefs of Staff, the DDR&E, and the Secretary of Defense. 5a(2)

Management Issues. ARPA's unique position in DoD and its determination to remain a small hard-hitting research organization presents a set of management issues which must be dealt with successfully to maintain the organization's vigor. Some of these follow;

- o Staffing and Personnel Policies -- There must be continuing management sensitivity to the need for professional staff turnover. This is essential to the difficult process of creating new programs, keeping Program Managers who are current in rapidly changing technologies, and maintaining aggressive and vital programs.
- o Program Transfer -- Extraordinary and aggressive efforts are required to develop positive mechanisms to transition results of ARPA research to the Military Services. There are no automatic or built-in processes or policies which assure that this happens--the initiative is with ARPA. It is essential that close and continuing contact be maintained with Service Chiefs of Staff, Assistant Secretaries for R&D, and Commanding Officers of Material Acquisition Commands (AFSC, NAVMAT, DARCOM) by deliberately scheduled and regular briefings and meetings.
- o The ARPA Image -- Care and selectivity must be exercised to avoid involvement in research programs promoted by Service R&D organizations solely to secure ARPA funding support. ARPA should recognize and remain insensitive to Service R&D and ODDR&E Staff members who perceive of ARPA as an "interferer" with institutional biases & objectives. They would prefer to see ARPA outside of the mainstream issues. The vitality of the organization is largely derived from its mission of being the adversary, the risk-taker, the innovator, the outspoken critic.

- o Visibility of Demonstration Programs -- for the first time, ARPA has established in FY 1978 a program element making visible major new technology demonstration efforts and the relatively large resources they may require. Preliminary Congressional and OSD Staff reaction has been positive, but critics may still raise the question, "Why ARPA?". These technology demonstration programs will materially aid the transfer of technologies to the Services who must ultimately develop the material or techniques for Service application. Meaningful (as near full scale as possible) demonstrations have the effect of more clearly suggesting the potential of new technology and help to accelerate the otherwise long, drawn-out material development cycles of Service programs. The alternative of simply reporting research findings and speculating on their potential more often than not means promising results go unnoticed and are never considered or may be subsequently duplicated by the Services or are subjected to long and frequent sub-critical exploitation attempts.

- o Technology Assessments -- The Technology Assessments Office was dis-established at the end of FY 1976. Those efforts underway which were relatable to the other technical offices were transferred to those offices. In the future, technology assessments will be undertaken as part of the technical office function to examine and compare the U.S. and foreign technology base and create new initiatives for the Office. Those technology assessment efforts which are of broad ARPA or DoD scope will continue under direct management of the Director, ARPA.

ASSISTANT SECRETARY OF DEFENSE (HEALTH AFFAIRS)

The attached documents represent all of the "issue papers" prepared by ASD(HA) in connection with the transition from the Ford to the Carter Administration. This submission consists of 25 documents totaling 27 pages. The Office of the Assistant Secretary of Defense (Health Affairs) advises that nothing has been omitted or deleted from these documents.

DOD HEALTH COUNCIL

1. Problem

To establish a central entity within DoD to oversee health care delivery.

2. Background

Although the direct care health system as currently structured has demonstrated a high responsiveness to support of mobilization and contingency forces, DoD health care delivery within specific geographical areas in CONUS is fragmented. The OMB/DoD/HEW Military Health Care Study recommended that a central entity be established to plan and allocate resources, and monitor the management of health care delivery. This entity would provide the mechanism within DoD for carrying out coordinated planning, programming and evaluation of the CONUS health care delivery systems to include Tri-Service health care activities such as the Armed Services Medical Regulating Office (ASMRO), which supports health care delivery.

3. DoD Position

The DoD concurs in the recommendation contained in the study report.

4. Current Status

The Assistant Secretary of Defense (Health Affairs) is currently coordinating a memorandum which will establish a central health entity. If approved, the central entity will be a DoD Health Council consisting of the Council and a Secretariat. The Council will be composed of The Assistant Secretary of Defense (Health Affairs), who will serve as chairman, the Surgeon General from each of the Military Departments, the President, Uniformed Services University of the Health Sciences, and a representative from the Organization of the Joint Chiefs of Staff. The Secretariat will be composed of a Staff Director, appointed by the chairman, and staff members from each of the Military Departments. It is anticipated that the memorandum will be coordinated and forwarded to the Secretary of Defense for decision in late December.

TRI-SERVICE MEDICAL INFORMATION SYSTEM (TRIMIS) PROGRAM

1. Issue: Improving the effectiveness and economy of health care delivery as administered by the Military Departments through the application of standardized automatic data processing (ADP) techniques to health care information systems through the Tri-Service Medical Information System (TRIMIS) Program.

2. Background:

a. The Department of Defense established the TRIMIS program on June 11, 1974 as a means of improving the quality and economy of health care for DoD beneficiaries through the application of standardized automatic data processing techniques (ADF) to health care information systems, the centralization and coordination of existing technology and through the adaption of advanced data automation technology to health care delivery.

b. Organizationally, a Tri-Service Medical Information System Program Office (TPO) was established as a field activity under the policy guidance and operational direction of the Assistant Secretary of Defense (Health Affairs).

c. Since its inception, approximately \$14 million has been expended for the program and the FY 1977 and FY 1978. Service estimates are \$17.5 million and \$29.6 million, respectively.

d. Although there is general agreement that the basic purposes for which the program was established are creditable, concerns exist regarding the Program's priorities, planning, organization, management, communication, coordination and control.

3. DoD Position: The Secretary of Defense endorses the concept of a Tri-Service Medical Information System (TRIMIS) Program organized under the policy guidance of the Assistant Secretary of Defense for Health Affairs in cooperation with the Assistant Secretary of Defense (Comptroller), however, it has been determined that an overview of the TRIMIS program will be conducted, that financing related to TRIMIS will be transferred to the TRIMIS Program Office (TPO) and that outyear financing will be held level with the FY 1978 estimate pending the results of the evaluation.

4. Current Status: The Assistant Secretary of Defense for Health Affairs has transferred the TRIMIS Program Office from the immediate office of the ASD(HA) to the Office of the Deputy Assistant Secretary of Defense (Health Resources and Programs) (DASD(HR&P)) as a subordinate field activity in order to facilitate more effective management and improved communications and coordination. A review of the TRIMIS Program's organization and administration, utilizing independent contractors, is underway with a report of findings and recommendations due to be presented to the ASD(HA) on or before December 31, 1976. Further contractual obligations have been suspended pending submission and review of the evaluation.

**PROVIDE A FEASIBILITY STUDY OF OFFERING A CHOICE OF
HEALTH CARE PLANS TO CERTAIN CATEGORIES OF BENEFICIARIES**

1. Problem: While active duty beneficiaries are required to receive their care directly from uniformed services facilities or from providers selected and paid by the Department of Defense, entitled non-active duty beneficiaries receive care in uniformed services facilities on space-staff availability basis or through the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). However, there is some indication that some beneficiaries would prefer to have a freedom of choice outside the Military Health Service System (MHSS) and that some do not exercise their entitlement, but instead use health benefits obtained from other sources, including self-procured health care plans. The central issue is whether it is feasible to offer selected categories of beneficiaries alternatives to the Military Health Service System.
2. Background: Although not within the scope of the Military Health Care Study, but on the basis of fragmentary and suggestive findings, the Study Report included a recommendation that DoD consider the feasibility of allowing dependents of active duty members, retiree families and survivor families to select a health care plan other than that provided in the MHSS.
3. DoD Position: That a study be conducted to assess the feasibility of offering a choice of health care plans to certain categories of beneficiaries.
4. Current Status: A Request for Proposal (RFP) has been developed by a committee consisting of representatives from each of the military services and OASD(HA). It calls for a two year study to develop and assess alternatives to the MHSS. The RFP is in the process of being prepared for advertisement.

**IMPROVING PRODUCTIVITY IN THE HEALTH CARE DELIVERY
SYSTEM OF THE UNIFORMED SERVICES**

1. Problem: A major problem within the military services today is how to improve, measure and evaluate the efficiency with which health care services are delivered.

2. Background: One of the major reasons attributed to the nation's low productivity growth rate over the last five years has been the shift to a service dominated economy. It now takes 60% of our working force to produce all the services required for our 215 million population and only 4% of that working force to produce all the food necessary to feed that population. Health care is among the largest, most visible, most necessary and most costly industries within the service sector and the DoD health care system is an important segment of the health industry as the Government now spends 3.9 billion for health care delivery in the military services. Therefore, the efficiency with which this system operates is an important national concern. The 1973, 1974 and 1975 Annual Reports to the President and the Congress on Productivity Programs in the Federal Government indicated a decline in productivity within the military health care services, and the House of Representatives DoD Appropriations Bill for FY 77 in commenting on the health area states "Productivity is a crucial factor in an industry where current technological trends seem to involve new labor intensive equipment, procedures and treatments with ever increasing costs."

3. DoD Position: The DoD concurs with the need to improve, measure and evaluate productivity in the military health care services and has taken specific steps to address this vital area and effect changes that will improve the efficiency of the military health system.

4. Current Status: In February 1976, the Office of the Assistant Secretary of Defense for Health Affairs established the area of Productivity Planning and assigned a Director for that area. A formal plan to examine, measure, and evaluate productivity in the military health care system has been developed and several studies have already been initiated to analyze new or on-going methods, programs, techniques, and concepts that will lead to the more efficient delivery of health care in the uniformed services.

EDUCATION AND TRAINING

1. Problem: What is the most efficient system of subsidized education and training?

2. Background: The Department of Defense has a large investment in the education and training of military health services personnel. For physicians, the primary source of recruitment in the all-volunteer environment will be via two DoD-subsidized medical school training programs, the Armed Forces Health Professions Scholarship Program and Uniformed Services University of Health Sciences. The Office of Management and Budget and the Government Accounting Office have both demonstrated considerable interest in improving the cost effectiveness of DoD-subsidized education and training programs.

3. DoD Position: The OASD(HA) is actively engaged in monitoring and evaluating many of the health manpower education and training programs in a continuing effort to determine the most effective and efficient programs and policies.

4. Current Status:

a. The active duty obligations (ADOs) imposed by each Military Department for health related education and training have been reviewed. A DoD Directive is being prepared which, when signed, will eliminate inconsistencies among the Military Departments and ambiguities in policy rationale. Implementation of the proposed directive should improve cost effectiveness in terms of manyears obligated for dollars expended.

b. Studies are underway to re-evaluate the required numbers and skill mixes of military nurses and physicians' assistants and then to determine the most cost effective system for obtaining and maintaining the desired force structures.

c. A study is underway to evaluate the Military Departments' methodologies for determining the size of their graduate professional education programs and to develop a standardized approach which emphasizes educational quotas based primarily on mobilization and contingency requirements.

**PROCURING AND RETAINING MEMBERS OF THE HEALTH PROFESSIONS
IN AN ALL-VOLUNTEER FORCE**

1. Problem: To procure and retain sufficient members of the health professions to meet Department of Defense requirements in an all-volunteer environment.

2. Background: Since cessation of the draft on 30 June 1973 the military departments have had great difficulty in attracting and retaining health professionals, especially physicians and dentists, on a volunteer basis. Prior to June 1973 there was no real problem in meeting desired strengths as the draft could be adjusted annually to compensate for shortages in any given field or specialty. In the present all volunteer environment, with its long range procurement programs, it has become increasingly important that planners be able to predict manpower needs as many as 8 years into the future. Coupled with the problem of deciding what specialty inputs will be required 4 to 8 years hence is the problem of determining total future force requirements. This is a critical problem in the area of physician and dentist specialty training as there is no rapid means for cross-training from one specialty to another.

3. DoD Position: DoD is carefully monitoring and evaluating newly established programs and policies which have been designed to increase the procurement and retention of members of the health professions and is actively engaged in research, design, and testing of predictive models that will enable better planning for future force inputs.

4. Current Status:

a. Public Law 92-426, Uniformed Services Health Revitalization Act of 1972, authorized the establishment of an Armed Forces Health Professions Scholarship Program. Of the 5,000 scholarships authorized to be in effect at any given time, approximately 4,700 are presently filled.

b. Public Law 93-274 established a Variable Incentive Pay program for medical officers of the uniformed services which authorizes the payment of an annual bonus of up to \$13,500 to qualifying medical officers in return for their signing a contractual agreement to remain on active duty for periods from 1-4 years. This legislation was designed to facilitate the recruitment and retention of physicians. Congress has required that this legislation be reviewed annually to determine its effectiveness.

c. ASD(HA) is working toward improved utilization of physicians through the use of physician extenders, by modernizing health facilities to improve physician efficiency, and through the institution of a regionalization program designed to improve the overall efficiency of the DoD health care system.

d. ASD(HA) is actively working toward a coordinated planning effort that encompasses predicting future force requirements to a level of detail that enables current decisions in the areas of education and training programs vis a vis current recruitment and retention experience so as to arrive at future points with a balanced force structure.

UNIFORM CHART OF ACCOUNTS

1. Problem: Development of Uniform Resource and Performance Accounting System (Uniform Chart of Accounts) for Department of Defense Medical Operations.

2. Background: The Report of the Military Health Care Study Supplement: Detailed Findings, December 1975, addressed the need for a "uniform data system" within the three military medical departments. The following specific comments were set forth:

- A separate and independent information systems and data bases are maintained.

- Different interpretations of the definitions of common data elements are made.

- Inconsistencies, definitional problems, and noncomparable inputs provide three divergent output modes.

- Valid comparisons of systems operations cannot, therefore, be made.

3. DoD Position: By memorandum of 15 July 1976, the ASD(HA) recognized the critical need for the immediate development and implementation of a Uniform Resource and Performance Accounting System in order to facilitate management of medical resources and to provide a medical data base essential to the implementation of several of the MHCS recommendations already in progress. A Steering Committee and a Working Group were immediately formed to accomplish the following objectives:

- Develop a standardized tri-service chart of accounts which encompasses common data elements, definitions for required performance (workload), costs, and manpower utilization supporting the health care system.

- Develop concepts and procedures to distribute or allocate in a common manner overhead, base support, ancillary support and similar costs incurred in health delivery that are not directly costed to the inpatient and ambulatory patient functions.

- Design a standard structure to accommodate or enhance on-going priority management needs for information and MHCS recommendations, to include:

- Per-capita budget concept
- Marginal cost capability
- Standardized cost and performance accounting system
- Tri-service resource management system

4. Current Status: As of 17 November 1976, the first draft of "DoD Medical Treatment Facility Uniform Chart of Accounts" was released to the members of the Steering Committee for further distribution to the three service medical departments, ASD(HA), and ASD(Comptroller) for review, evaluation and submission of initial comments to the working group by 29 November 1976. At this time, all comments and recommendations will be evaluated for resolution into a final draft for service consideration during the month of December 1976.

NATIONAL SECURITY PLANNING

1. Problem: Utilization of national security mobilization, contingency, and other essential force requirements to structure the peacetime military medical forces.

2. Background: Manpower must be accorded as being the key resource in assuring the security of the nation. In this regard, the interagency "Report of the Military Health Care Study" commented that the principal objective of the peacetime military health care system is "to insure the timely availability of trained manpower and other health resources required to provide support to approved combat, mobilization and contingency plans of the military forces." In order to do this, it is deemed essential that the peacetime military medical forces are of a size and composition consistent with the mobilization, contingency and other essential force requirements.

3. DoD Position: That determination of the contingency requirements be completed within Fiscal Year 1977.

4. Current Status: A comprehensive study plan has been developed to address the total relationship of the peacetime military health care system to mobilization, contingency and other essential force requirements. Several of the subelements within the overall protocol have been initiated. An intra- and interagency work group is being organized to provide advice and assistance to the overall effort.

JOINT UNIFORM STAFFING STANDARDS

1. Problem: To improve OSD's ability to coordinate and evaluate the operation of the MHSS, a common tri-service method for determining medical manpower requirements is needed.

2. Background: Report of the House Armed Services Committee dated March 26, 1976 stated that a major contributing factor to the success of management of personnel has apparently resulted from the use of management engineering techniques; it goes on to encourage increased service emphasis on such techniques where appropriate. As a result of this report and the concern expressed by the GAO in this area, the OASD(HA) has been striving to develop methods of determining manpower requirements and performance standards on a common basis within the Armed Services. Toward that end, in January 1976, the OASD(HA) initiated a contractual effort which proceeded with an analysis of the Air Force system of manpower programming as a first step toward tackling the feasibility question of instituting common methods across the services by adopting and modifying where appropriate and necessary an existing system.

3. DoD Position: As a result of its initial investigations the ASD(HA) has concluded the present AF system for estimating manpower requirements, subject to some modifications that are presently being undertaken, was theoretically sound and amenable to the kinds of changes which might be needed in obtaining uniformity in this area throughout the services. DoD is committed to the implementation of uniform staffing standards across services and is vigorously pursuing the necessary actions required to implement such a system.

4. Current Status: Based on the results obtained from the initial contract, the DoD is interested in expanding the analysis to the other services (i.e., Army, Navy). A review of the other systems will provide the DoD with some judgments regarding realignments required by each service if common standards and forecasting methods are to be adopted. The DoD is also interested in continuing its support in the refinement and improvement of the Air Force medical work standards.

DOD HEALTH CARE BENEFICIARY ENROLLMENT SYSTEM

1. Problem: The health care delivery systems of the Military Departments provide medical and dental services to a large and diverse population which has never been defined demographically.
2. Background:
 - a. The data collected to evaluate the performance of health care delivery systems should be derived from the dimensions of effectiveness and efficiency. The initial step in this process is to obtain data on the nature and characteristics of the population served by the medical care system, including disease patterns and basic socioeconomic characteristics.
 - b. A basic concern of health care management--directed at planning and evaluation--is the use of services by populations of people. These data can be fully utilized only when the numerator--the services provided--can be compared with the denominator--the population for which they are provided. Determination of the characteristics of the population served, therefore, is an essential step for evaluating health care systems.
 - c. Because it is not now possible to properly identify the population served, the Department of Defense can only report data on services provided. It is also not possible without a demographically defined population to accurately assess demand for health services and thus the appropriate application of resources.
3. DoD Position: The Department of Defense is committed to developing an enumeration system to be effected worldwide and developed to serve the needs of both the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and military subsystems.
4. Current Status: A contractual effort in the form of a feasibility study has been completed. The design of an ID card based enrollment system is now underway as a joint project of OASD(HA) and OCHAMPUS with the assistance of the CHAMPUS Management Information System contractor. This effort will require close coordination and cooperation among OSD and the military departments.

CAPITATION BUDGETING DEMONSTRATION

1. Problem: The DoD is interested in evaluating the feasibility and desirability of changing its current resource allocation system from a workload based to a capitation based system. This type of system was a major recommendation of the OMB/HEW/DoD Military Health Care Study.

2. Background: Currently, the primary basis for programming health care resources in CONUS facilities is workload projections based on direct care system workload units determined by historical utilization experience applied to projected beneficiary populations to be supported, and previous year CHAMPUS workload and claims costs. This process, which emphasizes the use of inpatient care, may in fact discourage the use of less expensive outpatient care in the MHSS.

The MHCS recommends that a per capita approach to programming and budgeting in CONUS be adopted to provide positive incentives for quality care while holding costs down. However, national security and contingency requirements would continue to be the prime determinant in the overall planning process. At the same time, provisions must be made to maintain the quality of health care in the MHSS.

3. DoD Position: Capitation budgeting represents a radical departure from the traditional resource programming system employed by the three services. It is expected that implementation of a capitation based resource programming system would (a) foster greater use of ambulatory (outpatient) care, (b) lower the frequency of hospitalization, (c) generate reduced CHAMPUS use and (d) lower the overall costs of the Military Health Service System.

4. Current Status: A contract was awarded to McKinsey and Company on September 29, 1976 for the development and testing of a capitation system. The contractors are in the initial phase of their endeavor which consists of the selection of the approach most compatible for implementation in the Military Health Service System.

**THE MILITARY HEALTH CARE STUDY DATA MANAGEMENT INFORMATION SYSTEM
(MHCS DMIS)**

1. Problem: There is a need to design and develop a management information system to support the implementation requirements of the Military Health Care Study (MHCS). To this end, it will be necessary to selectively identify the data elements required, to obtain the data, and to resolve the comparability problems. This system will provide uniform data from the three services, making maximum use of information from existing service systems and the existing CHAMPUS system. The MHCS DMIS is intended as a system which will receive data in either detailed or aggregated formats for processing to meet management requirements. It will be a tool by which management will evaluate the effectiveness of the services and the CHAMPUS program attaining their goals in health care from the point of view of the nine recommendations set forth in the Military Health Care Study.

2. Background: The Military Health Care Study, completed in December 1975, contains nine specific interrelated recommendations that deal with medical care delivered in CONUS medical facilities and by civilian providers financed by DoD through CHAMPUS. To facilitate the implementation of the nine MHCS recommendations, these recommendations have been converted, for working purposes, into fourteen implementation requirements or study areas. It has been determined that the most efficient manner to manage the data requirements of these study areas is to design a single management information system. The core of the planned MHCS DMIS will contain a data base of data serving multiple study areas. Additionally, some of the individual study areas will have their own subsystems which will be interfaced with the MHCS DMIS. This approach has been necessitated by the fact that previously the growth of data systems has taken place primarily along function lines, e.g., financial management, workload, manpower, etc. These systems, in addition, have been developed independently by each service and the OCHAMPUS. Consequently, integration and interrelationships of the information of several systems either intraservice or interservice has been slow to develop.

3. DoD Position: The trend toward development of "uniform automatic data processing systems" has made apparent the requirement for the integration of information in order to assist management in adapting to changing requirements. The use of automatic data processing systems must ultimately provide the means for the correlation of data among systems with uniformly identified and defined data element standards.

4. Current Status: It is anticipated that a contract to design and develop the MHCS DMIS will be awarded by the end of December 1976.

OMB/DOD/HEW MHCS

1. Problem: A joint OMB/DoD/HEW MHCS was completed in December 1975. The Secretary of Defense has directed the ASD(HA) to evaluate the findings and recommendations of the report and prepare an implementation plan for his consideration.
2. Background: The MHCS was undertaken in 1973 at the direction of the President in order to (1) assess the ability of current military medical programs to meet the future health needs of the Armed Forces, (2) evaluate the existing military medical care system and alternatives to it with respect to their costs, quality of care, impact on doctor requirements, and contribution towards DoD health care objectives, and (3) recommend modifications to the military health care system that are consistent with DoD objectives, complement the President's national health care initiatives, are compatible with civilian health care systems, and minimize the overall costs of military medical care. An analysis of the report by the staff of OASD(HA) identified 14 separate implementation requirements. As a result of this analysis 14 tri-service/OSD work groups were assembled to perform the necessary implementation planning required for each of the implementation requirements.
3. DoD Position: SecDef has directed ASD(HA), in coordination with other affected elements of the OSD staff and the military departments, to evaluate the study findings and recommendations and to develop for his consideration an implementation plan. As decisions are reached, they will be reflected in program changes as required. It is anticipated, however, that in most cases any change will require demonstration or pilot programs before final decisions are made. In the meantime, the DoD will continue to maintain the required medical capability to respond to military emergencies and to provide high quality care to active duty members and, on a space-available basis, to other eligible beneficiaries.
4. Current Status: A plan for implementing the findings and recommendations of the MHCS has been finalized and is awaiting SecDef approval.

DEPENDENT DENTAL CARE

1. Problem: Increasingly major companies and unions are promoting dental insurance coverage for employees and their families. Federal Civil Service employees have the opportunity to obtain dental insurance coverage for themselves and/or their dependents as provided for in some of the Federal Employee Health Benefit Programs, such as the Indemnity Benefit Plan. Since enactment of the Dependents' Medical Care Act of 1956, dependents of military personnel have been denied routine dental care in military facilities or under CHAMPUS. The only exception to this restriction is in overseas locations and in dentally underserved areas in the United States, however, even in these instances, it is still on a staff/space availability basis. At the pace with which dental coverage is expanding in the civilian sector, military personnel will shortly become the only large employee group whose dependents are not covered by some form of routine dental care program.

2. Background: Almost annually, since 1956, some form of dental care coverage for military dependents has been proposed to Congress without enactment. Cost to DoD has been proclaimed as one of the reasons for its not being fully supported by DoD. In the last decade, the number of persons covered by some form of dental insurance has increased twelvefold. In 1965, fewer than 2 million Americans had dental insurance, by the end of 1980 some 60-80 million were expected to have dental insurance. Increasingly, major companies and unions are promoting dental insurance coverage for employees and their families. From 1972 to 1975, the number of business enterprises having some form of dental insurance, as surveyed by the Conference Board, went from 8% to 19%. Only recently, the United Auto Workers-Ford Union Contract improved their dental care program and extended it to retirees. In view of the increasing experience and expansion of dental prepayment programs, it may be possible to formulate a program for non-active duty beneficiaries which will not have a prohibitive cost to the government.

3. DoD Position: The position of DoD is that a study be conducted leading to the formulation of a legislative proposal that would permit the provision of a routine dental care program to non-active duty beneficiaries. The specific structure and financing of such a program would be outlined in the proposal.

4. Current Status: A working group comprised of representatives from each of the military department dental services and from OASD(HA) was formed on 2 December 1976. This working group will prepare a legislative proposal with supporting documentation for review by March 1977.

CHAMPUS - Distance Limitation and Eligibility

1. Issue: To encourage greater utilization of the uniformed services medical inpatient facilities, the requirement to obtain a Statement of Nonavailability has been expanded to include all beneficiaries who reside within 40 miles of a Uniformed Services hospital.

2. Background:

a. Until 1971 only dependents of active duty personnel, who resided with sponsor, within a reasonable distance of a Uniformed Services hospital, were required to obtain a Statement of Nonavailability prior to using the CHAMPUS program. In 1971 reasonable distance was defined by Assistant Secretary of Defense as 30 miles.

b. Congressional subcommittees repeatedly asked about the possible excessive use of CHAMPUS when some military hospitals were under-utilized in the inpatient area.

c. In May 1973 the House Subcommittee on Appropriations requested OASD(H&E) to conduct tests which could return some of these beneficiaries to the military hospitals.

d. From February to August 1974 tests were conducted at one facility of each military service. Test results were varied but generally favorable.

e. On 9 February 1976, the Department of Defense Appropriations Act (P.L. 94-212) was enacted requiring all beneficiaries residing within 40 miles of a Uniformed Services hospital to first seek non-emergency inpatient care from that facility before being authorized a Statement of Nonavailability to obtain reimbursement for required care obtained from a civilian hospital.

3. DoD Position: The Secretary of Defense supports treating more beneficiaries in military hospitals where the cost of providing the care is marginally less expensive.

4. Current Status: The FY 1977 Appropriations Act (P.L. 94-419) extended the provisions of P.L. 94-212.

COORDINATION OF CHAMPUS AND VETERANS ADMINISTRATION DISABILITY COVERAGE

1. Subject of Interest

The ASD(HA) has issued a policy memorandum in implementation of public law which restricts CHAMPUS coverage for retired members and their dependents and surviving dependents of deceased active duty and deceased retired members. Under the policy CHAMPUS benefits are limited for those of the above CHAMPUS beneficiaries who, because of a Veterans Administration (VA) determination that they have a service-connected disability, are entitled to treatment from the VA for that condition, for conditions flowing from it, and for conditions aggravating it. CHAMPUS coverage is limited to benefits not available at VA medical facilities or under VA medical bill-paying programs.

2. Background

a. For the past several years the ASD(HA) has been intensively evaluating the content and operation of CHAMPUS. Numerous changes have been made both as to policy and implementation and probably none of the changes has obtained more negative reaction than the decision in March 1975 which denied CHAMPUS coverage for VA determined service-connected conditions.

b. Section 1086(d) of title 10, United States Code, restricts CHAMPUS coverage for retired members and their dependents and the survivors of deceased active duty and deceased retired members of the uniformed services if they are enrolled in another health plan provided by law unless they can certify that the particular benefit is not available under the other program.

c. Until March of 1975 this restriction had not been applied to veterans' medical benefits authorized by chapter 17 of title 38, United States Code. During an intensive review of CHAMPUS conducted by the ASD(HA) a question was raised as to the non-application of the restriction to these benefits. Discussions with the Office of General Counsel led to the issuance of the policy statement in March.

d. Congressman Mollohan of West Virginia has introduced H.R. 7766 which would bar the application of the restriction in this instance.

3. DoD Position

The policy is considered to be proper and required by current legislation.

4. Current Status

The policy is being implemented. However, there has been some delay because of the many complexities involved in the coordination of individual cases with the VA and the need for development of new data on existing claim forms.

CHAMPUS AND HMO COVERAGE EFFORT TO OBTAIN AUTHORIZING LEGISLATION

1. Problem

The CHAMPUS law is now written in such a manner as to limit CHAMPUS operations to traditional health insurance concepts and methods. The program is therefore limited to paying for services and supplies only after they have in fact been provided the beneficiary. Innovative concepts such as Health Maintenance Organizations (HMO's) are excluded from CHAMPUS payment since the coverage in such programs is by prepayment.

2. Background

a. The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) was established by law (chapter 55 of title 10, United States Code) to provide financial assistance to defray the expense of medical services and supplies obtained from civilian sources by the spouses and children of active duty members of the uniformed services; retired members and their spouses and children; and the survivors of deceased retired and active duty members. Approximately 7.8 million persons are now covered by CHAMPUS.

b. Health Maintenance Organizations are systems of health care whereby individuals enroll and pay a fee in advance. This prepayment then entitles them to a comprehensive package of medical services both inpatient and outpatient. Because the HMO's revenues are fixed there is a strong incentive to keep the enrolled members healthy. Their cost structure is geared to prevent illness or to promote prompt recovery through the most cost efficient methods available consistent with high quality.

c. Other government programs have already demonstrated the potential value of the HMO's in reducing the expenses for hospitalization while furnishing a broad array of health benefits.

3. DoD Position

The authorization to use HMO's is needed to reduce further CHAMPUS costs.

4. Current Status

H.R. 5847 has been introduced which would authorize the Secretary of Defense to contract with HMO's to provide medical care to individuals currently authorized CHAMPUS benefits. We would support this proposed legislation.

DEVELOPMENT OF INSPECTION PROGRAM OF RESIDENTIAL TREATMENT CENTERS
AND FACILITIES PROVIDING CARE UNDER THE PROGRAM FOR THE HANDICAPPED

1. Problem

A significant number of young CHAMPUS beneficiaries have been placed in institutions which purportedly provide specialized treatment for emotional problems. These institutions have been under little or no regulations or review by external agencies and there is reason to question the quality or appropriateness of care provided by some of these institutions. An inspection program is needed to insure federal funds are being expended for valid medical care.

2. Background

a. Residential Treatment Centers for emotionally disturbed children and adolescents are a relatively new phenomenon in the health care field. They have not been classified as "hospitals" or "schools" and consequently they have not been subjected to state regulations under either the Departments of Health or Education.

b. This lack of regulation has permitted the entry into the field of operation parties interested in making money with little regard for proper program content or protection of the institutionalized individuals' best interests.

c. The Permanent Subcommittee on Investigations of the Committee on Government Operations of the United States Senate held hearings on the CHAMPUS program July 23-26, 1974. The hearings specifically examined that portion of CHAMPUS concerned with psychiatric care given to children. Several institutions were exposed in detail and the facts made national headlines. The hearings ended with a charge by the Chairman that DoD establish means of monitoring the performance of such institutions.

3. DoD Position

Strong controls are needed to include periodic on-site inspections of facilities and review of the therapeutic programs.

4. Current Status

All such facilities must now have JCAH accreditation in order to receive CHAMPUS funds. A special project was initiated with the National Institute of Mental Health to review all CHAMPUS cases for adequacy and appropriateness of care by disinterested professionals. The staff of OCHAMPUS is also being increased with individuals who are qualified to inspect and evaluate psychiatric institutions. Standards which clearly establish CHAMPUS expectations have been drawn up and are being used as a basis for such inspections.

CHAMPUS EFFORTS TO DEFINE AND CONTROL PSYCHOTHERAPY

1. Problem

The term "psychotherapy" is used to describe a multitude of situations involving communication and interaction between people. It can include everything from a minister counseling a parishioner to a psychiatrist treating a psychotic individual in a hospital setting. Over time CHAMPUS has permitted more and more providers of "psychotherapy" to be paid for their services -- many of these providers outside the traditional medical model of psychotherapy.

2. Background

When CHAMPUS first began paying for outpatient treatment of mental and emotional conditions such treatment was provided only by M.D.'s or clinical psychologists and only for traditional medically established and diagnosed mental illnesses or conditions. In recent years there has been a psychotherapy boom. Practitioners of all kinds are offering their services for all sorts of interpersonal problems -- socially, culturally, or religiously caused discomforts. Many have little or no qualifications to conduct effective therapeutic programs. There is a great deal of quackery also being sold as psychotherapy.

3. DoD Position

The CHAMPUS coverage of psychotherapy must be limited to those practitioners who are members of the medical community (psychiatrists and clinical psychologists) and only when they are treating individuals who are suffering from mental illnesses or conditions rather than social problems or seeking help in improving life styles, achieving full potential, or facilitating personality growth.

4. Current Status

Administrative guidelines were issued in February and March of 1975 terminating further payment for the services of such nonmedical psychotherapists as pastoral counselors, marriage counselors, etc. This led to a court injunction against CHAMPUS issued at the request of the American Association of Family and Marriage Counselors. Discussions are underway with the American Psychiatric Association for the purpose of developing clearer definitions of medical psychotherapy and determining the components of medical psychotherapy so that further program guidelines can be issued. This is an ongoing effort and will require several years until it has been totally brought under control.

COST CONTAINMENT UNDER THE CIVILIAN HEALTH AND MEDICAL PROGRAM OF THE UNIFORMED SERVICES (CHAMPUS)

1. Issue: The cost of providing health care to eligible DoD beneficiaries under CHAMPUS has been increasing significantly in recent years.
2. Background: Inflation, increased utilization of health care by beneficiaries, implementation of new, highly complex and costly techniques in the health care industry, and an increase in the eligible population have all contributed to this cost increase. Congress has been concerned with rising costs for the past several years, particularly since workload in military health care facilities has been declining. Congressional reports have included various recommendations for studies and policy changes designed to curb rising costs. Effective 1 July 1974, the responsibility for management of the CHAMPUS program was transferred from the Army to the Office of the Assistant Secretary of Defense for Health and Environment. Since that time a number of program changes have been made and others are under study for future implementation. Although the impact of these changes is difficult to assess at this time, some program indicators are beginning to reflect a favorable trend.
3. DoD Position: The DoD shares the concern of Congress and has concentrated considerable effort on management improvement since assuming responsibility for the program. All facets of the program are being studied in depth and comparisons made with private and other public health programs. Some of these studies have resulted in program changes while others are still not conclusive. Policy changes designed to encourage greater use of military health facilities have also been implemented.
4. Current Status:
 - a. A completely new CHAMPUS Directive has been completed and is now going through the coordination process within DoD. This directive will provide comprehensive guidance for operation of the Program to include more precise definitions of the benefits authorized.
 - b. Contracts with the civilian corporations that do CHAMPUS claims processing are being converted from cost-reimbursement type contracts to competitively bid, fixed-price contracts as they expire.
 - c. Provider reimbursement methods are being refined and where ever possible realigned more closely with other Federal medical care programs.
 - d. Through a contract with the National Institute of Mental Health (NIMH) we are attempting to improve the management and quality of care in residential treatment centers and for beneficiaries diagnosed as diseased with schizophrenia.
 - e. Facility standards for facilities providing care under the CHAMPUS Program for the Handicapped are being developed.

Proposed CHAMPUS Regulations

1. Problem: The need to develop and publish regulations pertaining to the Civilian Health and Medical Program of the Uniformed Services which accurately and adequately reflect current DoD policy and operations.

2. Background: Title 10, U.S.C., chapter 55, "Medical and Dental Care" provides for the prescription by the Secretary of Defense and the Secretary of Health, Education, and Welfare of regulations pertaining to medical and dental care for members and certain former members of the Uniformed Services and for their dependents. A joint directive on medical and dental care for these beneficiaries was issued in April, 1962 and joint Service regulations were published in September 1970. These documents no longer accurately reflect current DoD policies regarding the Civilian Health and Medical Program of the Uniformed Services and it is necessary that revised regulations be drafted, coordinated and published in the Federal Register.

The Secretary of Defense delegated authority to the Assistant Secretary of Defense (Health and Environment) through DoD Directive 5036.1 to "develop, issue, and maintain regulations, with the coordination of the Military Departments, as necessary and appropriate to fulfill the Secretary of Defense responsibility to administer title 10, U.S.C., chapter 55."

3. DoD Position: That the Department of Defense and the Department of Health, Education, and Welfare should collaborate and issue revised regulations pertaining to the Civilian Health and Medical Program of the Uniformed Services.

4. Current Status: A draft of the revised regulations was completed by the Office of the Assistant Secretary of Defense for Health Affairs in November 1976 and is being reviewed by the Military Departments, by the Department of Health, Education, and Welfare, the Veterans Administration and others. This review will be completed on December 31, 1976. The regulations will be published in the Federal Register as a proposed notice under the joint authority of DoD and DHEW in January 1977.

ARMED FORCES REGIONAL HEALTH SERVICES SYSTEM

1. Issue: To promote efficiency and economy in the peacetime operations of military medical services particularly from the standpoint of making more effective use of our physicians, dentists and other scarce health personnel in an all-volunteer era.

2. Background:

a. During the past decade there has emerged a clear consensus on the necessity and desirability of regionalizing the organization and delivery of health care services in America.

b. In an effort to study the effect of regionalizing all military health care facilities in a given region on a tri-service basis, the Secretary of Defense directed a test in four geographic regions within CONUS and two overseas areas.

c. During the successful conduct of the test phase, a reduction in the fragmentation of our health resources was observed and improved utilization of highly trained professionals occurred.

3. DoD Position: The Secretary of Defense supports this concept of tri-service regionalization and it has been implemented throughout CONUS and in designated unified commands overseas as the Armed Forces Regional Health Services System.

4. Current Status: A Military Medical Regions Task Group collects, consolidates and screens quarterly progress reports from all regions. Overall progress made with this system is being monitored by the Assistant Secretary of Defense (Health Affairs) with assistance from the Assistant Secretary of Defense (Comptroller). There is increasing recognition of the need for full-time resources to plan, manage and evaluate regionalization efforts as evidenced in the Report of the Military Health Care Study. Further action is dependent upon the SecDef adoption of a Central Entity to serve as a coordinating mechanism for planning and allocating resources and oversight of health care delivery.

ESTABLISHMENT OF CHAMPUS ADVISORY COMMITTEE

1. Problem

The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) does not presently have an effective mechanism for obtaining the input of beneficiary and health care provider opinion in the program management decision making process.

2. Background

Chapter 55 of Title 10, United States Code, authorizes CHAMPUS, an insurance-like program for between 7.5 and 9 million uniformed service family beneficiaries who share with the Government the costs of a wide range of medical services obtained from civilian health care sources. The program is administered by the Department of Defense. Section 1082 of Chapter 55 authorizes the Secretary to establish a committee to advise, consult and make recommendations to him concerning effective program management. Such a committee is not presently in being under the Federal Advisory Committee Act. The Act and the implementing Executive Order require that Advisory Committees be established by the Office of Management and Budget (OMB).

3. DoD Position

Since the failure to adequately provide for the input of beneficiary and provider opinions and recommendations has exceedingly complicated CHAMPUS administration, an Advisory Committee representing these groups should be activated as soon as possible.

4. Current Status

The initial work necessary to prepare a final Departmental request to OMB has been completed and the official request will be forwarded momentarily. Barring objections and/or modifications of the proposed charter by OMB, publication in the Federal Register of a notice of establishment can be accomplished early in January. Selection of committee members can then proceed and plans for the first meeting can be completed.

CHAMPUS Coverage of Ambulatory Surgery

1. Problem: The CHAMPUS law as now structured favors, for economical reasons, admission to a hospital for certain surgical procedures that are just as readily done on an outpatient ambulatory basis. Under the law, the out of pocket cost of ambulatory surgery to the dependents of active duty members is higher than inpatient surgery.
2. Background: The practice of surgical medicine has changed significantly during the decade since passage of the 1966 CHAMPUS legislation. A number of surgical procedures which used to require several days of hospitalization are now being done on an ambulatory outpatient basis. The CHAMPUS law requires that beneficiaries pay a portion of the cost of care and there are two specific formulas for computing their cost share in the law. One formula covers outpatient care, the second covers inpatient care. The outpatient formula requires, in the care of dependents of active duty members, an annual \$50 deductible and 20 percent co-pay on the balance of any medical expenses. The inpatient formula requires the minimum payment of \$25 per hospital admission or \$4.10 (effective 1 Jan 1977) per day. This creates a situation under CHAMPUS wherein it is less expensive to the active duty dependent to be admitted to a hospital for a surgical procedure and stay a day or two than it is to have that surgery done on an outpatient basis. Surgery done on an outpatient basis would also reduce CHAMPUS expenditures as it avoids the hospital per diem charges.

3. DoD Position: The basic legislation needs to be amended so as to permit surgery performed on an ambulatory basis to be cost shared on the same basis as inpatient care.

4. Current Status: A request for a legislative change is being drafted for submission to the 95th Congress.

UNCLASSIFIED

DOD DRUG AND ALCOHOL ABUSE
PREVENTION AND CONTROL PROGRAMS

1. Subject of Interest: DoD Drug and Alcohol Abuse Prevention and Control Programs

2. Background:

Establishment of Control Programs: The President on June 11, 1971, directed specific actions to establish drug abuse control programs for servicemembers. Public Law 92-129, September 28, 1971, further directed that the Secretary of Defense identify, treat and rehabilitate servicemembers who are drug or alcohol dependent.

Suspension of the DoD Urinalysis Test Program for Drug Abuse: The Deputy Secretary of Defense suspended the urinalysis program for drug abuse on July 18, 1974. The decision was based on a Court of Military Appeals ruling (United States v. Ruiz) which prohibits discharging a servicemember for drug abuse with other than an honorable discharge if the discharge characterization is based solely on evidence obtained through involuntary urinalysis. On January 7, 1975, the Deputy Secretary of Defense directed that involuntary urinalysis resume, within the constraints of the Ruiz decision; i.e., urinalysis results cannot be used as evidence in awarding a less than honorable discharge.

Congressional Interest: There continues to be Congressional interest in the overall drug and alcohol abuse problem in the military. The General Accounting Office published a report on April 8, 1976, which concluded that the Department of Defense fails to recognize alcohol abuse as more serious than drug abuse and that additional resources should be allocated to alcohol problems. In addition, the Surveys and Investigations Staff of the House Appropriations Committee submitted a report to the Committee which claims the random portion of the urinalysis program is wasteful. The Conference Committee reviewing the 1977 Department of Defense Appropriations bill recommended that random urinalysis be terminated on October 1, 1976, and funds saved thereby be directed into alcohol abuse programs. This recommendation was not a part of the Appropriations Act signed by the President on September 22, 1976; however, based on the report, each service suspended random urinalysis.

3. Department of Defense Position:

Drug Abuse: Drug abuse in the Armed Forces no longer approaches the high prevalence recorded in Vietnam in 1971 and early 1972. Program

UNCLASSIFIED

refinement based on the experience gained through operation of service programs, increased training of personnel operating the programs and the interest of commanders in combating the problem have all helped reduce the problem. Urinalysis technology has a potential for further reducing the problem but the loss of random urinalysis is a serious setback in this area; for example, about 30 percent of all drug abuse identifications were made by urinalysis and of these, about 42 percent were obtained from random urinalysis. In FY 76 alone, over 6,900 confirmed drug abusers, or about ten battalion equivalents were detected by random urinalysis. The Department of Defense supports a form of random urinalysis as a proven detector of drug abusers as well as a deterrent to drug abuse. The DoD continues to support the policy of prevention of drug abuse through education programs and early identification of those who abuse drugs followed by an effective treatment and rehabilitation program. The primary goal of the DoD education program is to assure that service personnel understand DoD and service policy regarding substance abuse.

Alcohol Abuse: Increasing numbers of service personnel are volunteering or being referred to the alcohol abuse treatment program. The treatment and rehabilitation program available in the services assures sufficient care for personnel who are in need of help.

Budget: The FY 1977 budgets are adequate to deal with the drug and alcohol problem in the military. During FY 1976, 45 percent of the budget was devoted to alcohol abuse; whereas, 41 percent of those entering resident and non-resident rehabilitation programs did so for alcohol abuse.

4. Current Status: Drug and alcohol abuse control programs are in operation worldwide, with treatment and rehabilitation accorded servicemembers based on their demonstrated requirement for care. The problems of drug and alcohol abuse in the Armed Forces have not been eliminated but have become manageable.

UNCLASSIFIED

ASSISTANT SECRETARY OF DEFENSE (MANPOWER & RESERVE AFFAIRS)

Although they do not fully conform to the definition of "issue papers" as defined by U.S. News and World Report's letter of December 14, 1976, the attached documents represent all of the material furnished by the ASD(M&RA) to the Transition Team of the Carter Administration. The Office of the Assistant Secretary of Defense (M&RA) advises that portions have been withheld or deleted from these documents. Two similar sets of issue papers for this office were forwarded to the Transition office (November 29 and December 6, 1976).

Two issue papers are denied in their entirety pursuant to 5 U.S.C. 552 (b)1. They pertain to full mobilization manpower requirements and the U.S. European Command Headquarters. These documents have been reviewed and are properly classified in accordance with Executive Order 11652 and their disclosure could reasonably be expected to cause damage to the national security.

Portions of 94 documents are withheld pursuant to 5 U.S.C. 552(b)5 as information containing advice, opinion, recommendations or referring to budgetary considerations. Also, 24 others are released in their entirety.

The Initial Denial Authority for the portions denied in this instance is David P. Taylor, Assistant Secretary of Defense (M&RA).

29 November 1976

TRANSITION PLANNING BACK-UP BOOK

1. DoD Manpower Requirements and Strengths
 - Full Mobilization Manpower Requirements
 - Active Military Strengths, FY 74-78
 - Selected Reserve Strengths, FY 74-78
 - Civilian Strengths, FY 74-78

2. Guard and Reserve in the Total Force
 - Actions to Implement the Total Force Study
 - Program and Budget Support for Guard & Reserve Forces
 - Equipment Modernization for the Guard and Reserve
 - Naval Reserve Requirements
 - Frequency of Guard Inspections
 - Army and Air Force Reserve Technician Legislation
 - Reserve Compensation System Study

3. All-Volunteer Force
 - All-Volunteer Force Assessment
 - Cost of All-Volunteer Force (AVF)
 - Selected Reserve Recruiting and Retention Incentives
 - Recruiting Resources
 - Recruiting Structure
 - DoD Enlisted Personnel Bonus Program
 - Female & Minority Participation in the Guard and Reserve
 - Standby Induction Authority
 - Joint Advertising & Market Research Program (JAMRP)

4. Combat Effectiveness of NATO Forces
 - Mobilization and Deployment Study
 - USEUCOM Headquarters

5. DoD Management Initiatives
 - Tour Lengths and Assignment Policies
 - Commissary Stores

6. Military Compensation
 - Third Quadrennial Review of Military Compensation
 - Erosion of Benefits
 - Termination of G.I. Bill
 - Computation of Unused Accrued Leave Payments
 - Travel Entitlements for Junior Enlisted Personnel
 - Family Separation Allowance for Junior Enlisted Personnel
 - Fair Market Rental for Military Quarters
 - Transportation Allowances for House Trailers
 - Sea Duty Pay

7. Officer Management
Defense Officer Personnel Management Act (DOPMA)
Reserve Officer Personnel Modernization Act (ROPMA)
Military Grade Escalation
General/Admiral Requirements
8. Civilian Personnel
Control of General Schedule Grade Escalation
Revision of PL 93-392, "Monroney Amendment"
Federal Employee Collective Bargaining Rights
Compression of Civilian Executive Salaries
Civilian Retired Pay Inversion
9. Military Training
Levels of Training Manpower
Flight Training Rationalization
10. Military Education
DoD Committee on Excellence in Education
In-Service Voluntary Educational Program
Women in Service Academies
DoD Overseas Dependents Schools
11. Military Retirement
Modernization of the Uniformed Services Retirement System
Modernization of the Reserve Retirement System
Recomputation of Military Retired Pay
Survivor Benefit Plan - Social Security Offset
CPI Adjustments for Retired Serviceman's Family Protection Plan
12. Military Discipline
Military Justice System and Selective Rates
Military Discharges
Separation Program Designators (SPDs) Formerly
Separation Program Numbers (SPNs)
Military Absentees and Deserters
13. Equal Opportunity
Status of Equal Opportunity and Treatment in the Armed Forces
Religious Discrimination in Mid-East Against DoD Contractors
14. Other
Defense Manpower Commission
Reserve Forces Policy Board

UNCLASSIFIED

FULL MOBILIZATION MANPOWER REQUIREMENTS

DELETED

OASD/M&RA (P&R)
Col Simpson/59053
6 December 1976

UNCLASSIFIED

UNCLASSIFIED

ACTIVE MILITARY STRENGTHS, FY 1978 BUDGET

Subject of Interest: Active Military Strengths, DELETED

Background: Active military strengths have declined substantially since the end of the war in Vietnam and are now below their pre-Vietnam (1964) levels.

DELETED

Military strengths were 19,000 below plan at the end of the Transition Quarter, reflecting greater losses than anticipated and a shortfall in recruiting by the Army, Navy, and Marine Corps.

Current Status: The following table compares strengths with those in FY 64, 68, and 1974-77. DELETED

Active Military End-FY Strengths 1/
(Thousands)

	<u>FY 64</u>	<u>FY 68</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 77</u>	
			(Actual)				Auth <u>2/</u>	
Army	972	1,570	783	784	779	782	789	
Navy	667	765	546	535	524	528	541	DELET
Marine Corps	190	307	189	196	192	190	192	
Air Force	856	905	644	613	585	583	571	
Total DoD*	2,685	3,547	2,161	2,127	2,081	2,083	2,093	

* Detail may not add to totals due to rounding.

1/ Excludes approximately 1,000 military personnel on active duty but paid from Reserve Components and Civil Works appropriations.

2/ Public Law 94-361, Department of Defense Appropriation Authorization Act, 1977

DELETED

DELETED

ODASD(P&R)
Col Cottle/52618
22 November 1976

UNCLASSIFIED

SELECTED RESERVE STRENGTH

Subject of Interest: Adequacy of Selected Reserve Strengths.

Background: Since the cessation of the peacetime draft, Selected Reserve manpower strengths have been the product of the ability of the Reserve Components to recruit volunteers.

Current Status: The following table compares the actual strengths in FY 75, 76, and 79

DELETED

Selected Reserve End FY Strengths
(Thousands)

	<u>FY 75</u>	<u>FY 76</u>	<u>FY 79</u>
	<u>Act.</u>	<u>Act.</u>	<u>Act.</u>
ARNG	395	362	367
USAR	225	195	192
USNR	98	97	98
USMCR	32	30	29
ANG	95	91	91
USAFR	<u>51</u>	<u>48</u>	<u>49</u>
Total	697	823	826

DELETED

DELETED

CDASD(P&R) Prof Dir
Col Simpson/59053
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

CIVILIAN STRENGTHS, FY 74-78

Subject of Interest: Civilian employment levels, FY 74 to DELETED

Background: Civilian employment levels have been decreasing since end FY 74. Since FY 75, Congress has controlled civilian strengths through end-fiscal year authorizations.

Current Status: The following table compares actual strengths in FY 74 and FY 75 DELETED

Civilian End-FY Strengths 1/
(Thousands)

	<u>Actual</u>				
	<u>FY74 2/</u>	<u>FY75 2/</u>	<u>FY76 2/</u>	<u>FY78</u>	
Army	409	401	390	385	
Navy/Marines	335	325	321	319	DELETED
Air Force	289	278	262	260	
Agencies	<u>75</u>	<u>73</u>	<u>72</u>	<u>78</u>	
Total	1,108	1,078	1,046	1,042	

1/ Includes direct and indirect hire civilians performing military functions; excludes civil functions, disadvantaged youth programs, and the National Security Agency.

2/ Excludes approximately 8,500 seasonal dependent education personnel who are on the rolls beginning FY78.

DELETED

ODASD(P&R) Prog Dir
Mr. Farbrother/52618
22 November 1976

UNCLASSIFIED

ACTIONS TO IMPLEMENT THE TOTAL FORCE STUDY

1. Subject of Interest: Implementation of the Study of the Guard and Reserve in the Total Force.
2. Background: Total Force Study was completed and provided to Congress on June 1, 1975. Guidance for implementation was provided to Service Secretaries (3 June 1975).
3. DoD Position: Reserve Forces must be assigned high priority missions within their capability. They must be manned, trained, and equipped to be capable to respond.
4. Current Status: The Total Force Study calls for and Services are implementing:
 - a. Improved Equipment for Reserve Forces
 - 1) Combat capable M-60/M-48A5 tanks and anti-tank missile systems.
 - 2) Accelerate modernization of aircraft: Navy - P-3 ASW Patrol Planes, A-7 Fighters, SH-3H ASW Helicopters. Marine Corps - F-4 Fighters, KC-130 Tankers. Air Force - RF-4 Reconnaissance Planes, A-7 and F-4 Fighters, C-130 Airlift Aircraft.
 - b. Increased Integration of Reserves into Active Structure and Missions
 - 1) Increased affiliation of Army units with active service units.
 - 4 active divisions with one Reserve brigade each. -97 separate Battalions. Single integrated chain-of-command for wartime operations/ peacetime training being developed.
 - 2) Test variable active/reserve manning of Naval ships.
 - 3) Additional missions and equipment assigned to Reserve Forces.
 - 3 amphibious ships, 4 Fleet Tugs to Naval Reserve. -KC-135 Tankers- initial use of Reserves in Air Force strategic mission. -One carrier dedicated to Naval Reserve tactical air wings. -Assign newly developed anti-tank mission to Army Reserve Components.
 - c. Improved Management of Manpower and Force Structure
 - 1) Identification of high priority, early deploying (M+60) units - emphasis on readiness - manning, equipment, training.
 - 2) Improved planning and management of Individual Ready Reserve - pre-assignment to billets in M+60 units. Studies to determine methods of expanding individual manpower pools.
 - 3) Elimination of unnecessary units from manned training structure - Army Total Force Analysis - Navy Missions Study.

Reserves Provide Significant Portions of Total Force Capability:

- | | |
|----------------------------------|--|
| o 64% Tactical Airlift Aircraft | o 50% Strategic Airlift Capability |
| o 54% Army Deployable Forces | o 32% Air Force Tactical Fighter Force |
| o 88% Navy Surface Minesweepers | o 45% Army Aviation Forces |
| o 25% Marine Corps Div/Air Wings | o 35% Naval ASW Patrol Squadrons |
| | o 68% Seabee Battalions |

DELETED
OASD/M&RA (RA)
CDR Bronaugh/54125
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

PROGRAM AND BUDGET SUPPORT FOR GUARD AND RESERVE FORCES

1. Subject of Interest: DoD requirement for separate identification and control of resources programmed and budgeted in support of Guard and Reserve forces.
2. Background: Public Law 90-168, "Reserve Forces Bill of Rights and Vitalization Act," required that the Reserve forces be adequately funded, equipped, trained, manned, and otherwise supported in order to insure their readiness for active duty in any emergency. There was Congressional concern that resources approved to support increased readiness for Guard/Reserve Components were being used for other requirements.
3. DoD Position: DoD Directive 7180.1 was published to establish controls and procedures for the identification as well as use of moneys earmarked for the Guard/Reserve Components and placed management of the budget in the hands of the Chief of each Component.
4. Current Status: Procedures designed to schedule and manage the allocation and issuance of equipment to the National Guard/Reserve Components have been implemented by the Services in accord with DoD policy guidance regarding program and budget support (DoD Directive 7180.1).

DoD has established separate Operation and Maintenance Appropriations for the Guard and Reserve Components as directed by Congress.

These actions provide OSD and the Chiefs of the Guard and Reserve Components the capability of managing and monitoring the resources allocated to them. They also insure that available resources, including funds and combat serviceable hardware, are applied to produce the greatest possible improvement in mobilization readiness.

DELETED
OASD/M&RA (RA)
Col Acree/70493
18 November 1976

UNCLASSIFIED

UNCLASSIFIED

EQUIPMENT MODERNIZATION FOR THE GUARD AND RESERVE

1. Problem: Shortages of combat capable equipment in the Guard/Reserve Components.
2. Background: Logistics capabilities undergird the readiness of forces and their ability to sustain combat. Previously allocated logistics resources have not achieved the inventory objective levels of unit equipment, maintenance float, War Reserve Stocks and combat loss replacements required for our Active and Reserve Forces. Funding constraints and diversions of equipment in support of foreign military sales have been the major deterrent to Reserve Force attainment of prescribed equipment inventory levels. The OSD policy for procurement, distribution and jurisdiction of combat capable equipment has improved the equipment inventories of our high priority, early deploying units and provided improvements in many units of lesser priority.
3. DoD Position - the Services will: expeditiously procure, issue and maintain equipment of combat capable quality in amounts required for mobilization; store, identify, and maintain additional combat capable equipment in the type and quantity necessary for the support of mobilization plans; establish identical equipment priorities for Guard and Reserve units and Active units having the same mobilization deployment times and missions.
4. Current Status: Emphasis on initial issue and modernization of equipment of the Guard/Reserve Components together with the lessened impact of foreign military sales, is resulting in improvement of both quality and quantity of equipment. Modern M-60 and rebuilt M-48 to M-48A5 tanks are being issued to the Army Guard and Reserve in increasing numbers, all Army Roundout units are now equipped with the M-60, and the TOW Anti-tank Missile System is being introduced in the Army Guard and Reserve; the Air Guard and Reserve KC-97 to KC-135 conversion program is moving on schedule and they have been assigned a part of the Strategic Air Command refueling mission, other Air Guard and Reserve modernization is continuing on schedule, and no significant problems are foreseen; the introduction into the Naval Reserve of the P-3 ASW aircraft is continuing as is the replacement of the A-4 Fighter with the A-7A/B; the F-4 is replacing the F-8 in one Marine Corps Reserve Squadron and one Squadron of KC-130 tankers has been added. Other programmed actions will result in even more significant improvements in our Guard/Reserve Component Forces provided adequate funds are budgeted to allow the Reserve Forces to achieve required Inventory Objective Levels.

DELETED
OASD(M&RA) - RA
Col Acree/70493
18 November 1976

UNCLASSIFIED

NAVAL RESERVE REQUIREMENTS

1. Issue:

What is the proper structure and size of the Naval Reserve based upon valid mobilization requirements?

2. Background

The Navy's FY 1977 program requested a Selected Reserve of 102,000 to fill the most critical of the more than 300,000 mobilization spaces that are required during the first three months after mobilization. This request was based on the second iteration of the Navy's first substantive review of its mobilization requirements in many years. The presidential budget for FY 1977 approved a Selected Reserve of only 52,000 spaces with the guidance that nine Mobile Construction Battalions and all Reservists assigned to mobilization billets for wartime expansion of the shore support structure need not be in the Selected Reserve. The Congress approved a Selected Reserve of 96,500 and directed an OSD study of the missions that should be assigned to the Naval Reserve. The report of this study is due 1 February 1977.

DELETED

The elements of contention revolve around the following points:

a. The Navy has not satisfied OSD, OMB, and the Congress that all of the billets required to expand the shore support activities to a wartime tempo of operations cannot be filled from various pools of individuals (individual Ready Reservists, active students, transients, patients, prisoners or those filling peacetime only billets) and that approximately 20 percent of these personnel should come from the Selected Reserve.

b. The Navy has been unable, within its total budget, to identify resources that can be diverted to expanding the Reservists participation in operation of ships and aircraft without undesirable degradation of active force capability to meet the requirements of peacetime forward deployments and immediate responsiveness to wartime crisis contingencies.

3. Current Status

The OSD study of Naval Reserve Missions is preparing an interim recommendation on Naval Reserve strength by 15 December 1976 and its report on missions by 1 February 1977.

OASD/M&RA (RA)
CDR Bronaugh/54125
23 November 1976

UNCLASSIFIED

FREQUENCY OF GUARD INSPECTIONS

1. Issue: The National Guard must be inspected annually whereas no such specific requirement applies to Reserve or Active Duty units.
2. Background: Section 105 of title 32, United States Code, sets out the requirement that Guard units must be inspected at least once a year. DoD 95-18 would authorize the Service Secretary concerned to prescribe the frequency of these inspections. This would increase flexibility in the use of inspection resources and would also result in a cost savings.
3. DoD Position: DoD supports the removal of annual inspection requirements of the National Guard so that all reserve components can be inspected on an 18-month cycle.
4. Current Status: Introduced in Congress September 27, 1975, (H.R. 9768).

DELETED
OASD/M&RA (RA)
Captain Johnson/74334
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

ARMY AND AIR FORCE RESERVE TECHNICIAN LEGISLATION (DOD 95-9)

1. Issue: The legislative proposal, "Reserve Technicians, Authorize Extended Retention," amends existing law to afford more flexibility in the management of the Army Reserve and Air Force Reserve technician program consistent with the mobilization readiness objectives of these Reserve Components. Civil Service Commission objects to the legislation.

2. Background:

- Currently, when an Army or Air Reserve technician is removed from Active Reserve status for reasons beyond his control, he must be continued in his civilian position until he can be reassigned to another position of like grade and pay within a reasonable geographic area near his present assignment. Since the Reserve technician program was established to provide the day-to-day support required by Reserve units in order to maintain combat readiness and a cadre of highly trained personnel when mobilization is necessary, some capability is lost when the technician is no longer a military member of the unit. This system is the result of an agreement with the Civil Service Commission 17 years ago.
- The proposed legislation provides that the technician must maintain membership in his unit to retain his status. It also provides that the Army and Air Force Reserve technicians would have "excepted" Civil Service status as National Guard technicians presently do. "Excepted" service means that if a member fails to maintain his unit membership he loses technician status.
- The legislative proposal was submitted to OMB February 21, 1975. The Civil Service Commission objected to change without a provision offering protection to individuals currently employed as technicians.

3. DoD Position: Supports the need for the proposed legislation.

4. Current Status: DoD is working with OMB and the Civil Service Commission to resolve differences.

DELETED
OASD/M&RA (RA)
Captain Johnson/74334
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

RESERVE COMPENSATION SYSTEM STUDY

1. Subject of Interest: Presidentially directed study to select and recommend the compensation system that will best enable the country to recruit and retain a Reserve force adequately for effective mission performance.

2. Background: The Director, Office of Management and Budget, notified the Secretary of Defense on 14 April 1976 of the requirement to study Reserve compensation. The Secretary of Defense responded on 7 May 1976 that an interim report would be provided on 1 December 1976.

A final report to the President is due 30 September 1977. Draft legislation, as well as other materials required for implementation of the approved recommendations, are to be completed by 31 December 1977.

3. DOD Position: Defense is concerned over the increase in payroll and personnel support costs, and agrees the study should be performed to determine the compensation system that will meet Reserve Components varied requirements at the lowest cost to the government.

4. Current Status: The Interim Report was completed and delivered to the Assistant Secretary of Defense (Manpower and Reserve Affairs) on 22 November 1976 in order to be forwarded to the President by 1 December 1976.

OASD/M&RA (RA)

ADM Altmann/42112

22 November 1976

UNCLASSIFIED

UNCLASSIFIED

ALL-VOLUNTEER FORCE ASSESSMENT

1. Subject of Interest: All-Volunteer Force Assessment.
2. Background: Since January 1, 1973 the Military Services have maintained their military strengths on a voluntary basis. The last draftee was inducted in December 1972, six months before the authority to induct expired on July 1, 1973. Since November 1974, the four Military Services have been composed of personnel who were volunteers.
3. DoD Position. Maintain the strength of our military forces in peacetime on a voluntary basis.
4. Current Status:
 - To achieve strength of 2,092,600 at end FY77, the Services plan to recruit 448,000 men and women during FY77. This is 25,900 or 6% above the total recruited in FY76. The Services can achieve both their recruiting objectives and quality goals provided they can increase enlistments of male high school diploma graduates (HSDG).
 - Achievement of the FY77 quality goals will require the recruitment of 268,000 male HSDG. This is 23,000 more male HSDG than the Services recruited in FY76. The Services prefer to enlist high school graduates because they are more likely to meet performance standards than non-graduates. Eight out of ten non-graduates, however, do successfully adjust to military life.
 - The proportion of new recruits with average and above average mental ability continues to remain about 95%. The enlistment of average and above average mental ability personnel in the Army and Marine Corps has been aided by enlistment bonuses for hard to fill skills requiring personnel with high learning abilities.

DELETED
OASD(M&RA), DASD(MPP)
Mr. Rosenthal/X56312
November 19, 1976

UNCLASSIFIED

COST OF ALL VOLUNTEER FORCE (AVF)

1. Subject of Interest: What does AVF cost in FY 1977?

2. Background:

a. A decision was made in 1971 to end the draft. To make entry into military life more attractive, expenditures were increased for salaries of junior enlisted and officers, recruiting, advertising, and military housing.

b. Last year, we estimated the cost of AVF in FY 76 as the cost of first term salaries above minimum wage (about \$1.3B), plus the cost of other programs aimed at junior people (about \$0.3B), for total cost of about \$1.6B.

c. We are now six years removed from the decision. Alternative costs have become increasingly hypothetical and hard to define. For example:

- How much would DoD have to spend for recruiting and advertising if we still had a draft?

- Would we have a limit on pay raises? If so, would it have applied to junior enlisted?

- Would we have allowed junior enlisted pay to sag below minimum wage? An E-2 now makes \$7300/year, or about \$3.50/hour, compared to the minimum wage of \$2.30/hour (\$4800/year).

d. The following table shows the impact on the FY 77 budget of a hypothetical reduction of the lower three pay grades to the minimum wage (including Base Pay, Basic Allowance for Quarters and Basic Allowance for Subsistence).

Costs (\$B)	FY 77**	If grades E-1 to E-3 were reduced to federal minimum wage	
		Reduction	New Level
Total Defense Obligations	111.4	-1.7	109.7
Total Payroll Obligations	52.4	-1.7	50.7
% Manpower Costs	47%		46%

*Includes pay of military, civilians, and retirees, plus family housing.

** October 1977, Five Year Defense Plan Estimate.

3. DoD Position: After six years, it is impossible to say just what personnel and fiscal conditions would now exist had we retained the draft in 1971. A rough estimate of annual AVF costs is about \$1.7 billion, which is the cost of first term salaries (including food and housing) above the minimum wage.

OASD(M&RA)(P&R)
Cdr Hunter/79106
22 November 1976

UNCLASSIFIED

SELECTED RESERVE RECRUITING AND RETENTION INCENTIVES

1. Problem: Continued failure of Guard and Reserve Forces to attain authorized strengths.
2. Background: Prior to January 1973, when the Active Forces were inducting young men, a significant proportion of new enlistees entered the Reserve Forces to fulfill their military obligation. Ending Active Force use of induction authority removed a major Reserve Force recruiting incentive.

The two largest Reserve Components, the Army National Guard and the Army Reserve have significant problems in attaining authorized strength levels. The June 30, 1976 total Guard and Reserve assigned strength was 71,000 below the end FY 76 authorized strength. The Army Guard was 38,000 short, and the Army Reserve, 18,000 short. Although the Navy, Marine Corps and Air Force Reserve Components ended FY 76 somewhat below their authorized strength, these components should be able to attain their FY 77 authorizations.

3. DoD Position: Actively encourage and support cost effective Service initiatives designed to improve recruitment and retention of manpower for the Reserve Forces.
4. Current Status: Among the initiatives undertaken to improve recruitment and retention of Reserve Force personnel are:
 - Increased emphasis on recruiting prior service personnel.
 - Proposed legislation to provide tuition assistance for certain Reserve personnel as an incentive for participation.
 - Army programs to expand the recruiting structure, improve the training base and test a pilot bonus program
 - A survey of the Guard and Reserve market to determine enlistment propensities and incentives and disincentives for enlistment/reenlistment in the Reserve Forces.

DELETED
OASD(M&RA), DASD(MPP)
Col W. G. Womack/56312
29 November 1976

UNCLASSIFIED

UNCLASSIFIED

RECRUITING RESOURCES

1. Subject of Interest: Recruiting Resources Required to Sustain Volunteer Enlistment Objectives.

2. Background: Since January 1973 the Services have been meeting enlisted accession requirements on a voluntary basis. At current force sizes, enlistments are expected to range from 425,000-450,000 annually for the Active forces and about 250,000 for the Reserve forces. A significant proportion of the Reserve force and some Active force accessions have prior military service. The requirement for new men and women is estimated to be about 500,000 annually.

An expansion in recruiting resources took place between FY70 and FY74 during which the recruiting force was more than doubled and extensive use of paid advertising was introduced.

Recruiters make contact with prospects through their own efforts and as a result of leads generated by advertising. Advertising also permits the Services to communicate with a large number of youth and stimulate their interest in enlistment. It has been difficult to attract sufficient recruits for duty in a few skills such as the combat arms. A prepaid wage differential in the form of enlistment bonuses has been authorized in these skills.

DELETED

3. DoD Position: Adjustments to Service recruiting resources should reflect changes in the recruiting market and accession requirements and take into consideration changes in recruiting incentives such as the Enlistment Bonus and Veterans Benefits. Adjustments should first be made in those resources which can most easily be increased or decreased — for example, advertising and enlistment bonuses. Changes to the basic recruiting force structure should be based on the longer term assessment of recruiting requirements and not be based on shorter term market outlook.

DELETED
OASD(M&RA), DASS(MPP)
Mr. Suffa/X56312
November 22, 1976

UNCLASSIFIED

UNCLASSIFIED
RECRUITING STRUCTURE

Subject of Interest: Recruiting structure and flow of enlistees.

2. Background: The transition to our all-volunteer force has been a dynamic process with the military services achieving their objective, in terms of quality and quantity, thereby sustaining a strong volunteer peacetime force. The structure which obtains the volunteer manpower is similar in each Service with minor variations in the size of management units. The processes through which an applicant for enlistment flows are identical among the Services.

3. DoD Position: To encourage and support a cost-effective recruiting structure to insure the continued supply of volunteer manpower.

4. Current Status: The recruiting organization for each Service is structured with management units as follows:

	<u>Hq Location</u>	<u>Region/Area Commands</u>	<u>Detachment/District Cmds</u>	<u>Recruiting Office</u>
Army	Ft. Sheridan	5	57	1,650
Navy	Washington, D. C.	6	43	1,450
Air Force	Randolph AFB	5	32	950
Marine Corps	Washington, D. C.	6	47	1,100

The recruiter works out of recruiting offices which are located according to the density of the 17-21 year old market in a local area. Office location may shift periodically to maintain central accessibility to the market.

Goal allocation is made from the Service recruiting headquarters to the region or area commands based on the qualified military available population in the geographical area and on the number of recruiters assigned to the command. The region or area commander allocates the goal to his subordinate units and thence to the recruiting offices on the same basis.

The recruiter, who has been carefully selected and trained, then uses all tools at his disposal to contact potential enlistees and influence an enlistment decision. Generally ten contacts result in one enlistment.

Once a favorable decision is made and the recruiter determines that the applicant is not morally disqualified through drug abuse or law involvement, he is administered the Armed Services Vocational Aptitude Battery (ASVAB) to determine his aptitude and mental category. The ASVAB is administered by personnel assigned to an Armed Forces Entrance and Examining Station (AFEES). None of the Services have this testing responsibility — as they once did — therefore insuring test integrity

When qualified mentally (passing the ASVAB), the applicant is administered an enlistment physical — again, by AFEES personnel.

When qualified for enlistment, the applicant is counseled by a Service representative at the AFEES to determine the right job or job area based on qualifications and Service needs. When an agreement is reached, the applicant may immediately enlist and ship to a training center or he may be placed in a Delayed Entry Program (DEP) for shipment at a later date.

All enlistees process through one of 66 AFEES, which are jointly manned and administered by the Army Recruiting Command acting as executive agent.

~~DELETED~~
OASD(M&A), DASD(MPP)
Col. W. H. Brown, USAF/CX56

DoD ENLISTED PERSONNEL BONUS PROGRAM

1. Subject of Interest: DoD Enlisted Personnel Bonus Program
2. Background: Public Law 93-277 replaced the Combat Arms Enlistment Bonus, and Regular and Variable Reenlistment Bonuses with an expanded Enlistment Bonus and Selective Reenlistment Bonus. The authority to make bonus payments under this law will terminate June 30, 1977, unless the Department of Defense acts to have Congress extend this date or to make the legislation permanent.

Our objective for nearly seven years has been the attainment of an all-volunteer armed force. The transition has been completed, and it is now incumbent upon us in the Department of Defense to sustain this force in sufficient numbers and quality in the most cost effective manner. To do so, the Department needs the authority, on a permanent basis, to use the additional management tools of the enlistment and selective reenlistment bonuses. These incentives are designed specifically and solely to meet our requirements for enlisted personnel. They provide the Secretary of Defense with the mechanism needed to meet the competitive struggle for critical skill manpower in the labor market.

3. DoD Position: To continue to press for revised permanent bonus authority via the President's Legislative Program for the 95th Congress. Separate consideration of the proposal for revised permanent bonus authority will provide the new Congress with the opportunity to address each of the substantive provisions based on its own merits.

4. Current Status:

- A legislative proposal to provide the Secretary of Defense with revised permanent enlisted personnel bonus authority is being included in the President's Legislative Program for the 95th Congress.
- As an interim measure, a separate legislative proposal will be submitted for earliest possible consideration by the new Congress. This proposal will request a simple extension of the present bonus law to the end of FY78 to ensure that these special pay incentives remain continuously available.

DELETED
OASD(M&RA), DASD(MPP)
Mrs. Mackey/X56312
November 19, 1976

UNCLASSIFIED

UNCLASSIFIED

FEMALE AND MINORITY PARTICIPATION IN THE GUARD AND RESERVE

1. Subject of Interest: Report on Female and Minority Participation in the Selected Reserve.

2. Background:

- ° All Reserve Components have given special emphasis to recruiting women and minority groups. Efforts have been very successful.
- ° Opportunities for women have been expanded greatly by permitting enlistment in many previously closed fields.

3. DoD Position: The goal in minority group recruiting is to achieve participation in each unit that reflects the character of the population in the recruiting area of the unit. DoD fully supports the efforts by all the Reserve Components to increase female and minority participation.

4. Current Status: The following table reflects the percent of female and black participation, and non-prior service accessions in the Selected Reserve:

	% PARTICIPATION				% ACCESSIONS			
	FEMALE		BLACK		FEMALE		BLACK	
	JUN 71	JUN 76	JUN 71	JUN 76	JUN 71	JUN 76	JUN 71	JUN 76
ARNG	.0	2.6	1.2	10.6	.0	11.7	1.5	29.5
USAR	.4	9.5	2.2	14.8	.7	44.1	1.3	40.6
USNR	.9	3.1	2.0	5.4	.7	15.7	1.5	7.3
USMCR	.2	1.6	3.2	15.4	.7	2.0	6.9	20.9
ANG	.6	4.8	1.0	4.8	.6	35.3	.5	13.7
USAFR	1.9	7.9	2.8	9.7	.0	44.4	.6	29.1
TOTAL	.4	4.8	1.7	10.5	.3	19.0	1.8	28.6

DELETED
OASD/MGRA (RA)
MAJ McCabe/70624
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

STANDBY INDUCTIO AUTHORITY

1. Issue: DOD position on requirements for draftees after mobilization -- how many and how soon?

2. Background: The President decided, and the Congress agreed, to end peacetime registration and retain the Selective Service System in a deep standby with planning and reserve training functions only. Minor changes in the law are required.

The draft is needed to provide people as a hedge against protracted major combat under conditions of full or total mobilization.

Under current planning, the Selective Service System (SSS) plans to provide about 100,000 draftees by 150 days after mobilization (M+150). The DOD position has been that this was acceptable, since our major mobilization need was for pre-trained manpower. NSSM 246 is restudying this question.

DELETED

3. DOD Position: DELETED

4. Current Status: DELETED

DELETED

OASD (MENA) (P/SN)
LTC Sparks/50526
29 November 1976

UNCLASSIFIED

GENERAL/ADMIRAL REQUIREMENTS

1. Issue: General and admiral requirements.
2. Background: There has been continued Congressional concern over the number of flag officers on active duty in the Armed Forces. In addition to public expression, the FY 1974 and FY 1975 Defense Appropriations Acts specified grade limitations for senior officer strengths. No limitations were contained in the FY 1976 or FY 1977 Appropriations Acts; however, Congressional interest remains high.
3. DoD Position: It is the intention of the DoD to maintain the numbers of officers serving in higher grades to the minimum consistent with the short- and long-term needs of Defense. The Department is opposed, however, to imposing grade limitations on a year-to-year basis through annual appropriations acts. The number of flag officers required is not directly proportionate to the annual changes in total military personnel strengths, but is a product of the basic organization and functions of Defense.

In this respect the Department's review of headquarters and headquarters staffing has reduced the requirements for flag officers.
4. Current Status: The Department of Defense has functioned at or below the limitations imposed by previous appropriations acts. It should be noted that on 30 June 1973 the total number of flag officers on active duty was 1,291, substantially less than the Vietnam peak of 1,352. As a result of DoD initiatives, the total declined to 1,184 on 30 June 1976. Further reductions to a total of 1,141 are planned by end FY 1978.

General/Admiral Strength Trends

	<u>Actual</u>		
<u>1964</u>	<u>1968</u>	<u>1973</u>	<u>1976</u>
1,294	1,352	1,291	1,184

DELETED

DELETED
OASD M&RA (MPP)
CAPT Williams/56461
17 November 1976

CONTROL OF GENERAL SCHEDULE GRADE ESCALATION

1. Problem: There has been concern over increases in average grade of General Schedule (GS) positions and in the numbers of positions in high grades.
2. Background: In industry and in Government, there is a trend toward more professional, technical positions and elimination of more routine positions by automation. Therefore, although all increases in average grade or numbers of high grade positions are not, per se, "bad," efforts need to be made to assure that no unjustified grade escalation occurs.
3. DoD Position: DoD has position management programs to assure a lean civilian grade structure. Position management programs must be strengthened and the requirement to maintain a lean and efficient job structure reemphasized.
4. Current Status:
 - . DoD has made a greater reduction in average grade than the Federal Government has made and average grade in DoD is below the Federal average.
 - . The DoD June 1975 average grade was 7.65 while the Federal-wide March 1975 average was 7.87. DoD's decline from the June 1971 average was three times the size of the Federal decline.
 - . From June 30, 1971 - June 30, 1975 high grade positions declined as a percent of General Schedule employment. Of continuing concern, however, is the fact that there was an upward movement in average grade during fiscal year 1975.
 - . On August 12, 1976 the Department of Defense ordered reduction in the numbers of high grade (GS-13 and above) which, when fully implemented by the end of FY 1978 will result in an overall reduction of 2,134 positions (4.1%).

Deleted
OASD/M&RA (CPP)
Mr. Petosa/57901
19 November 1976

REVISION OF PL 92-392, "MONRONEY AMENDMENT"

1. Problem:

Wages for the approximately 390,000 "blue collar" trade and craft employees in the Department of Defense are to be set, according to PL 92-392, "in line with prevailing levels for comparable work within a local area." One provision of PL 92-392, however, the so-called "Monroney" amendment (section 5343(d), title 5, United States Code) makes it impossible in many areas to establish rates in line with those prevailing in a local area because it requires importing rates from other areas. The total estimated annual overpayment in wages that results from this provision is about \$60 million annually to DoD.

2. Background

History. Federal employee unions succeeded in writing this legislation into law initially as a "rider" to PL 90-560, enacted October 12, 1968. Subsequently, the provision was incorporated in PL 92-392 enacted August 19, 1972, to establish a Federal-wide prevailing rate system for Federal employees in trades and crafts.

Experience in Wage Surveys. To date, in 28 of the 137 appropriated fund regular wage areas, the "Monroney Amendment" affects rates. About 122,000 Federal wage employees work in these areas, and about 79,000 of them receive more than they would receive if prevailing rates were followed. The scheduled amount of this excess varies by grade in amounts from \$0.01 hourly up to \$1.84 hourly. The "Monroney Amendment" also makes the Federal Government compete unfairly with private industry by paying higher rates than in industry. It fuels inflation because private employers, in order to compete, are forced to pay higher rates and it forces contracting out.

3. DoD Position

Title 5, United States Code, should be amended by repealing section 5343(d) ("Monroney Amendment").

4. Current Status

Legislation to amend title 5 to include repeal of the "Monroney Amendment" as well as other reforms to the Federal Wage System was introduced by Mr. Derwinski on March 29, 1976, as H. R. 12843. It was referred to the House Committee on Post Office and Civil Service.

Deleted
OASD/M&RA (CPP)
Mr. Petosa/57901
19 November 1976

FEDERAL EMPLOYEE COLLECTIVE BARGAINING RIGHTS

Subject of Interest:

Several bills were introduced in the last Congress for the purpose of establishing a statutory framework for labor-management relations in Federal agencies. The proposed legislation would have a significant impact on civilian personnel administration within DoD.

2. Background

Present Program. Federal labor-management relations are governed by Executive Order 11491. Substantial unionization has taken place in recent years. Unions now represent about 65% of DoD's civilian employees and negotiate on personnel policies and working conditions in 1,950 bargaining units at DoD installations worldwide. However, unions complain that the scope of bargaining is too limited and that machinery for dispute resolution is cumbersome and weighted toward management.

Leading Bills. Prominent are H.R. 13, backed by the AFL-CIO, and H.R. 4800, introduced by the Chairman of the House Manpower subcommittee as a compromise measure. H.R. 13 would greatly expand bargaining, permit unionization of supervisors, allow the union shop, and eliminate protection for management rights. H.R. 4800 would continue most E.O. 11491 policies, but would establish a new body for bilateral review of Government-wide personnel policies and expand union consultation rights at the agency level. Both bills would establish a new NLRB-type authority to supervise the Federal program.

3. DoD Position

DoD opposed H.R. 13 on the basis that it would create a program imbalance heavily weighted toward labor interests. H.R. 4800 is less unsatisfactory but DoD is on record as opposing it in its present form. The President amended E.O. 11491 in 1975; further program change is not needed at this time.

4. Current Status

Neither bill was reported out of Committee in the 94th Congress. However, Federal employee unions can be expected to renew their efforts in the 95th to obtain bargaining rights grounded in law. OASD(M&RA) will watch development closely and coordinate with CSC on input to committee staff.

- Deleted -

OASD/M&RA (CPP)
Mr. Green/52439
22 November 1976

UNCLASSIFIED

COMPRESSION OF CIVILIAN EXECUTIVE SALARIES

1. Subject of Interest:

Senior executive salaries have been compressed beyond reason by the limitation (\$39,600) required by section 5308, title 5, United States Code.

2. Background

History and Congressional Concern. Since January 1971 there have been six increases in the General Schedule totalling 30.76%. Almost all employees from Step 6, GS-15 through GS-18 are being paid the same rate of pay (\$39,600). Although the 1975 and 1976 increases amounting to 5% and 4.83% respectively provided some relief in slowing further compression, the GS-18 salary is almost \$15,000 below the authorized General Schedule level.

Adverse Effects

There is little incentive for managers to accept more responsible positions. There is incentive for managers to retire and undertake other careers.

The executive salary ceiling is inequitable during a period of rapid inflation while other salaries have been significantly increased.

3. DoD Position

There should be a prompt adjustment in the \$39,600 salary ceiling by elimination of the ceiling and implementation of the General Schedule rates in 5 USC 5332.

4. Current Status

It is essential to alleviate the demotivating compression which has held down rates for senior-level positions over the past seven years. The Quadrennial Pay Commission is currently studying executive salaries preparatory to recommending to the President what action should be taken with respect to civilian executive salaries. The President and Congress, as a result of the Commission study, should provide for a prompt adjustment. Otherwise the demotivating compression will continue to adversely affect the Government's ability to attract and retain critically needed executive skills.

Deleted

OASD/M&RA (CPP)
Mr. Workman/73402
19 November 1976

UNCLASSIFIED

CIVILIAN RETIRED PAY INVERSION

1. Subject of Interest:

The compression of senior executive salaries with only two increases since January 1971 and Federal retiree cost-of-living increases totalling 45% since that date have resulted in many retirees receiving annuities greater than annuity computations for current senior level executives.

2. Background

History and Congressional Concern. Senior level employees who have retired have had their annuities increased as much as 45% since January 1971 resulting, in many cases, in annuities larger than annuity computations of current senior level employees whose salaries are subject to the ceiling limitation of \$39,600. Congressional reluctance to raise their own salaries because of the politically unpopular nature of such an action, combined with Congressional reluctance to raise executive salaries without raising their own are underlying causes of the present situation.

Adverse Effects

There is incentive for key managers, particularly those in the earlier years of retirement eligibility and at the peak of their capabilities, to retire and seek other careers to prevent further erosion of annuities and real income. Employees at top salary levels who retire at the first opportunity benefit from repeated cost-of-living adjustments, and those who remain continue to receive salaries below authorized General Schedule levels.

3. DoD Position

Alternate annuity calculations should be authorized which would remove the penalties imposed by the statutory salary ceiling and assure that employees will not get less by working longer.

4. Current Status

In November 1975, the Deputy Secretary of Defense requested that OMB reconsider the rejection of an earlier DoD legislative proposal which would entitle an employee to receive an annuity computed on the basis of his service and average salary at any time since January 1, 1971, after the employee became eligible for retirement, increased by cost-of-living annuity adjustments authorized since that date. On reconsideration, the OMB confirmed its opposition to the legislative proposal in April 1976.

Deleted

UNCLASSIFIED
Levels of Training Manpower

1. Issue: Are appropriate amounts of manpower utilized for individual training in the Department of Defense?

2. Background: Individual training consists of five types of training (recruit, officer acquisition, specialized skill, flight, professional development) which are generally conducted in military training centers or schools. It excludes training in operational units conducted to maintain unit readiness. Considerable criticism has been directed at the amount of military and civilian manpower used to conduct and support individual training. The primary rationale for this criticism has been comparisons of DoD "student/teacher" or "student/staff" ratios with those in civilian high schools and colleges. A special Report on the Training Establishment, focused on this issue, was submitted to the Congress in March 1976, as part of the Military Manpower Training Report for FY 1977. The report demonstrated that statistics used to criticize DoD training staffing are generally incorrect; that military training (for example, weapons training or pilot training) differs so greatly from civilian education that comparisons have little meaning; and that, insofar as these differences can be reconciled, the comparison does not indicate inefficiency in the use of manpower in military training. The report was well received in the Congress little criticism on this basis has subsequently been received. It is recommended that individuals interested in this issue review the report; copies are available from the action officer.

3. DoD Position: DoD continues to seek ways to economize on the manpower investment in training. In the two years between FY 1975 and 1977, manpower in support of training is being reduced by about 14 percent despite a small increase in student populations. _____

DELETED

However, these reductions are being achieved on the basis of careful analysis of requirement not on surface comparisons with civilian education staffing.

4. Current Status: The review of Service training manpower requests continues.

DELETED
OASD/M&RA(PR)
Col Tilson/56857
22 November 1976

UNCLASSIFIED

UNCLASSIFIED
Flight Training Rationalization

1. Subject of Interest: How can Flight Training be made more effective and efficient?

2. Background:

- o Although Flight Training accounts for less than 3% of DoD student manyears, it accounts for nearly one-fifth of DoD training support manpower and more than one-sixth of DoD training funding.
- o Broad DoD program of Flight Training rationalization has emphasized two approaches: 1) insuring that only the required amount and type of Flight Training is conducted; 2) insuring that required Flight Training is conducted as efficiently as possible.
- o Flight Training output has been reduced by about one third from FY 1973 to FY 1977. Flight Training efficiency has been improved through consolidation of duplicative training and through reduction in the number of bases used for flight training.
- o More extensive use is being made of flight simulators in undergraduate flight training as well as in proficiency and operational flying programs in units.

GAO and Congressional interest in Flight Training rationalization and consolidation has been high;

DELETED

a delay of FY 1977 implementation of undergraduate helicopter pilot training consolidation pending further DoD study; a report on this issue was requested by April 15, 1977.

3. DoD Position: Flight Training rationalization is a priority effort in OSD. Actions to date have been prudent; future actions must be just as carefully developed and planned.

4. Current Status: Implementation by the Military Services of the advanced navigation training consolidation decision is being carefully watched and coordinated. Undergraduate helicopter pilot training consolidation is being given further study as requested by the Congress. The potential for further navigator/Naval Flight Officer training consolidations and future fixed-wing pilot training consolidations is being explored.

DELETED

OASD/M&RA (PR)
Mr. Peterson/56940
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

DOD COMMITTEE ON EXCELLENCE IN EDUCATION

1. Subject of Interest: The DoD Committee on Excellence in Education, often referred to as the Clements Committee, is comprised of the Deputy Secretary of Defense, the three Service Secretaries, and the Assistant Secretary of Defense (M&RA). Additionally, there is a Subcommittee chaired by the ASD(M&RA) and comprised of the three Service Assistant Secretaries for M&RA, a representative of OJCS, and the Director of Defense Education.

2. Background:

a. Purpose: The Committee and Subcommittee are engaged in a comprehensive examination of officer schooling. Currently, well over one billion dollars per year is spent on education by DoD with a considerable portion of that directed to officer education. Recognizing that there is some potential for duplication and lack of coordination among these programs, the Committee and Subcommittee on Excellence in Education were formed to insure that resources devoted to education are being utilized in a suitable and cost-effective manner.

b. Activity to Date: During the past three years the Committee on Excellence in Education and the Subcommittee have reviewed three levels of officer military education - Senior Service College (SSC), Intermediate Staff College (ISC) and the Service Academies. Major emphasis at the SSC and ISC levels has been on curriculum and faculty improvement, improved procedures for student selection, and development of a comparative costing and manpower evaluation system. At the Service Academy level, emphasis has been on study of a common core curriculum, review of Honor System, plebe attrition and summer training, and integration of women.

3. DoD Position: Not applicable.

4. Current Status: The Committee is currently in the process of completing its second round of visits to the Service Academies and is expected to publish new initiatives in December 1976. The Subcommittee completed its study of the Staff Colleges in October 1976 and has submitted their recommendations to the Committee for appropriate action. Publication is expected in December 1976.

Deleted

OASD/M&RA (MPP)
Major Montefusco/73753
18 November 1976

UNCLASSIFIED

UNCLASSIFIED

IN-SERVICE VOLUNTARY EDUCATIONAL PROGRAM

1. Subject of Interest: In-Service Off-Duty Educational Program to Support the Volunteer Force Objectives.

2. Background: Voluntary or off-duty educational programs are established to improve competence of personnel, assist career progression, and generally strengthen personnel base of Armed Forces.

a. Funding is by tuition aid (75% by Service, 25% by individual) or by in-Service educational benefits of the G. I. Bill. Current congressional interest includes suggestion by House Appropriations Committee to allow officers to use tuition assistance at the graduate level only if it satisfies a need of the Military Service. The Congress has voted to terminate the G. I. Bill effective 31 December 1976. It is estimated that the termination of the G. I. Bill will cause the cost of the program to DoD to rise from approximately \$80 M now to as much as \$200 M within five years. Fewer active duty personnel will be eligible for the G. I. Bill and pressure will build to expand tuition aid.

b. Even as force levels decline, participation has increased. Today, about one-fourth (500,000) of active duty personnel are participating.

c. Programs range from high school completion/remedial (no longer funded under G. I. Bill) through the graduate level on most installations in this country and overseas. It includes correspondence study and credit by examination.

3. DoD Position: The program is supported by all the Military Departments and is extensively used as a recruiting incentive.

4. Current Status: The intent of Congress in terminating the G. I. Bill was that funding for the high school completion/remedial program be shifted from the VA to DoD. Programs similar to the one funded by the VA have been initiated by all the Services.

Deleted

OASD/M&RA(MPP)
Col Zimmer/71969
19 November 1976

UNCLASSIFIED

UNCLASSIFIED

WOMEN IN SERVICE ACADEMIES

1. Subject of Interest: The Defense Appropriation Authorization Act P. L. 94-106, enacted October 7, 1975, states that women are eligible for appointment to the Service Academies and that admission, training and other standards should be the same as required for males, except for minimum adjustments due to physiological differences.
2. Background: The Department of Defense opposed legislation opening the Service Academies to women. The basis of the Department's argument was that since the Academies' prime mission is to produce combat officers and since women are by law prohibited from serving in combat, then participation by women in academy training would not be cost effective. (10 U. S. C. 6015 prohibits Navy women from serving in combat aircraft or naval vessels except for transports and hospital ships; 10 U. S. C. 8549 prohibits Air Force Women from serving in combat aircraft. Derived Army regulations prohibit women from serving in combat units.) Defense argued that other excellent educational opportunities such as ROTC scholarships would be available to women.
3. DoD Position: The Department is making every effort to ensure a successful program.
4. Current Status: The Military Departments are providing prospective women candidates information on the Academies. For the Classes of 1980, entering in June/July 1976, 119 women were admitted to the Military Academy, 81 women to the Naval Academy, and 157 women to the Air Force Academy. The numbers of women admitted were based on Service needs. Women are undergoing virtually the same education and training program as their male counterparts and will satisfy the same requirements for graduation.

Deleted

OASD/M&RA(MPP)
Mr. Burman/70618
19 November 1976

UNCLASSIFIED

UNCLASSIFIED

DOD - OVERSEAS DEPENDENTS SCHOOLS

1. Subject of Interest: The DOD provides a K-12* education program for dependents of DOD military and civilian personnel stationed overseas.
2. Background: Through FY 76, each military department was assigned operational responsibility for the overseas dependents education program in a specified geographical area, i.e., Department of the Army: European Region; Department of the Navy: Atlantic Region; and Department of the Air Force: Pacific Region. Policy guidance was provided by DOD. House Appropriations Committee (HAC) Reports expressed concern that the service geographic manager concept led to three distinctly separate education programs. The HAC desired to centralize management control of the program in the Office of the Secretary of Defense (OSD), and it directed in FY 75 that funding and curriculum development be consolidated in OSD. The FY 76 HAC Report directed that the centralization of operational control in the Office of Overseas Dependents Education (OODE), OSD, be completed by transferring all personnel associated with the program from the services to OSD. The Senate Appropriations Committee (SAC) recommended retention of the geographic manager concept, but the House-Senate Conference Committee, in reviewing the FY 76 budget, directed that full responsibility for management of the overseas dependents education program be removed immediately from military department control and vested in OODE, OSD. This action was to assure that there will be only one educational program for the dependents of DOD military and civilian personnel, overseas.
3. DOD Position: OSD concurred with the House-Senate Conference Committee action.
4. Current Status:
 - o DOD Directive 1342.6 has been revised to reflect elimination of the military departments from overseas dependents schools operational responsibilities effective 1 July 1976.
 - o The Directive established the Department of Defense Office of Dependents Schools (DODDS) as a field activity of the Assistant Secretary of Defense (Manpower and Reserve Affairs). It authorizes a Director who shall organize, manage, fund, direct, and supervise the complete operation and issue policies and regulations as necessary to carry out the assigned mission. Also, he shall enter into agreements with the military departments or other U.S. Government entities, as required, for the effective operation of the program; establish subordinate offices necessary to fulfill the mission; reimburse the military departments for logistic support; and coordinate, as necessary, with other OSD elements/ components and other governmental and non-governmental agencies.
 - o The budget for FY 77 is \$245.1 million and covers the cost of approximately 9,842 civilian employees and the education of approximately 147,719 DOD dependents.

Deleted
DODDS, OASD(M&RA)
Dr. Cardinale/325-0188
19 November 1976

* K-12 means Kindergarten through 12th grade.

MODERNIZATION OF THE UNIFORMED SERVICES RETIREMENT SYSTEM

1. Subject of Interest: Modernization of the Uniformed Services Retirement System.

2. Background: The current military retirement system has management, equity and cost deficiencies. It encourages retirement too soon after initial eligibility; is inefficient in attracting members into service and retaining those with short service; inhibits management decisions to sever members in mid-career to meet force objectives; lacks vesting for the 9 out of 10 who do not reach retirement eligibility; and allows some retirees to chose retirement date to maximize retired pay. System costs are rising, caused by growing retired population from past large standing forces; increasing active duty pay levels and CPI adjustments to retired pay. There is widespread Congressional interest in reducing retirement costs.

3. DoD Position: The Department is sponsoring the Uniformed Services Retirement Modernization Act (RMA) to correct the defects in the present system. Its major features are:

a. An increased annuity for retirement at 30 years of service and a reduced annuity for retirement earlier than 30 years.

b. Use of the high one averaging instead of terminal basic pay.

c. Vesting of a pro rata share of retirement benefits for voluntary and involuntary separation before retirement eligibility at 20 years of service.

d. Integration of military retired pay and social security benefits, reducing the annuity by one-half the social security payment attributable to military service.

The proposal includes save pay provisions for members already at retirement eligibility and transition features to apportion application of the new system to current members relative to pre-enactment service.

The proposal also provides readjustment pay for those involuntarily separated before retirement eligibility with more than five years of service.

4. Current Status: The 94th Congress did not act on RMA. The Department will resubmit RMA to the 95th Congress. RMA is expected to increase near term retirement-costs, but save about \$11 billion by the year 2000.

Deleted
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

MODERNIZATION OF THE RESERVE RETIREMENT SYSTEM

1. Subject of Interest: Modernization of the Reserve Retirement System.

2. Background: Under current law a Reservist who dies before reaching retirement pay eligibility (age 60), and is otherwise qualified for retired pay, is unable to pass any of his accrued benefit on to his survivors. To correct this defect, the Department prepared legislation to modernize the Reserve retirement system. One provision of this proposal would authorize the payment of retired pay as early as age 50 at an actuarially reduced rate. Another important provision would authorize a lump-sum payment for dependents of members who die before reaching the age at which they start receiving retired pay. Finally, a new method of computing retired pay would result in savings after the first ten years after enactment. The Office of Management and Budget has not cleared it for submission to Congress. This lack of clearance is attributed to initial additional cost.

3. DoD Position: DoD supports legislation to modernize the Reserve retirement system.

4. Current Status: A legislative proposal to accomplish this objective is being prepared for submission to the 95th Congress.

Deleted
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

RECOMPUTATION OF MILITARY RETIRED PAY

1. Subject of Interest: Proposals to reinstate recomputation of military retired pay based on each increase in active duty pay.

2. Background:

- o Suspension of recomputation: Prior to June 1, 1958 military retired pay was recomputed each time active duty basic pay was increased. This practice was abandoned in 1958. Since 1963, retired pay has been adjusted based on increases in the cost of living, as measured by the Consumer Price Index (CPI).
- o Reinstatement of recomputation: The President's Interagency Committee study of retirement and survivor benefits in 1971 concluded that the Government's responsibility should be limited to the maintenance of purchasing power of retirement annuities. The Committee, however, did recommend a one time recomputation based on the January 1, 1971 pay rates. DoD submitted legislation to this effect to the 92nd Congress. That Congress did not act on that proposal. The President deleted it from legislative programs for succeeding Congresses. Significant increases in active duty pay has led to a rekindling of interest in restoring recomputation.
- o Congressional Interest: Pressure for "recomp" has been felt by the Congress from the military retired community, especially those who retired on the low basic pay scales prior to 1958. In response, the Congress has, on several occasions, considered legislation to recompute retired pay. Referred to as the Hartke proposals, these amendments call for a one-time recomputation of retired pay to the 1972 pay scales. Congress has not acted on the Hartke proposals.

3. DoD Position:

DELETED

4. Current Status: It is understood that the President-elect has made a commitment to review the "recomp" issue.

Deleted
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

SURVIVOR BENEFIT PLAN - SOCIAL SECURITY OFFSET

1. Subject of Interest: The Social Security offset in the Survivor Benefit Plan (SBP).

2. Background: The SBP enables a retired member to provide an annuity for his surviving dependents by contributing to the benefit by a reduction in his military retired pay. The Social Security program provides a survivor benefit to mothers or widows. It is jointly financed by the Social Security tax paid equally by the military member and the Department of Defense. The SBP annuity is reduced by an amount equal to the amount of Social Security benefit to which the widow would be entitled calculated solely on the basis of the member's military service. The widow's Social Security survivor benefit is not affected. DoD calculates the Social Security offset based on the member's social security covered military earnings and deducts it from the SBP annuity without regard to whether the widow is actually receiving Social Security payments and without regard to whether they derive from her husband's income or from her own. Military survivors and some Congressmen have questioned the propriety of:

a. Offsetting the full amount of Social Security benefit from military service when half of it derives from members' Social Security payments.

b. Offsetting SBP annuities of widows who are drawing Social Security pensions in their own right rather than as a result of their husbands' military service.

There are other issues related to these questions.

3. DoD Position: In response to a proposal before the 94th Congress, to make a large number of changes to SBP, the Department deferred a position on these issues pending review, and is committed to provide a report to the 95th Congress in February 1977.

4. Current Status: A review of the Social Security offset in SBP is in progress. Expected completion date is late January 1977.

Deleted
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

CPI ADJUSTMENTS FOR RETIRED SERVICEMAN'S FAMILY
PROTECTION PLAN

1. Subject of Interest: Protection of certain annuities payable under the Retired Serviceman's Family Protection Plan (RSFPP) against inflation.

2. Background: The Survivor Benefit Plan (SBP) superseded the RSFPP as the Department of Defense survivor benefit program. When SBP was enacted retired members participating in RSFPP were authorized to elect:

a. To participate in the new Survivor Benefit Plan and drop participation in the Retired Serviceman's Family Protection Plan;

b. To participate in the new Survivor Benefit Plan and continue participating in the Retired Serviceman's Family Protection Plan;

c. To continue participating in the Retired Serviceman's Family Protection Plan and not participate in the new Survivor Benefit Plan.

No provision was made for cost of living increases (COL) in the annuities of widows or widowers who were receiving annuities under RSFPP.

Retired members had up to 18 months (September 21, 1972 to March 20, 1974) to make an election to participate in SBP. The Department believes that those retired members who died during the election period would have made elections to participate in SBP had they lived.

3. DoD Position: It is the view of the Department of Defense that provisions should be made for adjusting the amount of RSFPP annuities based on increases in the COL which occurred since September 21, 1972 for widows and dependent children of members who died on or before March 20, 1974 and who were participants in RSFPP.

DoD supports legislation to authorize adjustment of certain RSFPP annuities based on increases in the Consumer Price Index (CPI). Similar legislation, supported by DoD passed the House of Representatives but not the Senate during the 94th Congress.

4. Current Status: Legislation to accomplish this objective is part of the Department's legislative program for the 95th Congress

DELETED

Deleted
OASD(M&RA)(MPP)
LTC Gasper/53176
24 November 1976

~~UNCLASSIFIED~~

MILITARY JUSTICE SYSTEM AND SELECTIVE RATES

1. Subject of Interest: Status of the Military Justice system and rates of courts-martial and nonjudicial punishments.
2. Background: Courts-martial rates have significantly decreased for the past two years after having been stable for the prior three years. The rates for these years are generally lower than for the last ten years.

Nonjudicial punishment (Article 15's) rates have declined for the past two years after having been on the increase for the prior four years and a peak rate in FY 1974.

Cumulative Annual Rate Per 1000 Average Monthly End Strength

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
General						
Courts-martial	1.28	1.16	1.04	1.13	1.05	.99
Special						
Courts-martial	14.19	10.53	10.60	13.00	10.94	8.09
Summary						
Courts-martial	<u>9.57</u>	<u>9.21</u>	<u>7.53</u>	<u>6.08</u>	<u>5.53</u>	<u>4.24</u>
TOTAL	25.04	20.90	19.17	20.21	17.52	13.32
Nonjudicial						
Punishments	145.1	145.5	157.6	180.27	169.65	161.99

There are on-going General Accounting Office (GAO) surveys on the following topics: the use of pretrial confinement; reduction of crime on military installations, random selection of juries in courts-martial and uniformity of punishments. The GAO recently completed a survey on the topic of uniform treatment of prisoners.

3. DoD Position: The military justice system is working in a creditable manner.
4. Current Status: An interservice committee known as the Joint Service Committee on Military Justice, established by the Service Judge Advocates General, meets on a continuing basis with a view toward recommending necessary changes to the system. A member of the Court of Military Appeals staff sits with the Joint Service Committee's working group.

Deleted
OASD(M&RA)(MPP)
Maj J.A. Badami, USA/74054
17 November 1976

MILITARY DISCHARGES

1. Subject of Interest: Military discharges, particularly the procedures preceding the issuance of general and undesirable discharges, have attracted an increasing degree of public interest. Several legislative proposals have been introduced in Congress, which, if enacted, would alter the discharge system and impose relatively expensive and unnecessarily complex procedural restrictions upon the Armed Forces.
2. Background: There are three types of administrative discharges, characterized as follows: (1) Honorable, for honest and faithful service, (2) General, for satisfactory service under honorable conditions not sufficient to warrant an honorable certificate, and (3) Undesirable, for service under other than honorable conditions. Punitive discharges are issued as a result of court-martial sentence and include Bad Conduct and Dishonorable.

An undesirable discharge can be issued only after the member has been afforded several rights, including counsel and a hearing, and must be approved by at least a general court-martial authority. Dishonorable, bad conduct and undesirable discharges generally do not qualify the member for VA benefits.

A continuing Congressional concern focuses on two issues: the policy of issuing characterized discharge certificates, and the adequacy of the guarantees of procedural due process for the individual service member.

3. DoD Position: The Armed Forces have the right and responsibility to recognize and document military service which is honorable. This includes both "honorable" and "general" discharges. This recognition, however, necessarily results in an adverse characterization of those whose service was less than honorable. DoD is continually reviewing refinements to the administrative discharge system.
4. Current Status: Hearings on legislation were held before Mr. Nedzi's HASC Subcommittee on Military Personnel beginning in November 1975. A report from that Subcommittee has not been received as of this date. The term "undesirable discharge" is to be replaced with "discharge under other than honorable conditions" on January 1, 1977.

Deleted
OASD(M&RA)(MPP)
LTC G.A. Johnson, USAF/74054
17 November 1976

UNCLASSIFIED

SEPARATION PROGRAM DESIGNATORS (SPD's)
formerly
SEPARATION PROGRAM NUMBERS (SPN's)

1. Subject of Interest: Use of numerically coded reasons for discharge.
2. Background: Separation Program Designator (SPD) is the term used in DoD for a data processing identifier which is keyed to reason for separation enumerated in detail in DoD and Service Directives. As opposed to a full narrative description and aside from the obvious clerical advantages, it was felt that use of this system would assure a reasonable degree of privacy to individuals, particularly those who were discharged for adverse reasons. The DD Form 214, "Report of Separation from Active Duty," also contains 33 other items of personnel information relating to the individual's military service. The form is used by the Military Services, the Veterans Administration and the Selective Service System for their internal purposes; by veterans in seeking reenlistment, benefits or employment; and by employers who recognize its value and often demand that a veteran provide the form prior to employment. On March 14, 1974, the Chairman of the House Armed Services Committee requested discontinuance of the use of SPN's. On January 23, 1975, in a survey of the use of DD Form 214, the GAO recommended this form no longer be automatically furnished to each member on separation.
3. DoD Position/Current Status: On March 27, 1974, the Secretary of Defense ordered the discontinuance of SPD's on all copies of DD Form 214, except those retained by the Military Service. He also directed that the reason for discharge, when requested by the individual, be provided in narrative format. It was later provided that a new copy of the DD Form 214 with the SPD deleted, would be furnished to all former members upon request. On June 15, 1975, OSD directed discontinuance of the automatic issuance of DD Form 214 upon separation. The member is now required to make a written request for a copy of his/her DD Form 214.

OASD(M&RA)(MPP)
LTC G.A. Johnson, USAF/74054
17 November 1976

UNCLASSIFIED

UNCLASSIFIED

MILITARY ABSENTEES AND DESERTERS

1. Subject of Interest: Absence without leave (AWOL) and desertion are criminal offenses under the Uniform Code of Military Justice. Strictly speaking, an individual is not a deserter until he is convicted by a court-martial. However, for administrative purposes and trend analysis, an individual is administratively designated a deserter after continuous absence of 30 days.
2. Background: As a result of Senate hearings in 1969, DoD programs to combat absenteeism were redefined and emphasized. A Deserter Information Point was established within each of the Military Services to maintain the records of those who are in a status of desertion. Discharges in absentia were discontinued, per specific recommendation of the Committee, except in those cases involving aliens known or suspected to be residing in foreign countries.

The problem of military absenteeism continues to be a matter of Congressional and public interest and discussion, since it is often related to drug abuse, morale, discipline and dissent. However, the vast majority of absentees are the result of family and financial problems or an inability to adapt to military life. In recent years, there has been continuous publicity regarding proposals for amnesty/clemency for draft evaders and military deserters.

3. DoD Position: DoD policy requires the Military Departments to implement preventive programs to reduce the incidence of absenteeism. It is also DoD policy to encourage all absentees to return to military control as expeditiously as possible.
4. Current Status: The rate of AWOL incidents has continued a slight increase. Desertion rates peaked in FY 71 and have fallen somewhat since then. Separate fact sheets are available from OASD(M&RA)(MPP) on absentee and deserter statistics.

Deleted
OASD(M&RA)(MPP)
LTC G.A. Johnson, USAF/74054
17 November 1976

UNCLASSIFIED

UNCLASSIFIED

STATUS OF EQUAL OPPORTUNITY AND
TREATMENT IN THE ARMED FORCES

1. Subject of Interest: Status of equal opportunity and treatment in the armed forces.
2. Background: During the decade 1965 - 1975, DoD has taken the initiative to apply and expand the intent of civil rights legislation and executive orders (applicable only to civilians) to the military services. The Human Goals Statement, initiated in 1969, and signed by key DoD officials, thereafter, provides the philosophical framework for our actions.
3. DoD Position: It is the policy of the Department of Defense to actively oppose all forms of arbitrary discrimination based on race, color, religion, sex, age and national origin.
4. Current Status: We believe the equal opportunity program in the armed forces is second to none. But we also realize that all of us can do more. We are continuing to review and amend as appropriate all policies and procedures that stand in the way of the DoD becoming an equal opportunity employer in fact as well as policy.

Deleted
OASD/MGRA (EO)
Mr. Oliver/50110
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

RELIGIOUS DISCRIMINATION IN MID-EAST
AGAINST DOD CONTRACTORS

1. Problem: Religious Discrimination in Mid-East Against DoD Contractors.
2. Background: Beginning with the publicity attendant to the award of a contract to train the Saudi-Arabian National Guard (Vinnell Contract) and continuing through the revelation of a "black list" or boycott of certain American firms, there has been intense congressional interest in DoD policy and actions in overseas assignment of DoD personnel, in selection of contractors and suppliers for the middle-east, and in the hiring practices of such contractors and suppliers (Abzug, Church, Chase, et al). The Presidential Memorandum of 20 November 1975 overrides all previous affirmative action taken by DoD to eliminate discrimination based on race, creed, color, sex or national origin in its operations anywhere in the world. DoD's policy of non-discrimination has been made abundantly clear in several policy statements, the latest dated 18 December 1975.
3. DoD Position: In support of the President, and in pursuit of established DoD policy, we in the Department of Defense will maintain our current continuing campaign to achieve full compliance with U. S. Government law wherever the Department is involved.
4. Current Status: All Defense components have been instructed to select personnel for assignment on a non-discriminatory basis, to ignore "boycott" lists in selection of contractors, and to report through channels any denial of visas to personnel either assigned to the Department or hired by Defense contractors. The ASD(ISA) shall receive such reports and coordinate with Department of State to resolve such visa denial cases.

Deleted
OASD/M&RA(EG)
Mr. Francis/76381
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

DEFENSE MANPOWER COMMISSION

1. Subject of Interest: Department of Defense response to final report of the Defense Manpower Commission.

2. Background:

o The Defense Manpower Commission, an independent Commission formed for the purpose of studying Defense manpower requirements and utilization, was chartered under PL 93-155. It was composed of seven members; three members were appointed by the White House and one each was appointed by the majority and minority leaders of the House and Senate. Dr. Curtis Tarr was Chairman of the Commission and General Bruce Palmer, Jr., USA (Ret.) was Executive Director of a professional staff of 26 members.

o The Commission kept close liaison with the staffs of the Appropriations and Armed Services Committees, GAO, and OMB. Its life span was two years, dating from April 19, 1974.

o The Commission filed its Final Report in April 1976. Key items of interest included in the report were: unionization, limiting the Service Secretaries to overall policy matters only, effectiveness of civilian manpower management control, Guard and Reserve Programs, Base Closures, Veterans' Preference Act, establishment of physical and mental qualifications for occupational areas to permit serving in those areas without regard to sex, career force determination, establishment of a permanent Federal Compensation Board, area differentials in salary for Federal technical and clerical employees, military compensation issues, mobilization ability and reconstitution of the Standby Draft System, and a supplementary view on Defense organization.

3. DoD Position: See "Current Status" below.

4. Current Status: The DoD position book, dealing with each of the DMC's 310 recommendations, conclusions, and observations is presently at OMB for coordination. It will be published after OMB comments have been considered. We have provided from OASD(M&RA) a single coordinator of Defense Manpower Commission Matters. All queries, requests for data and briefings are managed through this point of contact.

Deleted
OASD(M&RA) (DMCM)
Mrs. Jameson/50643
29 November 1976

UNCLASSIFIED

UNCLASSIFIED

RESERVE FORCES POLICY BOARD (RFPB)

1. Is the RFPB functioning as Congress intended?
2. Background: RFPB is by statute (10 U.S.C. 175) the "principal policy adviser to the Secretary of Defense on matters relating to the Reserve Components." That provision was enacted in 1952 and has been reconsidered by the Congress on several occasions. Through the years questions have occasionally been raised about whether Secretary of Defense uses the Board as Congress intended. At HASC hearings on Reserve Component training in October 1975 Rep. Montgomery (Miss.) raised this question and asked whether anybody in DoD is listening to recommendations of RFPB.
3. DoD Position: The Board in December 1975 completed a detailed six-month study of its role and operating mode in DoD, considering history of Congressional intent and the varied ways the Board has been used by different Secretaries. The study also addressed relationships to ASD (M&RA), DASD (RA) and the Services. Conclusions were that some improvements can be made in operating mode but the need for the Board under current "Total Force Policy" is greater than ever, and there is no conflict with different responsibilities of DASD (RA) and the Services' reserve policy committees. The ASD (M&RA) commended the study, concurred in its findings and so advised the Board.
4. Current Status: These steps have been taken to improve effectiveness of the Board: (1) one additional staff officer has been assigned; (2) on one occasion the Secretary of Defense and on several occasions the ASD (M&RA) have specifically asked for the Board's comments on timely issues; (3) the Board has adopted the practice of using committees to study specific issues in the interim between meetings, and (4) the ASD (M&RA) and other DoD officials have met with these committees in work sessions. In short, the Board is fulfilling its statutory responsibilities, and its value as an in-house blue ribbon panel is widely recognized.

Deleted
OASD (M&RA) (RFPB)
MG Smith/75053
22 November 1976

TRANSITION PLANNING BACK-UP BOOK

1. DoD Manpower Requirements and Strengths
Full Mobilization Manpower Requirements (Classified -- Deleted)
Active Military Strengths, FY 74-78
Selected Reserve Strengths, FY 74-78
Civilian Strengths, FY 74-78

2. Guard and Reserve in the Total Force
Actions to Implement the Total Force Study
Program and Budget Support for Guard & Reserve Forces
Equipment Modernization for the Guard and Reserve
Naval Reserve Requirements
Frequency of Guard Inspections
Army and Air Force Reserve Technician Legislation
Reserve Compensation System Study

3. All-Volunteer Force
All-Volunteer Force Assessment
Cost of All-Volunteer Force (AVF)
Selected Reserve Recruiting and Retention Incentives
Recruiting Resources
Recruiting Structure
DoD Enlisted Personnel Bonus Program
Female & Minority Participation in the Guard and Reserve
Standby Induction Authority
Joint Advertising & Market Research Program (JAMRP)

4. Combat Effectiveness of NATO Forces
Mobilization and Deployment Study
USEUCOM Headquarters (Classified -- Deleted)

5. DoD Management Initiatives
Tour Lengths and Assignment Policies
Commissary Stores

6. Military Compensation
Third Quadrennial Review of Military Compensation
Erosion of Benefits
Termination of G.I. Bill
Computation of Unused Accrued Leave Payments
Travel Entitlements for Junior Enlisted Personnel
Family Separation Allowance for Junior Enlisted Personnel
Fair Market Rental for Military Quarters
Transportation Allowances for House Trailers
Sea Duty Pay

7. Officer Management
Defense Officer Personnel Management Act (DOPMA)
Reserve Officer Personnel Modernization Act (ROPMA)
Military Grade Escalation
General/Admiral Requirements
8. Civilian Personnel
Control of General Schedule Grade Escalation
Revision of PL 93-392, "Monroney Amendment"
Federal Employee Collective Bargaining Rights
Compression of Civilian Executive Salaries
Civilian Retired Pay Inversion
9. Military Training
Levels of Training Manpower
Flight Training Rationalization
10. Military Education
DoD Committee on Excellence in Education
In-Service Voluntary Educational Program
Women in Service Academies
DoD Overseas Dependents Schools
11. Military Retirement
Modernization of the Uniformed Services Retirement System
Modernization of the Reserve Retirement System
Recomputation of Military Retired Pay
Survivor Benefit Plan - Social Security Offset
CPI Adjustments for Retired Serviceman's Family Protection Plan
12. Military Discipline
Military Justice System and Selective Rates
Military Discharges
Separation Program Designators (SPDs) Formerly
Separation Program Numbers (SPNs)
Military Absentees and Deserters
13. Equal Opportunity
Status of Equal Opportunity and Treatment in the Armed Forces
Religious Discrimination in Mid-East Against DoD Contractors
14. Other
Defense Manpower Commission
Reserve Forces Policy Board

UNCLASSIFIED

FULL MOBILIZATION MANPOWER REQUIREMENTS

DELETED

OASD/M&RA (P&R)
Col Simpson/59053
6 December 1976

UNCLASSIFIED

UNCLASSIFIED

ACTIVE MILITARY STRENGTHS

Subject of Interest: Active Military Strengths.

Background: Active military strengths have declined substantially since the end of the war in Vietnam and are now below their pre-Vietnam (1964) levels. Military strengths were 19,000 below plan at the end of the Transition Quarter, reflecting greater losses than anticipated and a shortfall in recruiting by the Army, Navy, and Marine Corps.

Current Status: The following table compares FY 77 strengths as authorized by Congress with those in FY 64, 68, and 1974-TQ.

Active Military End-FY Strengths 1/
(Thousands)

	<u>FY 64</u>	<u>FY 68</u>	<u>FY 74</u> (Actual)	<u>FY 75</u>	<u>FY 76</u>	<u>FY TQ</u>	<u>FY 77</u> Auth <u>2/</u>
Army	972	1,570	783	784	779	782	789
Navy	667	765	546	535	524	528	541
Marine Corps	190	307	189	196	192	190	192
Air Force	856	905	644	613	585	583	571
Total DoD*	2,685	3,547	2,161	2,127	2,081	2,083	2,093

* Detail may not add to totals due to rounding.

1/ Excludes approximately 1,000 military personnel on active duty but paid from Reserve Components and Civil Works appropriations.

2/ Public Law 94-361, July 14, 1976.

OASD/M&RA (P&R)
Col Cottle/52618
6 December 1976

UNCLASSIFIED

SELECTED RESERVE STRENGTH

Subject of Interest: Adequacy of Selected Reserve Strengths.

Background: Since the cessation of the peacetime draft, Selected Reserve manpower strengths have been the product of the ability of the Reserve Components to recruit volunteers.

Current Status: The following table compares the actual strengths in FY 75, 76, and TQ to planned drill paid strengths.

Selected Reserve End FY Strengths
(Thousands)

	FY 75		FY 76		FY TQ	
	<u>Plan.</u> ^{1/}	<u>Act.</u>	<u>Plan.</u> ^{1/}	<u>Act.</u>	<u>Plan.</u> ^{1/}	<u>Act.</u>
ARNG	400	395	400	362	400	367
USAR	225	225	219	195	219	192
USNR	117	98	106	97	106	98
USMCR	37	32	33	30	33	29
ANG	95	95	95	91	95	91
USAFR	<u>51</u>	<u>51</u>	<u>52</u>	<u>48</u>	<u>54</u>	<u>49</u>
Total	925	897	905	823	907	826

1/ Congressional Authorization

ODASD(P&R) Prog Dir
Col Simpson/59053
6 December 1976

UNCLASSIFIED

UNCLASSIFIED

CIVILIAN STRENGTHS, FY 74-TQ

Subject of Interest: Civilian employment levels, FY 74 to FY TQ (30 September 1976).

Background: Civilian employment levels have been decreasing since end FY 74. Since FY 75, Congress has controlled civilian strengths through end-fiscal year authorizations.

Current Status: The following table compares actual strengths in FY 74 and FY 75 with planned strengths for FY 76-TQ.

Civilian End-FY Strengths 1/
(Thousands)

	Actual			
	<u>FY74</u> <u>2/</u>	<u>FY75</u> <u>2/</u>	<u>FY76</u> <u>2/</u>	<u>FY TQ</u>
Army	409	401	390	385
Navy/Marines	335	325	321	319
Air Force	289	278	262	260
Agencies	<u>75</u>	<u>73</u>	<u>72</u>	<u>78</u>
Total	1,108	1,078	1,046	1,041

1/ Includes direct and indirect hire civilians performing military functions; excludes civil functions, disadvantaged youth programs, and the National Security Agency.

2/ Excludes approximately 8,500 seasonal dependent education personnel who are on the rolls beginning FYTQ.

OASD/M&RA (P&R)
Mr. Farbrother/52618
6 December 1976

UNCLASSIFIED

ACTIONS TO IMPLEMENT THE TOTAL FORCE STUDY

1. Subject of Interest: Implementation of the Study of the Guard and Reserve in the Total Force.
2. Background: Total Force Study was completed and provided to Congress on June 1, 1975. Guidance for implementation was provided to Service Secretaries (3 June 1975).
3. DoD Position: Reserve Forces must be assigned high priority missions within their capability. They must be manned, trained, and equipped to be capable to respond.
4. Current Status: The Total Force Study calls for and Services are implementing:
 - a. Improved Equipment for Reserve Forces
 - 1) Combat capable M-60/M-48A5 tanks and anti-tank missile systems.
 - 2) Accelerate modernization of aircraft: Navy - P-3 ASW Patrol Planes, A-7 Fighters, SH-3H ASW Helicopters. Marine Corps - F-4 Fighters, KC-130 Tankers. Air Force - RF-4 Reconnaissance Planes, A-7 and F-4 Fighters, C-130 Airlift Aircraft.
 - b. Increased Integration of Reserves into Active Structure and Missions
 - 1) Increased affiliation of Army units with active service units.
 - 4 active divisions with one Reserve brigade each.
 - 97 separate battalions. Single integrated chain-of-command for wartime operations/peacetime training being developed.
 - 2) Test variable active/reserve manning of Naval ships.
 - 3) Additional missions and equipment assigned to Reserve Forces.
 - 3 amphibious ships, 4 Fleet Tugs to Naval Reserve.
 - KC-135 Tankers - initial use of Reserves in Air Force strategic mission.
 - One carrier dedicated to Naval Reserve tactical air wings.
 - Assign newly developed anti-tank mission to Army Reserve Components.
 - c. Improved Management of Manpower and Force Structure
 - 1) Identification of high priority, early deploying (M+60) units - emphasis on readiness - manning, equipment, training.
 - 2) Improved planning and management of Individual Ready Reserve - pre-assignment to billets in M+60 units. Studies to determine methods of expanding individual manpower pools.
 - 3) Elimination of unnecessary units from manned training structure - Army Total Force Analysis - Navy Missions Study.

Reserves Provide Significant Portions of Total Force Capability:

- | | |
|----------------------------------|--|
| o 64% Tactical Airlift Aircraft | o 50% Strategic Airlift Capability |
| o 54% Army Deployable Forces | o 32% Air Force Tactical Fighter Force |
| o 88% Navy Surface Minesweepers | o 45% Army Aviation Forces |
| o 25% Marine Corps Div/Air Wings | o 35% Naval ASW Patrol Squadrons |
| | o 68% Seabee Battalions |

OASD/M&RA (RA)
CDR Bronaugh/54125
23 November 1976

UNCLASSIFIED

PROGRAM AND BUDGET SUPPORT FOR GUARD AND RESERVE FORCES

1. Subject of Interest: DoD requirement for separate identification and control of resources programmed and budgeted in support of Guard and Reserve forces.
2. Background: Public Law 90-168, "Reserve Forces Bill of Rights and Vitalization Act," required that the Reserve forces be adequately funded, equipped, trained, manned, and otherwise supported in order to insure their readiness for active duty in any emergency. There was Congressional concern that resources approved to support increased readiness for Guard/Reserve Components were being used for other requirements.
3. DoD Position: DoD Directive 7180.1 was published to establish controls and procedures for the identification as well as use of moneys earmarked for the Guard/Reserve Components and placed management of the budget in the hands of the Chief of each Component.
4. Current Status: Procedures designed to schedule and manage the allocation and issuance of equipment to the National Guard/Reserve Components have been implemented by the Services in accord with DoD policy guidance regarding program and budget support (DoD Directive 7180.1).

DoD has established separate Operation and Maintenance Appropriations for the Guard and Reserve Components as directed by Congress.

These actions provide OSD and the Chiefs of the Guard and Reserve Components the capability of managing and monitoring the resources allocated to them. They also insure that available resources, including funds and combat serviceable hardware, are applied to produce the greatest possible improvement in mobilization readiness.

OASD/M&RA (RA)
Col Acree/70493
18 November 1976

UNCLASSIFIED

UNCLASSIFIED

EQUIPMENT MODERNIZATION FOR THE GUARD AND RESERVE

1. Problem: Shortages of combat capable equipment in the Guard/Reserve Components.

2. Background: Logistics capabilities undergird the readiness of forces and their ability to sustain combat. Previously allocated logistics resources have not achieved the inventory objective levels of unit equipment, maintenance float, War Reserve Stocks and combat loss replacements required for our Active and Reserve Forces. Funding constraints and diversions of equipment in support of foreign military sales have been the major deterrent to Reserve Force attainment of prescribed equipment inventory levels. The OSD policy for procurement, distribution and jurisdiction of combat capable equipment has improved the equipment inventories of our high priority, early deploying units and provided improvements in many units of lesser priority.

3. DoD Position - the Services will: expeditiously procure, issue and maintain equipment of combat capable quality in amounts required for mobilization; store, identify, and maintain additional combat capable equipment in the type and quantity necessary for the support of mobilization plans; establish identical equipment priorities for Guard and Reserve units and Active units having the same mobilization deployment times and missions.

4. Current Status: Emphasis on initial issue and modernization of equipment of the Guard/Reserve Components together with the lessened impact of foreign military sales, is resulting in improvement of both quality and quantity of equipment. Modern M-60 and rebuilt M-48 to M-48A5 tanks are being issued to the Army Guard and Reserve in increasing numbers, all Army Roundout units are now equipped with the M-60, and the TOW Anti-tank Missile System is being introduced in the Army Guard and Reserve; the Air Guard and Reserve KC-97 to KC-135 conversion program is moving on schedule and they have been assigned a part of the Strategic Air Command refueling mission, other Air Guard and Reserve modernization is continuing on schedule, and no significant problems are foreseen; the introduction into the Naval Reserve of the P-3 ASW aircraft is continuing as is the replacement of the A-4 Fighter with the A-7A/B; the F-4 is replacing the F-8 in one Marine Corps Reserve Squadron and one Squadron of KC-130 tankers has been added. Other programmed actions will result in even more significant improvements in our Guard/Reserve Component Forces provided adequate funds are budgeted to allow the Reserve Forces to achieve required Inventory Objective Levels.

UNCLASSIFIED

NAVAL RESERVE REQUIREMENTS

1. Issue:

What is the proper structure and size of the Naval Reserve based upon valid mobilization requirements?

2. Background

The Navy's FY 1977 program requested a Selected Reserve of 102,000 to fill the most critical of the more than 300,000 mobilization spaces that are required during the first three months after mobilization. This request was based on the second iteration of the Navy's first substantive review of its mobilization requirements in many years. The presidential budget for FY 1977 approved a Selected Reserve of only 52,000 spaces with the guidance that nine Mobile Construction Battalions and all Reservists assigned to mobilization billets for wartime expansion of the shore support structure need not be in the Selected Reserve. The Congress approved a Selected Reserve of 96,500 and directed an OSD study of the missions that should be assigned to the Naval Reserve. The report of this study is due 1 February 1977.

DELETED

The elements of contention revolve around the following points:

a. The Navy has not satisfied OSD, OMB, and the Congress that all of the billets required to expand the shore support activities to a wartime tempo of operations cannot be filled from various pools of individuals (Individual Ready Reservists, active students, transients, patients, prisoners or those filling peacetime only billets) and that approximately 20 percent of these personnel should come from the Selected Reserve.

b. The Navy has been unable, within its total budget, to identify resources that can be diverted to expanding the Reservists participation in operation of ships and aircraft without undesirable degradation of active force capability to meet the requirements of peacetime forward deployments and immediate responsiveness to wartime crisis contingencies.

3. Current Status

The OSD study of Naval Reserve Missions is preparing an interim recommendation on Naval Reserve strength by 15 December 1976 and its report on missions by 1 February 1977.

OASD/M&RA (RA)
CDR Bronaugh/54125
23 November 1976

UNCLASSIFIED

FREQUENCY OF GUARD INSPECTIONS

1. Issue: The National Guard must be inspected annually whereas no such specific requirement applies to Reserve or Active Duty units.
2. Background: Section 105 of title 32, United States Code, sets out the requirement that Guard units must be inspected at least once a year. DoD 95-18 would authorize the Service Secretary concerned to prescribe the frequency of these inspections. This would increase flexibility in the use of inspection resources and would also result in a cost savings.
3. DoD Position: DoD supports the removal of annual inspection requirements of the National Guard so that all reserve components can be inspected on an 18-month cycle.
4. Current Status: Introduced in Congress September 22, 1975, (H.R. 9768).

OASD/M&RA (RA)
Captain Johnson/74334
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

ARMY AND AIR FORCE, RESERVE TECHNICIAN LEGISLATION (DOD 95-9)

1. Issue: The legislative proposal, "Reserve Technicians, Authorize Extended Retention," amends existing law to afford more flexibility in the management of the Army Reserve and Air Force Reserve technician program consistent with the mobilization readiness objectives of these Reserve Components. Civil Service Commission objects to the legislation.

2. Background:

- Currently, when an Army or Air Reserve technician is removed from Active Reserve status for reasons beyond his control, he must be continued in his civilian position until he can be reassigned to another position of like grade and pay within a reasonable geographic area near his present assignment. Since the Reserve technician program was established to provide the day-to-day support required by Reserve units in order to maintain combat readiness and a cadre of highly trained personnel when mobilization is necessary, some capability is lost when the technician is no longer a military member of the unit. This system is the result of an agreement with the Civil Service Commission 17 years ago.
- The proposed legislation provides that the technician must maintain membership in his unit to retain his status. It also provides that the Army and Air Force Reserve technicians would have "excepted" Civil Service status as National Guard technicians presently do. "Excepted" service means that if a member fails to maintain his unit membership he loses technician status.
- The legislative proposal was submitted to OMB February 21, 1975. The Civil Service Commission objected to change without a provision offering protection to individuals currently employed as technicians.

3. DoD Position: Supports the need for the proposed legislation.

4. Current Status: DoD is working with OMB and the Civil Service Commission to resolve differences.

QASD/M&RA (RA)
Captain Johnson/74334
22 November 1976

UNCLASSIFIED

RESERVE COMPONENTS COMPENSATION SYSTEM STUDY

1. Subject of Interest: To select and recommend the compensation system that will best enable the country to recruit and retain a Reserve Force adequate for effective mission performance.

2. Background: The President's Budget recommendations for FY 77 included this study. The Director, Office of Management and Budget, notified the Secretary of Defense on 14 April 1976 of the requirement. The Secretary of Defense responded on 7 May 1976 that an interim report would be provided on 1 December 1976.

The initiating directive called for "a comprehensive review of the current compensation system for reservists and an evaluation of its effectiveness in meeting the manpower requirements aspects of Reserve Readiness. Direct compensation, deferred compensation, and other benefits should all be examined, and the full range of possible options to the present system should be identified."

The study plan, approved 26 July, also called for the study group to "Draft legislation and prepare Congressional, budgetary and other material for implementation of approved recommendations."

The Secretary of Defense directed the Services to nominate candidates for the study. Under DASD(RA), the Study Director, RADM Richard G. Altmann, USNR(Ret.) screened the nominees and subsequently selected a staff of 37 persons. The group is located in the Commonwealth Building in Rosslyn. It is comprised of 9 civilians, 10 Army, 5 Navy, 5 Marines, 7 Air Force, and 1 Coast Guard. Among the military, 11 are from the Regular Forces and 17 from the Guard and Reserve Forces.

Due Dates for Reports:

Interim Report (submitted)	1 December 1976
Final Report	30 September 1977
Draft Legislation for Implementation of Recommendations	31 December 1977

3. DOD Position: Within the context of total force mobilization needs, changing training concepts, and increasing payroll and personnel support costs, DOD agrees the study should be performed to determine the compensation system that will meet the different manpower mobilization requirements of each of the Reserve Components on a cost-effective basis.

4. Current Status: The completed Interim Report was forwarded to the Director, Office of Management and Budget on December 10, 1976. A copy of the report is available to the transition team upon request.

OASD(M&A)(RA)
RADM Altmann, 42186
December 22, 1976

UNCLASSIFIED

ALL-VOLUNTEER FORCE ASSESSMENT

1. Subject of Interest: All-Volunteer Force Assessment.
2. Background: Since January 1, 1973 the Military Services have maintained their military strengths on a voluntary basis. The last draftee was inducted in December 1972, six months before the authority to induct expired on July 1, 1973. Since November 1974, the four Military Services have been composed of personnel who were volunteers.
3. DoD Position. Maintain the strength of our military forces in peacetime on a voluntary basis.
4. Current Status:
 - To achieve strength of 2,092,600 at end FY77, the Services plan to recruit 448,000 men and women during FY77. This is 25,900 or 6% above the total recruited in FY76. The Services can achieve both their recruiting objectives and quality goals provided they can increase enlistments of male high school diploma graduates (HSDG).
 - Achievement of the FY77 quality goals will require the recruitment of 268,000 male HSDG. This is 23,000 more male HSDG than the Services recruited in FY76. The Services prefer to enlist high school graduates because they are more likely to meet performance standards than non-graduates. Eight out of ten non-graduates, however, do successfully adjust to military life.
 - The proportion of new recruits with average and above average mental ability continues to remain about 95%. The enlistment of average and above average mental ability personnel in the Army and Marine Corps has been aided by enlistment bonuses for hard to fill skills requiring personnel with high learning abilities.

Agletire
OASD(M&RA), DASD(MPP)
Mr. Rosenthal/X56312
November 19, 1976

UNCLASSIFIED

UNCLASSIFIED

COST OF ALL VOLUNTEER FORCE (AVF)

1. Subject of Interest: What does AVF cost in FY 1977?

2. Background:

a. A decision was made in 1971 to end the draft. To make entry into military life more attractive, expenditures were increased for salaries of junior enlisted and officers, recruiting, advertising, and military housing.

b. Last year, we estimated the cost of AVF in FY 76 as the cost of first term salaries above minimum wage (about \$1.3B), plus the cost of other programs aimed at junior people (about \$0.3B), for total cost of about \$1.6B.

c. We are now six years removed from the decision. Alternative costs have become increasingly hypothetical and hard to define. For example:

- How much would DoD have to spend for recruiting and advertising if we still had a draft?

- Would we have a limit on pay raises? If so, would it have applied to junior enlisted?

- Would we have allowed junior enlisted pay to sag below minimum wage? An E-2 now makes \$7300/year, or about \$3.50/hour, compared to the minimum wage of \$2.30/hour (\$4800/year).

d. The following table shows the impact on the FY 77 budget of a hypothetical reduction of the lower three pay grades to the minimum wage (including Base Pay, Basic Allowance for Quarters and Basic Allowance for Subsistence).

Costs (\$B)	FY 77**	If grades E-1 to E-3 were reduced to federal minimum wage	
		Reduction	New Level
Total Defense Obligations	111.4	-1.7	109.7
Total Payroll Obligations	52.4	-1.7	50.7
% Manpower Costs	47%		46%

*Includes pay of military, civilians, and retirees, plus family housing.

** October 1977, Five Year Defense Plan Estimate:

3. DoD Position: After six years, it is impossible to say just what personnel and fiscal conditions would now exist had we retained the draft in 1971. A rough estimate of annual AVF costs is about \$1.7 billion, which is the cost of first term salaries (including food and housing) above the minimum wage. A return to the draft at this time would save very little, if anything.

OASD/MSRA(P&R)
CDR Hunter/79106
2 December 1976

UNCLASSIFIED

UNCLASSIFIED

SELECTED RESERVE RECRUITING AND RETENTION INCENTIVES

1. Problem: Continued failure of Guard and Reserve Forces to attain authorized strengths.

2. Background: Prior to January 1973, when the Active Forces were inducting young men, a significant proportion of new enlistees entered the Reserve Forces to fulfill their military obligation. Ending Active Force use of induction authority removed a major Reserve Force recruiting incentive.

The two largest Reserve Components, the Army National Guard and the Army Reserve have significant problems in attaining authorized strength levels. The June 30, 1976 total Guard and Reserve assigned strength was 71,000 below the end FY 76 authorized strength. The Army Guard was 38,000 short, and the Army Reserve, 18,000 short. Although the Navy, Marine Corps and Air Force Reserve Components ended FY 76 somewhat below their authorized strength, these components should be able to attain their FY 77 authorizations.

3. DoD Position: Actively encourage and support cost effective Service initiatives designed to improve recruitment and retention of manpower for the Reserve Forces.

4. Current Status: Among the initiatives undertaken to improve recruitment and retention of Reserve Force personnel are:

- Increased emphasis on recruiting prior service personnel.
- Proposed legislation to provide tuition assistance for certain Reserve personnel as an incentive for participation.
- Army programs to expand the recruiting structure, improve the training base and test a pilot bonus program.
- A survey of the Guard and Reserve market to determine enlistment propensities and incentives and disincentives for enlistment/reenlistment in the Reserve Forces.

Deleted
OASD(M&RA), DASD(MPP)
Col W. G. Womack/56312
29 November 1976

UNCLASSIFIED

UNCLASSIFIED

RECRUITING RESOURCES

1. Subject of Interest: Recruiting Resources Required to Sustain Volunteer Enlistment Objectives.

2. Background: Since January 1973 the Services have been meeting enlisted accession requirements on a voluntary basis. At current force sizes, enlistments are expected to range from 425,000-450,000 annually for the Active forces and about 250,000 for the Reserve forces. A significant proportion of the Reserve force and some Active Force accessions have prior military service. The requirement for new men and women is estimated to be about 500,000 annually.

An expansion in recruiting resources took place between FY70 and FY74 during which the recruiting force was more than doubled and extensive use of paid advertising was introduced.

Recruiters make contact with prospects through their own efforts and as a result of leads generated by advertising. Advertising also permits the Services to communicate with a large number of youth and stimulate their interest in enlistment. It has been difficult to attract sufficient recruits for duty in a few skills such as the combat arms. A prepaid wage differential in the form of enlistment bonuses has been authorized in these skills.

3. DoD Position: Adjustments to Service recruiting resources should reflect changes in the recruiting market and accession requirements and take into consideration changes in recruiting incentives such as the Enlistment Bonus and Veterans Benefits. Adjustments should first be made in those resources which can most easily be increased or decreased-- for example, advertising and enlistment bonuses. Changes to the basic recruiting force structure should be based on the longer term assessment of recruiting requirements and not be based on shorter term market outlook.

OASD (M&RA), DASD (MPP)
Mr. Suffa/X56312
December 7, 1976

UNCLASSIFIED

UNCLASSIFIED
RECRUITING STRUCTURE

Subject of Interest: Recruiting structure and flow of enlistees.

2. Background: The transition to our all-volunteer force has been a dynamic process with the military services achieving their objective, in terms of quality and quantity, thereby sustaining a strong volunteer peacetime force. The structure which obtains the volunteer manpower is similar in each Service with minor variations in the size of management units. The processes through which an applicant for enlistment flows are identical among the Services.

3. DoD Position: To encourage and support a cost-effective recruiting structure to insure the continued supply of volunteer manpower.

4. Current Status: The recruiting organization for each Service is structured with management units as follows:

	<u>Hq Location</u>	<u>Region/Area Commands</u>	<u>Detachment/ District Cntrs</u>	<u>Recruiting Office</u>
Army	Ft. Sheridan	5	57	1,650
Navy	Washington, D. C.	6	43	1,450
Air Force	Randolph AFB	5	32	950
Marine Corps	Washington, D. C.	6	47	1,100

The recruiter works out of recruiting offices which are located according to the density of the 17-21 year old market in a local area. Office location may shift periodically to maintain central accessibility to the market.

Allocation is made from the Service recruiting headquarters to the region or area commands based on the qualified military available population in the geographical area and on the number of recruiters assigned to the command. The region or area commander allocates the goal to his subordinate units and thence to the recruiting offices on the same basis.

The recruiter, who has been carefully selected and trained, then uses all tools at his disposal to contact potential enlistees and influence an enlistment decision. Generally ten contacts result in one enlistment.

Once a favorable decision is made and the recruiter determines that the applicant is not morally disqualified through drug abuse or law involvement, he is administered the Armed Services Vocational Aptitude Battery (ASVAB) to determine his aptitude and mental category. The ASVAB is administered by personnel assigned to an Armed Forces Entrance and Examining Station (AFEES). None of the Services have this testing responsibility -- as they once did -- therefore insuring test integrity.

When qualified mentally (passing the ASVAB), the applicant is administered an enlistment physical -- again, by AFEES personnel.

When qualified for enlistment, the applicant is counseled by a Service representative at the AFEES to determine the right job or job area based on qualifications and Service needs. When an agreement is reached, the applicant may immediately enlist and ship to a training center or he may be placed in a Delayed Entry Program (DEP) for shipment at a later date.

All enlistees process through one of 66 AFEES, which are jointly manned and administered by the Army Recruiting Command acting as executive agent.

Dictated
CASD(MANA), DASD(MFP)

DoD ENLISTED PERSONNEL BONUS PROGRAM

1. Subject of Interest: DoD Enlisted Personnel Bonus Program.
2. Background: Public Law 93-277 replaced the Combat Arms Enlistment Bonus, and Regular and Variable Reenlistment Bonuses with an expanded Enlistment Bonus and Selective Reenlistment Bonus. The authority to make bonus payments under this law will terminate June 30, 1977, unless the Department of Defense acts ~~to~~ have Congress extend this date or to make the legislation permanent.

Our objective for nearly seven years has been the attainment of an all-volunteer armed force. The transition has been completed, and it is now incumbent upon us in the Department of Defense to sustain this force in sufficient numbers and quality in the most cost effective manner. To do so, the Department needs the authority, on a permanent basis, to use the additional management tools of the enlistment and selective reenlistment bonuses. These incentives are designed specifically and solely to meet our requirements for enlisted personnel. They provide the Secretary of Defense with the mechanism needed to meet the competitive struggle for critical skill manpower in the labor market.

3. DoD Position: To continue to press for revised permanent bonus authority via the President's Legislative Program for the 95th Congress. Separate consideration of the proposal for revised permanent bonus authority will provide the new Congress with the opportunity to address each of the substantive provisions based on its own merits.

4. Current Status:

- A legislative proposal to provide the Secretary of Defense with revised permanent enlisted personnel bonus authority is being included in the President's Legislative Program for the 95th Congress.
- As an interim measure, a separate legislative proposal will be submitted for earliest possible consideration by the new Congress. This proposal will request a simple extension of the present bonus law to the end of FY78 to ensure that these special pay incentives remain continuously available.

Deleted
OASD(M&RA), DASD(MPP)
Mrs. Mackey/X56312
November 19, 1976

UNCLASSIFIED

UNCLASSIFIED

FEMALE AND MINORITY PARTICIPATION IN THE GUARD AND RESERVE

1. Subject of Interest: Report on Female and Minority Participation in the Selected Reserve.

2. Background:

- All Reserve Components have given special emphasis to recruiting women and minority groups. Efforts have been very successful.
- Opportunities for women have been expanded greatly by permitting enlistment in many previously closed fields.

3. DoD Position: The goal in minority group recruiting is to achieve participation in each unit that reflects the character of the population in the recruiting area of the unit. DoD fully supports the efforts by all the Reserve Components to increase female and minority participation.

4. Current Status: The following table reflects the percent of female and black participation, and non-prior service accessions in the Selected Reserve:

	% PARTICIPATION				% ACCESSIONS			
	FEMALE		BLACK		FEMALE		BLACK	
	JUN 71	JUN 76	JUN 71	JUN 76	JUN 71	JUN 76	JUN 71	JUN 76
ARNG	.0	2.6	1.2	10.6	.0	11.7	1.5	29.5
USAR	.4	9.5	2.2	14.8	.7	44.1	1.3	40.6
USNR	.9	3.1	2.0	5.4	.7	15.7	1.5	7.3
USMCR	.2	1.6	3.2	15.4	.7	2.0	6.9	20.9
ANG	.6	4.8	1.0	4.8	.6	35.3	.5	13.7
USAFR	1.9	7.9	2.8	9.7	.0	44.4	.6	29.1
TOTAL	.4	4.8	1.7	10.5	.3	19.0	1.8	28.6

OASD/MGRA (RA)
MAJ McCabe/70624
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

STANDBY INDUCTION AUTHORITY

1. Issue: DoD position on requirements for draftees after mobilization -- how many and how soon?

2. Background: The President decided, and the Congress agreed, to end peacetime registration and retain the Selective Service System in a deep standby with planning and reserve training functions only. Minor changes in the law are required.

The draft is needed to provide people as a hedge against protracted major combat under conditions of full or total mobilization.

Under current planning, the Selective Service System (SSS) plans to provide about 100,000 draftees by 150 days after mobilization (M+150). The DoD position has been that this was acceptable, since our major mobilization need was for pre-trained manpower. NSSM 246 is restudying this question.

3. Current Status: Defense and SSS are reevaluating the need for manpower within 90 and 150 day periods after mobilization and are weighing the potential value of earlier accessions against the costs (both monetary and public image) of continuing the Selective Service System.

OASD/M&RA (P&R)
LTC Sparks/50626
6 December 1976

UNCLASSIFIED

UNCLASSIFIED

JOINT ADVERTISING AND MARKET RESEARCH PROGRAM (JAMRP)

1. Subject of Interest: Joint Advertising and Market Research Program (JAMRP).

2. Background:

- The JAMRP is designed to complement and support individual Service recruiting and advertising programs and to increase efficiency in the overall DoD recruiting program in support of the volunteer force.
- Constrained competition among the military services is desirable; however, the JAMRP is postured to support those areas where joint effort can be both effective and efficient in supporting Service recruiting efforts.
- The JAMRP concentrates on three areas of joint effort: advertising, educational liaison, and market research and analysis.
- Joint media advertising will continue to be tested as a means of accomplishing recruitment market mass communication objectives which are common across all Service recruiting/advertising efforts.
- Joint educational liaison involves the provision of common materials such as film, occupational materials, high school presentations, etc., to aid school students in evaluation of military service opportunities.
- Joint market analysis and research is being conducted to define and meet in-common Service needs for market information.

3. DoD Position: Continue to evaluate opportunities for joint advertising, educational liaison, and market research in support of Service recruiting programs.

OASD (M&RA), DASD (MPP)
A. J. Martin/X56312
December 7, 1976

UNCLASSIFIED

UNCLASSIFIED

MOBILIZATION AND DEPLOYMENT STUDY

1. Subject of Interest: ASD/M&RA is conducting a review of DOD plans for mobilization and deployment of active and reserve forces to Europe in order to prepare a report to Congress on U.S. plans for mobilizing and deploying forces to Europe.
2. Background: The Senate Armed Services Committee requested a study and report by 15 March 1976 on the "combination of combat and support units in the active and reserve forces that are planned to achieve with our Allies, a balance of conventional forces for NATO."
3. DOD Position: The classified report entitled, "US Conventional Reinforcements for NATO" was submitted in April 1976 followed by an unclassified version in August 1976. This report presented an integrated status report on current (FY 76) U.S. capabilities for NATO reinforcement together with the projected reinforcement used in the analysis in the report as the basis for the FY 1977 Defense Budget.
4. Current Status: As a result of the study and analysis supporting this report the Steering Group uncovered several mobilization and deployment problems which require attention.

Deistel
OASD/M&RA (P&R)
LTC Puscheck/50711
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

USEUCOM HEADQUARTERS

DELETED

OASD/M&RA (P&R)
LTC Puscheck
6 December 1976

UNCLASSIFIED

TOUR LENGTHS AND ASSIGNMENT POLICIES

1. Subject of Interest: To continue to find ways to minimize personnel turbulence and its attendant costs in resources and readiness.
2. Background: DoD has implemented a policy requiring a three-year minimum term of service and expects significant returns in reduced turnover as a result.
3. DoD Position: Decisions were as follows:
 - a. A minimum initial term of service for all personnel was set at 36 months.
 - b. Minimum number of tours were set for initial terms of service.
 - c. First-term maximum cumulative attrition goals for enlisted personnel were established.
 - d. Reporting requirements were established for deviations from the tour lengths prescribed in DoD Directive 1315.7.
 - e. Two-year minimum tour lengths were established for flag and general officers assigned to command and other positions.
 - f. Career officers are to complete their current tours of duty before being reassigned to a school.
 - g. Policy was established wherein individuals assigned to unaccompanied hardship tours are returned to their previous U.S. installations whenever feasible.
 - h. For those personnel not participating in the limited homebasing program, the Services are to provide advanced assignments to the next long-tour station.
 - i. All Services will include personnel stationed in Hawaii (except for isolated areas) in the "CONUS sustaining base."
4. Current Status: Quarterly reports are being submitted by the Services, providing information concerning attrition goals and deviations from policy rules by type, reason and area of assignment.

Delator
OASD(M&RA)(MPP)
Col Hodges, USA/79525
17 November 1976

UNCLASSIFIED

COMMISSARY STORES

1. Subject of Interest: Effect cost savings in the operation of military commissary stores.
 2. Background: The Conference Report on the FY 1977 DoD Authorization Bill (House Report No. 94-1305, June 25, 1976) requires DoD to:
 - Institute management improvements and operational efficiencies to reduce the operating subsidies of commissary stores.
 - Inform the House and Senate Armed Services Committees by February 1, 1977, of the progress accomplished and savings achieved as a result of commissary store management improvements; plans for further improvements and projected savings in subsequent years are also to be submitted.
 3. DoD Position: Actively encourage individual Service cost-reduction initiatives and direct specific DoD-wide initiatives designed to reduce appropriated fund costs for commissary employees since personnel costs account for about 95 percent of the total direct subsidy.
 4. Current Status: Among the initiatives to reduce commissary store direct costs which are underway or have been proposed are:
 - Centralize the management of commissaries in the Army and the Air Force.
 - Reduce number of employees by 2,228, as reflected in FY 1977 budget.
 - Increase the use of part-time and intermittent employees.
 - Eliminate non-essential commissary store annexes.
 - Increase use of voluntary vendor shelf stocking services.
- Proposed initiatives requiring Congressional action for which proposed legislation is required are:
- Income obtained from direct redemption of "cents off" coupons to be returned to the Treasury and identified as an offset to personnel costs.
 - Income obtained from short-term investment of surcharge/markup funds to be used as an offset to personnel costs.

UNCLASSIFIED

QUADRENNIAL REVIEW OF MILITARY COMPENSATION

1. Subject Interest: Review of the principles and concepts of military pays, allowances and benefits, the levels and structure of such compensation; and recommendations to reform military compensation in line with current and future needs.
2. Background: Public Law 89-132, enacted in 1965 requires that the President initiate by January 1, 1967, and not less than once each four years thereafter, a complete review of the principles and concepts of military compensation. The current Quadrennial Review of Military Compensation (QRMC) is the third such review and has not yet been completed. It is the first attempt to review completely and comprehensively all pays, allowances, benefits and related manpower costs; previous QRMCs were more restricted in their scope and coverage.
3. DOD Position: See item 4 below.
4. Current Status: A report is being prepared with SecDef guidance dealing with the following major issues:
 - o Should military compensation be based on the principle of "comparability" (i. e., a pay standard based on Civil Service pay or private sector pay) or should it be based on "competitiveness" (i. e., a no-standard system, but with pay set and adjusted on the basis of the supply and demand of military personnel)? If the comparability principle is adopted, what linkage method to the chosen standard should be adopted?
 - o Should military compensation be set and adjusted on the basis of "total compensation" (i. e., military equivalent salary plus benefits), or on the basis of military equivalent salary only?
 - o Should the form of military compensation be a civilian-like fully-taxable salary plus benefits, or a reformed pays and allowances system plus benefits?
 - o Should a "military factor" recognizing the inherent hardships of military life not found in civilian employment be explicitly recognized? If so, should it be compensated in the compensation structure?
 - o How should military benefits, such as health care and retirement, be valued for compensation purposes? Cost to the government or some version of value to the individual?

Deleted

OASD(M&RA)MPP
P. K. Ogloblin/75655
19 November 1976

UNCLASSIFIED

EROSION OF BENEFITS

1. Subject of Interest: Loss of military morale from perceived piecemeal reductions in traditional pays and benefits are an erosion of benefits.

2. Background: After the Vietnam War and the substantial pay increases to junior members created to procure volunteers without dependence on the draft, it was judged that manpower costs were consuming a disproportionate amount of Defense resources. Simultaneously, high unemployment in the economy made it easier to recruit volunteers than was previously estimated. The Executive and Legislative Branches have taken a number of actions, beginning in 1973, to restrain these Defense manpower costs in the areas of bonuses, special pays, benefits, and through reductions in force. Finally, both the Executive and Legislative Branches have made additional proposals, not yet in effect, to reduce further the value of traditional benefits, such as commissaries and retirement. All of these have been reported widely in the press. When compounded with "pay caps" that did not match the devaluation of income, the effect has been discontent in the services. It has also led to talk about the unionization of the military.

3. DoD Position: There is a genuine perception among military personnel that the Administration and the Congress have been chipping away at the benefits package in the last several years. This perception has been reinforced by actions to reduce personnel costs in areas of pays, reimbursements, benefits and force reductions.

4. Current Status: The QRMC will recommend a comprehensive, integrated compensation system which, if enacted, should stabilize total military compensation and do much to alleviate the discontent of service personnel and their distrust of top Defense management.

Delatca
OASD(M&RA)(MPP)
P. K. Ogloblin, x75655

UNCLASSIFIED

UNCLASSIFIED

TERMINATION OF GI BILL

1. Subject: Termination of GI Bill.

2. Background: After extensive study, the Administration recommended termination of the GI Bill for post-Vietnam Veterans entering service after an effective date and requested a ten-year limit for the exhaustion of currently earned benefits.

Congress passed termination, but also enacted a substitute Veterans Education Assistance (VEA) program which permits any member on active duty not eligible for the previous GI Bill to contribute between \$50-\$75 per month in twelve month segments. This contribution will be matched 2 for 1 by the Veterans Administration when a Veteran enters an approved academic program after the completion of his initial obligated service.

The Secretary is also authorized to contribute to any man's educational fund as an inducement to enlist or reenlist.

3. DoD Position: Implement new law.

4. Current Status: OSD is drafting joint regulations with the VA to implement this new law which becomes effective 31 December 1976.

OASD(M&RA)(P&R)
Cdr Hunter/50626
2 December 1976

UNCLASSIFIED

COMPUTATION OF UNUSED ACCRUED LEAVE PAYMENTS

1. Subject of Interest: Computation of Unused Accrued Leave Payments.
2. Background: DoD Legislative Proposal 94-91 to amend Section 501 of title 37, U.S.C., to limit the total cumulative entitlement to payment for unused accrued leave to 60 days, and for other purposes, was sponsored by the Department of Defense before the second session of the 94th Congress. The proposed legislation, H. R. 9573 would have limited total cumulative entitlement to payment for unused accrued leave to 60 days and permit enlisted members to carry unused leave forward into a new enlistment or elect to be paid for that not carried forward providing it did not exceed 60 days. The Defense proposal also would have amended the statute which governs payment for unused accrued leave so as: (1) to raise the amounts paid to an enlisted member for subsistence and quarters, in the settlement for unused leave, to the rates applicable to him at the time payment is made; and (2) to authorize payment of the applicable quarters allowance to all enlisted members, regardless of pay grade, in the settlement for unused leave. The DoD Legislative Proposal was superseded by other Congressional action. P. L. 94-361 of July 14, 1976 amends section 501 of title 37 to provide for the limitation of unused accrued leave to 60 days for pay purposes and for the carrying forward of unused leave into a new enlistment or elect to be paid for that not carried over. Payment for any leave accrued by a member subsequent to September 1, 1976, however, is payable only on the basic pay rate.
3. DoD Position: The Department of Defense still considers that reimbursement for unused leave should be at the same rate as the compensation for service and for authorized leave taken. Reduction in reimbursement for leave which could not be used to the rate of basic pay is inequitable and can lead to abuse of the leave entitlement since it will be cheaper to work personnel instead of granting them leave, reimbursing later at a partial rate.
4. Current Status: As a part of the DoD effort to counter the adverse reactions to fragmented reductions in various personnel programs DoD will include in its legislative program for the 95th Congress, corrective legislation affecting section 501 of title 37 U. S. Code.

OASD(M&RA)(MPP)
Cdr Fernald/53176
23 November 1976

UNCLASSIFIED

TRAVEL ENTITLEMENTS FOR JUNIOR ENLISTED PERSONNEL

1. Subject of Interest: Extension of PCS travel and transportation entitlements to enlisted personnel E-4 with less than two years service and junior grades.
2. Background: PCS travel and transportation entitlements are authorized in law for all military grades. By policy they have not been extended to enlisted personnel E-4 with less than two years service and junior grades. We have sought to extend this entitlement on the grounds of equity and to deal with the major influence family separation has on retention.

Congress denied requested appropriation for junior enlisted travel entitlements in the FY 1975 budget. In the FY 1976 and FY 1977 budgets we acted to constrain budget levels by reducing personnel costs in the compensation and benefits areas and by not seeking funding for the program.
3. DoD Position: The lack of these entitlements for those on whom PCS is imposed acts as a disincentive to both motivation and reenlistment. It creates additional family separation or financial hardship on our youngest members with the newest families at the lowest rates of pay. DoD should not compound these effects with unnecessary additional separation by withholding extension of this entitlement to those on whom the resultant financial, marital and morale problems will have the greatest impact on their decision to remain in the military service.
4. Current Status: The Secretary of Defense has decided to include funds to extend the junior enlisted travel entitlements in the FY 1978 budget.

Deleted
OASD(M&RA)(MPP)
Cdr Fernald/x53176
30 November 1976

UNCLASSIFIED

FAMILY SEPARATION ALLOWANCE FOR JUNIOR ENLISTED PERSONNEL

1. Subject of Interest: Legislation to extend Family Separation Allowance (FSA) to members of the uniformed services in pay grade E-1, E-2, E-3, or E-4 (four years' or less service).
2. Background: Sec 427(b) of title 37, USC, provides for a \$30 monthly family separation allowance for quarters on behalf of dependents where the members are on duty under specified conditions resulting in separation from their dependents. This law, effective October 2, 1963, excludes such payments to junior enlisted personnel. The legislative history shows that the purpose of FSA is to compensate a service member for household expenses that arise by reason of separation from dependents for a substantial period of time as a result of military duty assignment. DoD included legislation to extend FSA to married junior enlisted personnel in the program for the 93rd Congress. OMB refused to clear it because no offsetting additional cost item was offered and the issue should be taken up as part of the Quadrennial Review of Military Compensation (QRMC). OASD(C) nonconcurred with resubmission of the legislative proposal to the 94th Congress because they believed it would not result in any appreciable increase in morale or motivation or in the retention of affected members.
3. DoD Position: Additional expenses incurred by separation for long periods of time of the military sponsor from his or her dependents is applicable to all military personnel, regardless of pay grade. The current law discriminates against the family of lower grade members who are serving unaccompanied tours at overseas locations, or are otherwise separated, in compliance with military orders. Extension of this entitlement would reduce the financial hardship of young married enlisted personnel and correct an equity resulting from the arbitrary exclusion of these members from the entitlement by law.
4. Current Status: The legislative proposal currently is being considered within DoD for submission to the 95th Congress. The ASD(M&RA) position is that the legislative proposal should be forwarded on its own merit, separate from the overall QRMC package. Enactment of this legislative proposal is considered consistent with the increased emphasis on service member-oriented programs and would contribute to volunteer force objectives.

OASD(M&RA)(MPP)
Cdr Fernald/53176
22 November 1976

FAIR MARKET RENTAL FOR MILITARY QUARTERS

1. Subject of Interest: Initiate a "fair market rental" (FMR) system for military quarters by increasing basic allowance for quarters (BAQ) rates, from basic pay to the average "fair market" value of military family quarters in kind (QIK).

2. Background: Current BAQ rates are significantly less than average off post housing expenditures. They are lower than the average value of government family quarters but generally exceed the average value of bachelor quarters. BAQ is not paid currently when members live on post. BAQ is intended to provide cash to obtain housing in the local market when not provided in kind. The President approved an OMB FY77 Budget proposal to move toward a "fair market" rental system for military quarters. The President sought and obtained legislative authority to reallocate part of future increases in military basic pay into the quarters allowances, and pay a partial BAQ to bachelors in quarters. The objective being to increase family BAQ rates toward average FMR rates without changing cash pay. This would begin to achieve the expected economies sooner, reduce the relative advantage to married members on-post and ease the transition to a rental system when it was implemented. The President exercised this authority on October 1, 1976. Since married BAQ rates are below any reasonable estimate of off post rates or of on post quarters values, this reallocation could safely be undertaken even though target BAQ rates have not yet been identified. The Congress, however, withheld approval of the concept of a rental system for military quarters until a detailed plan could be provided for its consideration and restated the traditional purpose for BAQ payment when on post housing was not provided. Non entitlement to BAQ when residing in Government quarters means that all members of a given pay grade and dependency status pay the same "rent" for quarters regardless of quarters size, age or amenities. If BAQ rates are equated to off post expenditures, "forfeitures" may be excessive "rent" for most Government quarters. The disparity between current BAQ rates and the target vary significantly by pay grade. DoD policy as to the appropriate target for BAQ rates is under review.

DoD Position: Successive reallocations of pay raises from basic pay to the allowances will cause basic pay to lag private sector increases, and will affect levels of all pays based on basic pay and allowances, based on BAQ. The number of reallocations required to achieve target BAQ rates varies by pay grade which could result in compression of the basic pay table. Plan for only one more reallocation of a portion of the basic pay raise to BAQ so that no likely BAQ targets will be overshoot. Make no further planned reallocations pending the results of the QRMC and the FMR decision.

Current Status: The QRMC is developing alternate plans for a military salary and a modernized pays and allowances system of the future. Under a salary system, a quarters rental system will be required and, if adopted, reallocation of pay raises is not an issue. Under a modernized pays and allowances system, a definitive set of standards for basic pay and the allowances will be developed. A "fair market" rental system may be incompatible with the objectives of a pay system based on allowances. Decisions on the form of the future military compensation system will be taken in about a month. A plan for FMR is being developed for Sec Def decision in January 1977.

UNCLASSIFIED

TRANSPORTATION ALLOWANCES FOR HOUSE TRAILERS

1. Subject of Interest: Elimination of restrictions on the transportation of house trailers and mobile homes.
2. Background: Public Law 88-406, approved August 7, 1964, amended section 409 of title 37 to authorize (a) the transportation of house trailers and mobile dwellings of members of the uniformed services within the Continental U.S., within Alaska, or between the latter two geographic locations, or (b) payment to the member a trailer allowance of currently 74 cents per mile, or (c) the transportation of his authorized weight allowance of baggage and household goods and payment of the dislocation allowance whichever is cheaper. Currently 74 cents per mile is the lowest of the three costs, except for some movements of trailers of junior personnel because they have small households the lowest cost would be (c) above. Regardless of the ceiling applicable to a particular movement, the 74 cent per mile limit on the trailer allowance is the large majority of cases is considerably lower than the actual cost of transporting the trailer. DoD submitted corrective legislation to the 94th Congress. It was not cleared by OMB because funds were not included in the FY 1976 budget and the submission would have contravened the President's spending moratorium relative to new initiatives. Funds were included, however, in the FY 1977 budget and the proposal was submitted to the 94th Congress. The latter adjourned without taking action on the proposed amendment.
3. DoD Position: A member with a trailer ordered to a new duty station should be paid a trailer allowance adequate to cover the actual expense of the move up to the cost of packing, shipping goods delivery and unpacking his baggage and household allowance. He should also receive the dislocation allowance.
4. Current Status: DoD, with OMB clearance, is submitting to the 95th Congress proposed legislation to eliminate current restrictions for transporting a house trailer or mobile dwelling by a member of the uniformed services.

OASD(M&RA)(MPP)
Cdr Fernald/53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

SEA DUTY PAY

1. Subject of Interest: Revise the special pay for sea duty.
2. Background: Navy sea pay was first authorized during the war of 1812. There have been numerous changes since. The current sea pay, for enlisted personnel only, and its authorized rates have existed unchanged since 1949. Secretary of the Navy Retention Task Force recommended modernization of sea pay in 1966. The Navy has been attempting to implement this recommendation ever since. The most recent proposal was rejected by OMB in 1975 based on increased costs and on OMB preference for a bonus-oriented proposal to address overall manpower requirements. OMB conceded that sea duty warranted special compensation.

The Defense Manpower Commission advocates a new sea pay designed to improve fleet manning in critical rates. Last year, Chairman Bennett, of the Sea Pay Subcommittee of the House Armed Services Committee, expressed strong support for an improved sea pay program providing implementation costs are minimized.

The Navy plans to submit a legislative proposal for a career sea pay, for enlisted personnel only. It will substantially increase the rates of pay, but because it will apply only to members with four or more years of cumulative sea duty, the cost increase will be small.

DELETE

3. DoD Position: DoD supported the previous sea pay proposal and subject to review of the forthcoming Navy proposal, should again support the requirement for a modernized sea pay to recognize the unique demands of military service on sea duty.
4. Current Status: Navy plans to submit a career sea pay proposal for the 95th Congress.

OASD(M&RA)(MPP)
Captain Talbot/53176
24 November 1976

DEFENSE OFFICER PERSONNEL
MANAGEMENT ACT (DOPMA)

1. Subject of Interest: Proposed revision of the laws pertaining to management of the officer forces of the Services.

2. Background: Officer personnel management today is governed by the Officer Personnel Act of 1947 (OPA) and the Officer Grade Limitation Act of 1954 (OGLA). The proposed Defense Officer Personnel Management Act (DOPMA) represents the culmination of several efforts over a period of many years to update and extensively revise the 1947 and 1954 Acts.

Most recently, in 1972, the Department of Defense formed a study group to evaluate the officer personnel management systems of the four Services. Also in 1972, by an amendment to the sixth Air Force request for temporary grade legislation, Congress directed the Secretary of Defense to submit a report to Congress by May 30, 1973, on grade limitations for all the services with appropriate recommendation for permanent legislation.

This report was forwarded to Congress in May 1973 and proposed legislation was submitted in January 1974.

3. DoD Position: Personnel management in the military services requires a satisfactory balance between the management interests of the Department of Defense and the personal interests of and career prospects for the individual officer. DOPMA will permit achievement of this balance and in concert with the proposed Uniformed Services Retirement Modernization Act (RMA), will produce the kind of officer force needed for the long-range leadership needs of Defense.

4. Current Status: DOPMA was passed by the House (vote: 343-4) in September 1976 and the Bill, H. R. 13958, was referred to the Senate. DOPMA has received opposition from Senator Nunn's Subcommittee and was not reported out by the SASC in the 94th Congress.

It is intended to include this legislation in the DoD Legislative program for resubmission to the 95th Congress.

~~Deleted~~
OASD M&RA (MPP)
CAPT Williams/56461
17 November 1976

RESERVE OFFICER PERSONNEL
MODERNIZATION ACT (ROPMA)

1. Subject of Interest: Proposed revision of the laws relating to the management (promotion, separation and transfer to the Retired Reserve) of Reserve commissioned officers.

2. Background: Present Reserve Officer Personnel statutes, for the most part, have not been revised since 1954. There are certain differences among the Services that have developed over the years. Similarity of treatment of Reserve officers among components can be achieved by a law governing the management of Reserve officers more uniformly than is now the case. DoD has been working on such a law, called Reserve Officer Personnel Modernization Act (ROPMA), for several years. ROPMA will provide greater similarity of treatment, improved promotion opportunities, better controls in the area of separation and retirement, and greater flexibility in the management of Reserve officers.

ROPMA was developed as companion legislation to an active force proposal, the Defense Officer Personnel Management Act (DOPMA). The Regular and Reserve proposals, taken together, will simplify use of active and reserve officers in a mobilization and will provide similar management systems for active duty and Reserve officers.

3. DoD Position: Include ROPMA in the DoD legislative package for the 95th Congress. Reaffirm the Total Force Policy by providing a modernized management system for all components, active duty and reserve.

4. Current Status: Final Service and OSD coordination is being withheld pending Congressional action on DOPMA. ROPMA will be submitted to the 95th Congress later in the session.

Delated
OASD/M&RA (MPP)
CAPT Barling/56312
18 November 1976

MILITARY GRADE ESCALATION

1. Issue: Congressional concern over the trend of increased proportion of officers in the senior grades.

2. Background: Our critics perceive grade escalation by comparing current and historical grade structures (e. g., WW II). This criticism is often unwarranted. The requirement for senior officers does not vary in direct proportion to total officer strength.

- o As total officer strength decreases, the proportion of senior officers increases since basic organization and functions remain.
- o Conversely, if total strength increases, the proportion of senior officers will decrease.

Also, needs have changed over the last 30 years because of:

- o Higher degree of technical control for procuring and distributing materiel and equipment.
- o More challenges in utilization and management of people.
- o Increased technology and sophistication in command and control systems.
- o Organizational changes; e. g., establishment of a separate Air Force and strengthening offices of the Secretary of Defense and the Joint Chiefs of Staff.

3. DoD Position: Positive actions have been taken to control the numbers of senior officers consistent with meeting defense requirements and the need to maintain viable career opportunity - vital in a volunteer and competitive manpower environment.

4. Current Status: The chart below shows the changes that have occurred during the periods associated with the Vietnam era. The decrease in strength since 1973 can be attributed to DoD initiatives to reduce Headquarters and support elements.

Department of Defense Senior Officer Grade Distribution

Pay Grades	ACTUAL			PLAN
	FY 64	FY 69	FY 73	FY 77
O-7/O-10	1,294	1,336	1,291	1,165
O-6	15,300	18,300	16,200	14,200
O-5	36,300	44,000	36,500	33,300
Total Officers	337,500	419,000	321,100	277,600

Deleted
OASD(M&RA) (MPP)
CAPT Williams/56461
19 November 1976

GENERAL/ADMIRAL REQUIREMENTS

1. Issue: General and admiral requirements.

2. Background: There has been continued Congressional concern over the number of flag officers on active duty in the Armed Forces. In addition to public expression, the FY 1974 and FY 1975 Defense Appropriations Acts specified grade limitations for senior officer strengths. No limitations were contained in the FY 1976 or FY 1977 Appropriations Acts; however, Congressional interest remains high.

3. DoD Position: It is the intention of the DoD to maintain the numbers of officers serving in higher grades to the minimum consistent with the short- and long-term needs of Defense. The Department is opposed, however, to imposing grade limitations on a year-to-year basis through annual appropriations acts. The number of flag officers required is not directly proportionate to the annual changes in total military personnel strengths, but is a product of the basic organization and functions of Defense.

In this respect the Department's review of headquarters and headquarters staffing has reduced the requirements for flag officers.

4. Current Status: The Department of Defense has functioned at or below the limitations imposed by previous appropriations acts. It should be noted that on 30 June 1973 the total number of flag officers on active duty was 1,291, substantially less than the Vietnam peak of 1,352. As a result of DoD initiatives, the total declined to 1,184 on 30 June 1976. Further reductions to a total of 1,165 are planned by end FY 1977.

General/Admiral Strength Trends

	<u>Actual</u>			<u>Planned</u>
<u>1964</u>	<u>1968</u>	<u>1973</u>	<u>1976</u>	<u>1977</u>
1,294	1,352	1,291	1,184	1,165

Deleted
OASD M&RA (MPP)
CAPT Williams/56461
17 November 1976

CONTROL OF GENERAL SCHEDULE GRADE ESCALATION

1. Problem: There has been concern over increases in average grade of General Schedule (GS) positions and in the numbers of positions in high grades.
2. Background: In industry and in Government, there is a trend toward more professional, technical positions and elimination of more routine positions by automation. Therefore, although all increases in average grade or numbers of high grade positions are not, per se, "bad," efforts need to be made to assure that no unjustified grade escalation occurs.
3. DoD Position: DoD has position management programs to assure a lean civilian grade structure. Position management programs must be strengthened, and the requirement to maintain a lean and efficient job structure reemphasized.
4. Current Status:
 - . DoD has made a greater reduction in average grade than the Federal Government has made and average grade in DoD is below the Federal average.
 - . The DoD June 1975 average grade was 7.65 while the Federal-wide March 1975 average was 7.87. DoD's decline from the June 1971 average was three times the size of the Federal decline.
 - . From June 30, 1971 - June 30, 1975 high grade positions declined as a percent of General Schedule employment. Of continuing concern, however, is the fact that there was an upward movement in average grade during fiscal year 1975.
 - . On August 12, 1976 the Department of Defense ordered reduction in the numbers of high grade (GS-13 and above) which, when fully implemented by the end of FY 1978 will result in an overall reduction of 2,134 positions (4.1%).

OASD/M&RA (CPP)
Mr. Petosa/57901
19 November 1976

REVISION OF PL 92-392, "MONRONEY AMENDMENT"

1. Problem:

Wages for the approximately 390,000 "blue collar" trade and craft employees in the Department of Defense are to be set, according to PL 92-392, "in line with prevailing levels for comparable work within a local area." One provision of PL 92-392, however, the so-called "Monroney" amendment (section 5343(d), title 5, United States Code) makes it impossible in many areas to establish rates in line with those prevailing in a local area because it requires importing rates from other areas. The total estimated annual overpayment in wages that results from this provision is about \$60 million annually to DoD.

2. Background

History. Federal employee unions succeeded in writing this legislation into law initially as a "rider" to PL 90-560, enacted October 12, 1968. Subsequently, the provision was incorporated in PL 92-392 enacted August 19, 1972, to establish a Federal-wide prevailing rate system for Federal employees in trades and crafts.

Experience in Wage Surveys. To date, in 28 of the 137 appropriated fund regular wage areas, the "Monroney Amendment" affects rates. About 122,000 Federal wage employees work in these areas, and about 79,000 of them receive more than they would receive if prevailing rates were followed. The scheduled amount of this excess varies by grade in amounts from \$0.01 hourly up to \$1.84 hourly. The "Monroney Amendment" also makes the Federal Government compete unfairly with private industry by paying higher rates than in industry. It fuels inflation because private employers, in order to compete, are forced to pay higher rates and it forces contracting out.

3. DoD Position

Title 5, United States Code, should be amended by repealing section 5343(d) ("Monroney Amendment").

4. Current Status

Legislation to amend title 5 to include repeal of the "Monroney Amendment" as well as other reforms to the Federal Wage System was introduced by Mr. Derwinski on March 29, 1976, as H. R. 12843. It was referred to the House Committee on Post Office and Civil Service.

OASD/M&RA (CPP)
Mr. Petosa/57901
19 November 1976

UNCLASSIFIED

FEDERAL EMPLOYEE COLLECTIVE BARGAINING RIGHTS

1. Subject of Interest:

Several bills were introduced in the last Congress for the purpose of establishing a statutory framework for labor-management relations in Federal agencies. The proposed legislation would have a significant impact on civilian personnel administration within DoD.

2. Background

Present Program. Federal labor-management relations are governed by Executive Order 11491. Substantial unionization has taken place in recent years. Unions now represent about 65% of DoD's civilian employees and negotiate on personnel policies and working conditions in 1,950 bargaining units at DoD installations worldwide. However, unions complain that the scope of bargaining is too limited and that machinery for dispute resolution is cumbersome and weighted toward management.

Leading Bills. Prominent are H.R. 13, backed by the AFL-CIO, and H.R. 4800, introduced by the Chairman of the House Manpower subcommittee as a compromise measure. H.R. 13 would greatly expand bargaining, permit unionization of supervisors, allow the union shop, and eliminate protection for management rights. H.R. 4800 would continue most E.O. 11491 policies, but would establish a new body for bilateral review of Government-wide personnel policies and expand union consultation rights at the agency level. Both bills would establish a new NLRE-type authority to supervise the Federal program.

3. DoD Position

DoD opposed H.R. 13 on the basis that it would create a program imbalance heavily weighted toward labor interests. H.R. 4800 is less unsatisfactory but DoD is on record as opposing it in its present form. The President amended E.O. 11491 in 1975; further program change is not needed at this time.

4. Current Status

Neither bill was reported out of Committee in the 94th Congress. However, Federal employee unions can be expected to renew their efforts in the 95th to obtain bargaining rights grounded in law. OASD(M&RA) will watch developments closely and coordinate with CSC on input to committee staff.

OASD/M&RA (CPP)
Mr. Green/52439
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

COMPRESSION OF CIVILIAN EXECUTIVE SALARIES

1. Subject of Interest:

Senior executive salaries have been compressed beyond reason by the limitation (\$39,600) required by section 5308, title 5, United States Code.

2. Background

History and Congressional Concern. Since January 1971 there have been six increases in the General Schedule totalling 30.76%. Almost all employees from Step 6, GS-15 through GS-18 are being paid the same rate of pay (\$39,600). Although the 1975 and 1976 increases amounting to 5% and 4.83% respectively provided some relief in slowing further compression, the GS-18 salary is almost \$15,000 below the authorized General Schedule level.

Adverse Effects

There is little incentive for managers to accept more responsible positions. There is incentive for managers to retire and undertake other careers.

The executive salary ceiling is inequitable during a period of rapid inflation while other salaries have been significantly increased.

3. DoD Position

There should be a prompt adjustment in the \$39,600 salary ceiling by elimination of the ceiling and implementation of the General Schedule rates in 5 USC 5332.

4. Current Status

It is essential to alleviate the demotivating compression which has held down rates for senior-level positions over the past seven years. The Quadrennial Pay Commission is currently studying executive salaries preparatory to recommending to the President what action should be taken with respect to civilian executive salaries. The President and Congress, as a result of the Commission study, should provide for a prompt adjustment. Otherwise the demotivating compression will continue to adversely affect the Government's ability to attract and retain critically needed executive skills.

OASD/M&RA (CPP)
Mr. Workman/73402
19 November 1976

UNCLASSIFIED

CIVILIAN RETIRED PAY INVERSION

1. Subject of Interest:

The compression of senior executive salaries with only two increases since January 1971 and Federal retiree cost-of-living increases totalling 45% since that date have resulted in many retirees receiving annuities greater than annuity computations for current senior level executives.

2. Background

History and Congressional Concern. Senior level employees who have retired have had their annuities increased as much as 45% since January 1971 resulting, in many cases, in annuities larger than annuity computations of current senior level employees whose salaries are subject to the ceiling limitation of \$39,600. Congressional reluctance to raise their own salaries because of the politically unpopular nature of such an action, combined with Congressional reluctance to raise executive salaries without raising their own are underlying causes of the present situation.

Adverse Effects

There is incentive for key managers, particularly those in the earlier years of retirement eligibility and at the peak of their capabilities, to retire and seek other careers to prevent further erosion of annuities and real income. Employees at top salary levels who retire at the first opportunity benefit from repeated cost-of-living adjustments, and those who remain continue to receive salaries below authorized General Schedule levels.

3. DoD Position

Alternate annuity calculations should be authorized which would remove the penalties imposed by the statutory salary ceiling and assure that employees will not get less by working longer.

4. Current Status

In November 1975, the Deputy Secretary of Defense requested that OMB reconsider the rejection of an earlier DoD legislative proposal which would entitle an employee to receive an annuity computed on the basis of his service and average salary at any time since January 1, 1971, after the employee became eligible for retirement, increased by cost-of-living annuity adjustments authorized since that date. On reconsideration, the OMB confirmed its opposition to the legislative proposal in April 1976.

OASD/M&RA (CPP)
Mr. Workman/73402
19 November 1976

UNCLASSIFIED
Levels of Training Manpower

1. Problem, Issue, or Subject of Interest: Are appropriate amounts of manpower utilized for individual training in the Department of Defense?

2. Background: Individual training consists of five types of training (recruit, officer acquisition, specialized skill, flight, professional development) which are generally conducted in military training centers or schools. It excludes training in operational units conducted to maintain unit readiness. Considerable criticism has been directed at the amount of military and civilian manpower used to conduct and support individual training. The primary rationale for this criticism has been comparisons of DoD "student/teacher" or "student/staff" ratios with those in civilian high schools and colleges. A special Report on the Training Establishment, focused on this issue, was submitted to the Congress in March 1976, as part of the Military Manpower Training Report for FY 1977. The report demonstrated that statistics used to criticize DoD training staffing are generally incorrect; that military training (for example, weapons training or pilot training) differs so greatly from civilian education that comparisons have little meaning; and that, insofar as these differences can be reconciled, the comparison does not indicate inefficiency in the use of manpower in military training. The report was well received in the Congress; little criticism on this basis has subsequently been received. It is recommended that individuals interested in this issue review the report; copies are available from the action officer.

3. DoD Position: DoD continues to seek ways to economize on the manpower investment in training. In the two years between FY 1975 and 1977, manpower in support of training is being reduced by about 14 percent despite a small increase in student populations.

DELETED

However, these reductions are being achieved on the basis of careful analysis of requirements, not on surface comparisons with civilian education staffing.

4. Current Status: The review of Service training manpower requests continues.

OASD/M&RA(PR)
Col Tilson/56857
22 November 1976

UNCLASSIFIED

UNCLASSIFIED
Flight Training Rationalization

1. Subject of Interest: How can Flight Training be made more effective and efficient?

2. Background:

- o Although Flight Training accounts for less than 3% of DoD student manyears, it accounts for nearly one-fifth of DoD training support manpower and more than one-sixth of DoD training funding.
- o Broad DoD program of Flight Training rationalization has emphasized two approaches: 1) insuring that only the required amount and type of Flight Training is conducted; 2) insuring that required Flight Training is conducted as efficiently as possible.
- o Flight Training output has been reduced by about one third from FY 1973 to FY 1977. Flight Training efficiency has been improved through consolidation of duplicative training and through reduction in the number of bases used for flight training.
- o More extensive use is being made of flight simulators in undergraduate flight training as well as in proficiency and operational flying programs in units.

GAO and Congressional interest in Flight Training rationalization and consolidation has been high. DoD proposed consolidation of all Defense undergraduate pilot training in the FY 1977 President's Budget; however, due to disagreement between the two houses of Congress, consolidation was deferred pending further DoD study. A report to the Congress on this issue will be submitted by April 15, 1977.

3. DoD Position: Flight Training rationalization is a priority effort in OSD. Actions to date have been prudent; future actions must be just as carefully developed and planned.

4. Current Status: Implementation by the Military Services of the advanced navigation training consolidation decision is being carefully watched and coordinated. Undergraduate helicopter pilot training consolidation is being given further study as requested by the Congress. The potential for further navigator/Naval Flight Officer training consolidations and future fixed-wing pilot training consolidations is being explored.

OASD/M&RA (PR)
Mr. Peterson/56940
22 November 1976

UNCLASSIFIED

UNCLASSIFIED

DOD COMMITTEE ON EXCELLENCE IN EDUCATION

1. Subject of Interest: The DoD Committee on Excellence in Education, often referred to as the Clements Committee, is comprised of the Deputy Secretary of Defense, the three Service Secretaries, and the Assistant Secretary of Defense (M&RA). Additionally, there is a Subcommittee chaired by the ASD(M&RA) and comprised of the three Service Assistant Secretaries for M&RA, a representative of OJCS, and the Director of Defense Education.

2. Background:

a. Purpose: The Committee and Subcommittee are engaged in a comprehensive examination of officer schooling. Currently, well over one billion dollars per year is spent on education by DoD with a considerable portion of that directed to officer education. Recognizing that there is some potential for duplication and lack of coordination among these programs, the Committee and Subcommittee on Excellence in Education were formed to insure that resources devoted to education are being utilized in a suitable and cost-effective manner.

b. Activity to Date: During the past three years the Committee on Excellence in Education and the Subcommittee have reviewed three levels of officer military education - Senior Service College (SSC), Intermediate Staff College (ISC) and the Service Academies. Major emphasis at the SSC and ISC levels has been on curriculum and faculty improvement, improved procedures for student selection, and development of a comparative costing and manpower evaluation system. At the Service Academy level, emphasis has been on study of a common core curriculum, review of Honor System, plebe attrition and summer training, and integration of women.

3. DoD Position: Not applicable.

4. Current Status: The Committee is currently in the process of completing its second round of visits to the Service Academies and is expected to publish new initiatives in December 1976. The Subcommittee completed its study of the Staff Colleges in October 1976 and has submitted their recommendations to the Committee for appropriate action. Publication is expected in December 1976.

OASD/M&RA (MPP)
Major Montefusco/73753
18 November 1976

UNCLASSIFIED

UNCLASSIFIED

IN-SERVICE VOLUNTARY EDUCATIONAL PROGRAM

1. Subject of Interest: In-Service Off-Duty Educational Program to Support the Volunteer Force Objectives.

2. Background: Voluntary or off-duty educational programs are established to improve competence of personnel, assist career progression, and generally strengthen personnel base of Armed Forces.

a. Funding is by tuition aid (75% by Service, 25% by individual) or by in-Service educational benefits of the G. I. Bill. Current congressional interest includes suggestion by House Appropriations Committee to allow officers to use tuition assistance at the graduate level only if it satisfies a need of the Military Service. The Congress has voted to terminate the G. I. Bill effective 31 December 1976. It is estimated that the termination of the G. I. Bill will cause the cost of the program to DoD to rise from approximately \$80 M now to as much as \$200 M within five years. Fewer active duty personnel will be eligible for the G. I. Bill and pressure will build to expand tuition aid.

b. Even as force levels decline, participation has increased. Today, about one-fourth (500,000) of active duty personnel are participating.

c. Programs range from high school completion/remedial (no longer funded under G. I. Bill) through the graduate level on most installations in this country and overseas. It includes correspondence study and credit by examination.

3. DoD Position: The program is supported by all the Military Departments and is extensively used as a recruiting incentive.

4. Current Status: The intent of Congress in terminating the G. I. Bill was that funding for the high school completion/remedial program be shifted from the VA to DoD. Programs similar to the one funded by the VA have been initiated by all the Services.

DELETED

OASD/M&RA(MPP)
Col Zimmer/71969
19 November 1976

UNCLASSIFIED

UNCLASSIFIED

WOMEN IN SERVICE ACADEMIES

1. Subject of Interest: The Defense Appropriation Authorization Act P. L. 94-106, enacted October 7, 1975, states that women are eligible for appointment to the Service Academies and that admission, training and other standards should be the same as required for males, except for minimum adjustments due to physiological differences.

2. Background: The Department of Defense opposed legislation opening the Service Academies to women. The basis of the Department's argument was that since the Academies' prime mission is to produce combat officers and since women are by law prohibited from serving in combat, then participation by women in academy training would not be cost effective. (10 U.S.C. 6015 prohibits Navy women from serving in combat aircraft or naval vessels except for transports and hospital ships; 10 U.S.C. 8549 prohibits Air Force Women from serving in combat aircraft. Derived Army regulations prohibit women from serving in combat units.) Defense argued that other excellent educational opportunities such as ROTC scholarships would be available to women.

3. DoD Position: The Department is making every effort to ensure a successful program.

4. Current Status: The Military Departments are providing prospective women candidates information on the Academies. For the Classes of 1980, entering in June/July 1976, 119 women were admitted to the Military Academy, 81 women to the Naval Academy, and 157 women to the Air Force Academy. The numbers of women admitted were based on Service needs. Women are undergoing virtually the same education and training program as their male counterparts and will satisfy the same requirements for graduation.

DELETED

OASD/M&RA(MPP)
Mr. Burman/70616
19 November 1976

UNCLASSIFIED

UNCLASSIFIED

MILITARY DISCHARGES

1. Subject of Interest: Military discharges, particularly the procedures preceding the issuance of general and undesirable discharges, have attracted an increasing degree of public interest. Several legislative proposals have been introduced in Congress, which, if enacted, would alter the discharge system and impose relatively expensive and unnecessarily complex procedural restrictions upon the Armed Forces.
2. Background: There are three types of administrative discharges, characterized as follows: (1) Honorable, for honest and faithful service, (2) General, for satisfactory service under honorable conditions not sufficient to warrant an honorable certificate, and (3) Undesirable, for service under other than honorable conditions. Punitive discharges are issued as a result of court-martial sentence and include Bad Conduct and Dishonorable.

An undesirable discharge can be issued only after the member has been afforded several rights, including counsel and a hearing, and must be approved by at least a general court-martial authority. Dishonorable, bad conduct and undesirable discharges generally do not qualify the member for VA benefits.

A continuing Congressional concern focuses on two issues: the policy of issuing characterized discharge certificates, and the adequacy of the guarantees of procedural due process for the individual service member.

3. DoD Position: The Armed Forces have the right and responsibility to recognize and document military service which is honorable. This includes both "honorable" and "general" discharges. This recognition, however, necessarily results in an adverse characterization of those whose service was less than honorable. DoD is continually reviewing refinements to the administrative discharge system.
4. Current Status: Hearings on legislation were held before Mr. Nedzi's HASC Subcommittee on Military Personnel beginning in November 1975. A report from that Subcommittee has not been received as of this date. The term "undesirable discharge" is to be replaced with "discharge under other than honorable conditions" on January 1, 1977.

DELETED
OASD(M&RA)(MPP)
LTC G.A. Johnson, USAF/74054
17 November 1976

UNCLASSIFIED

UNCLASSIFIED

DOD - OVERSEAS DEPENDENTS SCHOOLS

1. Subject of Interest: The DOD provides a K-12* education program for dependents of DOD military and civilian personnel stationed overseas.

2. Background: Through FY 76, each military department was assigned operational responsibility for the overseas dependents education program in a specified geographical area, i.e., Department of the Army: European Region; Department of the Navy: Atlantic Region; and Department of the Air Force: Pacific Region. Policy guidance was provided by DOD. House Appropriations Committee (HAC) Reports expressed concern that the service geographic manager concept led to three distinctly separate education programs. The HAC desired to centralize management control of the program in the Office of the Secretary of Defense (OSD), and it directed in FY 75 that funding and curriculum development be consolidated in OSD. The FY 76 HAC Report directed that the centralization of operational control in the Office of Overseas Dependents Education (OODE), OSD, be completed by transferring all personnel associated with the program from the services to OSD. The Senate Appropriations Committee (SAC) recommended retention of the geographic manager concept, but the House-Senate Conference Committee, in reviewing the FY 76 budget, directed that full responsibility for management of the overseas dependents education program be removed immediately from military department control and vested in OODE, OSD. This action was to assure that there will be only one educational program for the dependents of DOD military and civilian personnel, overseas.

3. DOD Position: OSD concurred with the House-Senate Conference Committee action.

4. Current Status:

- o DOD Directive 1342.6 has been revised to reflect elimination of the military departments from overseas dependents schools operational responsibilities effective 1 July 1976.
- o The Directive established the Department of Defense Office of Dependents Schools (DODDS) as a field activity of the Assistant Secretary of Defense (Manpower and Reserve Affairs). It authorizes a Director who shall organize, manage, fund, direct, and supervise the complete operation and issue policies and regulations as necessary to carry out the assigned mission. Also, he shall enter into agreements with the military departments or other U.S. Government entities, as required, for the effective operation of the program; establish subordinate offices necessary to fulfill the mission; reimburse the military departments for logistic support; and coordinate, as necessary, with other OSD elements/components and other governmental and non-governmental agencies.
- o The budget for FY 77 is \$245.1 million and covers the cost of approximately 9,842 civilian employees and the education of approximately 147,719 DOD dependents.

DELETED

DODDS, OASD(M&RA)

Dr. Cardinalc/325-0188

19 November 1976

* K-12 means Kindergarten through 12th grade.

UNCLASSIFIED

MODERNIZATION OF THE UNIFORMED SERVICES RETIREMENT SYSTEM

1. Subject of Interest: Modernization of the Uniformed Services Retirement System.

2. Background: The current military retirement system has management, equity, and cost deficiencies. It encourages retirement to soon after initial eligibility; is inefficient in attracting members into service and retaining those with short service; inhibits management decisions to sever members in mid-career to meet force objectives; lacks vesting for the 9 of 10 who do not reach retirement eligibility; and allows some retirees to chose retirement date to maximize retired pay. System costs are rising, caused by growing retired population from past large standing forces; increasing active duty pay levels and CPI adjustments to retired pay.

3. DoD Position: The Department is sponsoring the Uniformed Services Retirement Modernization Act (RMA) to correct the defects in the present system. Its major features are:

a. An increased annuity for retirement at 30 years of service and a reduced annuity for retirement earlier than 30 years.

b. Use of the high one averaging instead of terminal basic pay.

c. Vesting of a pro rata share of retirement benefits for voluntary and involuntary separation before retirement eligibility at 20 years of service.

d. Integration of military retired pay and social security benefits, reducing the annuity by one-half the social security payment attributable to military service.

The proposal includes save pay provisions for members already at retirement eligibility and transition features to apportion application of the new system to current members relative to pre-enactment service.

The proposal also provides readjustment pay for those involuntarily separated before retirement eligibility with more than five years of service.

4. Current Status: The 94th Congress did not act on RMA. The Department will resubmit RMA to the 95th Congress. RMA is expected to increase near term retirement costs, but save about \$11 billion by the year 2000.

OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

MODERNIZATION OF THE RESERVE RETIREMENT SYSTEM

1. Subject of Interest: Modernization of the Reserve Retirement System.

2. Background: Under current law a Reservist who dies before reaching retirement pay eligibility (age 60), and is otherwise qualified for retired pay, is unable to pass any of his accrued benefit on to his survivors. To correct this defect, the Department prepared legislation to modernize the Reserve retirement system. One provision of this proposal would authorize the payment of retired pay as early as age 50 at an actuarially reduced rate. Another important provision would authorize a lump-sum payment for dependents of members who die before reaching the age at which they start receiving retired pay. Finally, a new method of computing retired pay would result in savings after the first ten years after enactment.

The Office of Management and Budget has not cleared it for submission to Congress. This lack of clearance is attributed to initial additional cost.

3. DoD Position: DoD supports legislation to modernize the Reserve retirement system.

4. Current Status: A legislative proposal to accomplish this objective is being prepared for submission to the 95th Congress.

DELETED
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

RECOMPUTATION OF MILITARY RETIRED PAY

1. Subject of Interest: Proposals to reinstate recomputation of military retired pay based on each increase in active duty pay.

2. Background:

- o Suspension of recomputation: Prior to June 1, 1958 military retired pay was recomputed each time active duty basic pay was increased. This practice was abandoned in 1958. Since 1963, retired pay has been adjusted based on increases in the cost of living, as measured by the Consumer Price Index (CPI).
- o Reinstatement of recomputation: The President's Interagency Committee study of retirement and survivor benefits in 1971 concluded that the Government's responsibility should be limited to the maintenance of purchasing power of retirement annuities. The Committee, however, did recommend a one time recomputation based on the January 1, 1971 pay rates. DoD submitted legislation to this effect to the 92nd Congress. That Congress did not act on that proposal. The President deleted it from legislative programs for succeeding Congresses. Significant increases in active duty pay has led to a rekindling of interest in restoring recomputation.
- o Congressional Interest: Pressure for "recomp" has been felt by the Congress from the military retired community, especially those who retired on the low basic pay scales prior to 1958. In response, the Congress has, on several occasions, considered legislation to recompute retired pay. Referred to as the Hartke proposals, these amendments call for a one-time recomputation of retired pay to the 1972 pay scales. Congress has not acted on the Hartke proposals.

3. DoD Position/Current Status: It is understood that the President-elect has made a commitment to review the "recomp" issue.

DELETED
OASD(M&RA)(MPP)
LTC Gasper/x53176
23 November 1976

UNCLASSIFIED

UNCLASSIFIED

SURVIVOR BENEFIT PLAN - SOCIAL SECURITY OFFSET

1. Subject of Interest: The Social Security offset in the Survivor Benefit Plan (SBP).

2. Background: The SBP enables a retired member to provide an annuity for his surviving dependents by contributing to the benefit by a reduction in his military retired pay. The Social Security program provides a survivor benefit to mothers or widows. It is jointly financed by the Social Security tax paid equally by the military member and the Department of Defense. The SBP annuity is reduced by an amount equal to the amount of Social Security benefit to which the widow would be entitled calculated solely on the basis of the member's military service. The widow's Social Security survivor benefit is not affected. DoD calculates the Social Security offset based on the member's social security covered military earnings and deducts it from the SBP annuity without regard to whether the widow is actually receiving Social Security payments and without regard to whether they derive from her husband's income or from her own. Military survivors and some Congressmen have questioned the propriety of:

a. Offsetting the full amount of Social Security benefit from military service when half of it derives from members' Social Security payments.

b. Offsetting SBP annuities of widows who are drawing Social Security pensions in their own right rather than as a result of their husbands' military service.

There are other issues related to these questions.

3. DoD Position: In response to a proposal before the 94th Congress, to make a large number of changes to SBP, the Department deferred a position on these issues pending review, and is committed to provide a report to the 95th Congress in February 1977.

4. Current Status: A review of the Social Security offset in SBP is in progress. Expected completion date is late January 1977.

DELETED
OASD(M&RA)(MPP)
LTC Gasper/53176
23 November 1976

UNCLASSIFIED

CPI ADJUSTMENTS FOR RETIRED SERVICEMAN'S FAMILY
PROTECTION PLAN

1. Subject of Interest: Protection of certain annuities payable under the Retired Serviceman's Family Protection Plan (RSFPP) against inflation.

2. Background: The Survivor Benefit Plan (SBP) superseded the RSFPP as the Department of Defense survivor benefit program. When SBP was enacted retired members participating in RSFPP was authorized to elect:

a. To participate in the new Survivor Benefit Plan and drop participation in the Retired Serviceman's Family Protection Plan;

b. To participate in the new Survivor Benefit Plan and continue participating in the Retired Serviceman's Family Protection Plan;

c. To continue participating in the Retired Serviceman's Family Protection Plan and not participate in the new Survivor Benefit Plan.

No provision was made for cost of living increases (COL) in the annuities of widows or widowers who were receiving annuities under RSFPP.

Retired members had up to 18 months (September 21, 1972 to March 20, 1974) to make an election to participate in SBP. The Department believes that those retired members who died during the election period would have made elections to participate in SBP had they lived.

3. DoD Position: It is the view of the Department of Defense that provisions should be made for adjusting the amount of RSFPP annuities based on increases in the COL which occurred since September 21, 1972 for widows and dependent children of members who died on or before March 20, 1974 and who were participants in RSFPP.

DoD supports legislation to authorize adjustment of certain RSFPP annuities based on increases in the Consumer Price Index (CPI). Similar legislation, supported by DoD passed the House of Representatives but not the Senate during the 94th Congress.

4. Current Status: Legislation to accomplish this objective is part of the Department's legislative program for the 95th Congress: **DELETED**

OASD(M&RA)(MPP)
LTC Gasper/53176
24 November 1976

UNCLASSIFIED

MILITARY JUSTICE SYSTEM AND SELECTIVE RATES

1. Subject of Interest: Status of the Military Justice system and rates of courts-martial and nonjudicial punishments.
2. Background: Courts-martial rates have significantly decreased for the past two years after having been stable for the prior three years. The rates for these years are generally lower than for the last ten years.

Nonjudicial punishment (Article 15's) rates have declined for the past two years after having been on the increase for the prior four years and a peak rate in FY 1974.

Cumulative Annual Rate Per 1000 Average Monthly End Strength

	<u>FY 71</u>	<u>FY 72</u>	<u>FY 73</u>	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>
General						
Courts-martial	1.28	1.16	1.04	1.13	1.05	.99
Special						
Courts-martial	14.19	10.53	10.60	13.00	10.94	8.09
Summary						
Courts-martial	<u>9.57</u>	<u>9.21</u>	<u>7.53</u>	<u>6.08</u>	<u>5.53</u>	<u>4.24</u>
TOTAL	25.04	20.90	19.17	20.21	17.52	13.32
Nonjudicial						
Punishments	145.1	145.5	157.6	180.27	169.65	161.99

There are on-going General Accounting Office (GAO) surveys on the following topics: the use of pretrial confinement; reduction of crime on military installations, random selection of juries in courts-martial and uniformity of punishments. The GAO recently completed a survey on the topic of uniform treatment of prisoners.

3. DoD Position: The military justice system is working in a creditable manner.
4. Current Status: An interservice committee known as the Joint Service Committee on Military Justice, established by the Service Judge Advocates General, meets on a continuing basis with a view toward recommending necessary changes to the system. A member of the Court of Military Appeals staff sits with the Joint Service Committee's working group.

~~DELETED~~

OASD(M&RA)(MPP)

Maj J.A. Badami, USA/74054

17 November 1976

UNCLASSIFIED

SEPARATION PROGRAM DESIGNATORS (SPD's)
formerly
SEPARATION PROGRAM NUMBERS (SPN's)

1. Subject of Interest: Use of numerically coded reasons for discharge.
2. Background: Separation Program Designator (SPD) is the term used in DoD for a data processing identifier which is keyed to reason for separation enumerated in detail in DoD and Service Directives. As opposed to a full narrative description and aside from the obvious clerical advantages, it was felt that use of this system would assure a reasonable degree of privacy to individuals, particularly those who were discharged for adverse reasons. The DD Form 214, "Report of Separation from Active Duty," also contains 33 other items of personnel information relating to the individual's military service. The form is used by the Military Services, the Veterans Administration and the Selective Service System for their internal purposes; by veterans in seeking reenlistment, benefits or employment; and by employers who recognize its value and often demand that a veteran provide the form prior to employment. On March 14, 1974, the Chairman of the House Armed Services Committee requested discontinuance of the use of SPN's. On January 23, 1975, in a survey of the use of DD Form 214, the GAO recommended this form no longer be automatically furnished to each member on separation.
3. DoD Position/Current Status: On March 27, 1974, the Secretary of Defense ordered the discontinuance of SPD's on all copies of DD Form 214, except those retained by the Military Service. He also directed that the reason for discharge, when requested by the individual, be provided in narrative format. It was later provided that a new copy of the DD Form 214 with the SPD deleted, would be furnished to all former members upon request. On June 15, 1975, OSD directed discontinuance of the automatic issuance of DD Form 214 upon separation. The member is now required to make a written request for a copy of his/her DD Form 214.

DELETED
OASD(M&RA)(MPP)
LTC G.A. Johnson, USAF/74054
17 November 1976

UNCLASSIFIED

UNCLASSIFIED

STATUS OF EQUAL OPPORTUNITY AND
TREATMENT IN THE DEPARTMENT OF DEFENSE

1. Subject of Interest: Status of equal opportunity and treatment in the Department of Defense and the armed forces.

2. Background: During the decade 1965 - 1975, DoD has taken the initiative to apply and expand the intent of civil rights legislation and executive orders (applicable only to civilians) to the military services and to the civilian workforce. The Human Goals Statement, initiated in 1969, and signed by key DoD officials thereafter, provides the philosophical framework for our actions.

3. DoD Position: It is the policy of the Department of Defense to actively oppose all forms of discrimination based on race, color, religion, sex, age and national origin; and to actively promote and support affirmative action to provide equal opportunity to all in every activity or program in the Department.

4. Current Status: We believe the equal opportunity program in the armed forces is second to none. There remains much to be done, however, in several key areas. Early attention must be given to the following critical issues:

a. Placement of minorities and women in policy-making positions (Executive Search).

b. Equal Opportunity for Minority Business Enterprise (MBE) to participate in the Defense Procurement System (Establishment of MBE ombudsman under the EO office).

c. Improved awareness, understanding and harmony among the races and between the sexes throughout DoD (Redesign and reinforcement of DoD Race Relations/Human Relations Education and Research).

UNCLASSIFIED

DELETED

OASD/M&RA (EO)
Mr. Francis /76381
7 December 1976
(Rewritten)

UNCLAS. FIED

d. Fundamental conflict between 1st Amendment Rights
(membership in KKK) and DoD Human Goals. **DELETED**

e. Perception of preferential treatment of minorities in DoD
policy (affirmative action, compensatory opportunity) causes
"backlash" among ill-informed whites.

2

UNCLASSIFIED

DELETED

OASD/MISRA (EO)
Mr. Francis 76381
7 December 1976
(Rewritten)

UNCLAS IFIED

RELIGIOUS DISCRIMINATION IN MID-EAST
AGAINST DOD CONTRACTORS

1. Problem: Religious Discrimination in Mid-East Against DoD Contractors.

2. Background: Beginning with the publicity attendant to the award of a contract to train the Saudi-Arabian National Guard (Vinnell Contract) and continuing through the revelation of a "black list" or boycott of certain American firms, there has been intense congressional interest in DoD policy and actions in overseas assignment of DoD personnel, in selection of contractors and suppliers for the middle-east, and in the hiring practices of such contractors and suppliers (Abzug, Church, Chase, et al). The Presidential Memorandum of 20 November 1975 overrides all previous affirmative action taken by DoD to eliminate discrimination based on race, creed, color, sex or national origin in its operations anywhere in the world. DoD's policy of non-discrimination has been made abundantly clear in several policy statements, the latest dated 18 December 1975.

3. DoD Position: In support of the President, and in pursuit of established DoD policy, we in the Department of Defense will maintain our current continuing campaign to achieve full compliance with U. S. Government law wherever the Department is involved.

4. Current Status: All Defense components have been instructed to select personnel for assignment on a non-discriminatory basis, to ignore "boycott" lists in selection of contractors, and to report through channels any denial of visas to personnel either assigned to the Department or hired by Defense contractors. The ASD(ISA) shall receive such reports and coordinate with Department of State to resolve such visa denial cases.

a. Since early 1976 this issue has not arisen in connection with DoD operations. It arose only briefly in the T.V. debates when President Ford offered to publish the "boycott" lists.

b. Thus far, there have been no visa denial cases reported.

DELETED

CASD/M&RA (EO)

Mr. Francis/76381

7 December 1976

(Rewritten)

UNCLASSIFIED

Coordinated by: Carl Clewlow
DASD(CPP)

UNCLASSIFIED

DEFENSE MANPOWER COMMISSION

1. Subject of Interest: Department of Defense response to final report of the Defense Manpower Commission.

2. Background:

o The Defense Manpower Commission, an independent Commission formed for the purpose of studying Defense manpower requirements and utilization, was chartered under PL 93-155. It was composed of seven members; three members were appointed by the White House and one each was appointed by the majority and minority leaders of the House and Senate. Dr. Curtis Tarr was Chairman of the Commission and General Bruce Palmer, Jr., USA (Ret.) was Executive Director of a professional staff of 26 members.

o The Commission kept close liaison with the staffs of the Appropriations and Armed Services Committees, GAO, and OMB. Its life span was two years, dating from April 19, 1974.

o The Commission filed its Final Report in April 1976. Key items of interest included in the report were: unionization, limiting the Service Secretaries to overall policy matters only, effectiveness of civilian manpower management control, Guard and Reserve Programs, Base Closures, Veterans' Preference Act, establishment of physical and mental qualifications for occupational areas to permit serving in those areas without regard to sex, career force determination, establishment of a permanent Federal Compensation Board, area differentials in salary for Federal technical and clerical employees, military compensation issues, mobilization ability and reconstitution of the Standby Draft System, and a supplementary view on Defense organization.

3. DoD Position: See "Current Status" below.

4. Current Status: The DoD position book dealing with each of the DMC's 310 recommendations, conclusions, and observations has been at OMB for coordination and has been returned recently with OMB comments. The volume will be published after these OMB comments have been considered. We have provided from OASD(M&RA) a single coordinator of Defense Manpower Commission Matters. All queries, requests for data and briefings are managed through this point of contact.

OASD/M&RA(P&R) (DMCM)
Mrs. Jameson/50643
6 December 1976

UNCLASSIFIED

UNCLASSIFIED

RESERVE FORCES POLICY BOARD (RFPB)

1. Is the RFPB functioning as Congress intended?

2. Background: RFPB is by statute (10 U.S.C. 175) the "principal policy adviser to the Secretary of Defense on matters relating to the Reserve Components." That provision was enacted in 1952 and has been reconsidered by the Congress on several occasions. Through the years questions have occasionally been raised about whether Secretary of Defense uses the Board as Congress intended. At HASC hearings on Reserve Component training in October 1975 Rep. Montgomery (Miss.) raised this question and asked whether anybody in DoD is listening to recommendations of RFPB.

3. DoD Position: The Board in December 1975 completed a detailed six-month study of its role and operating mode in DoD, considering history of Congressional intent and the varied ways the Board has been used by different Secretaries. The study also addressed relationships to ASD (M&RA), DASD (RA) and the Services. Conclusions were that some improvements can be made in operating mode but the need for the Board under current "Total Force Policy" is greater than ever, and there is no conflict with different responsibilities of DASD (RA) and the Services' reserve policy committees. The ASD (M&RA) commended the study, concurred in its findings and so advised the Board.

4. Current Status: These steps have been taken to improve effectiveness of the Board: (1) one additional staff officer has been assigned; (2) on one occasion the Secretary of Defense and on several occasions the ASD (M&RA) have specifically asked for the Board's comments on timely issues; (3) the Board has adopted the practice of using committees to study specific issues in the interim between meetings, and (4) the ASD (M&RA) and other DoD officials have met with these committees in work sessions. In short, the Board is fulfilling its statutory responsibilities, and its value as an in-house blue ribbon panel is widely recognized.

OASD (M&RA) (RFPB)
MG Smith/75253
22 November 1976

FILE
37

DEFENSE NUCLEAR AGENCY

The attached documents were prepared by the Defense Nuclear Agency for the Carter-Reagan Transition Team. Certain portions of the DNA transition briefing book are currently and properly classified within the meaning of Executive Order 12065 and are, therefore, exempt from release under 5 USC 552(b)(1) and (3). The recommendations on page 4, 5, 9, 27 and 32 of the document are considered to be "internal advice, recommendations, and subjective evaluations, as contrasted with factual matters," and are exempt from release under 5 U.S.C. 552(b)(5). Page 6 of the document describes the actions being taken by DNA and the Navy in connection with on-going litigation and is exempt under 5 USC 552(b)(5).

The Initial Denial Authority for DNA is RADM G. H. B. Shaffer, Deputy Director, Operations and Administration. Appeals may be addressed to Lt. Gen. Harry A. Griffith, Director, DNA.

Defense
Nuclear
Agency

Briefing book

TRANSITION
TRANSITION
TRANSITION
TRANSITION
TRANSITION

dna

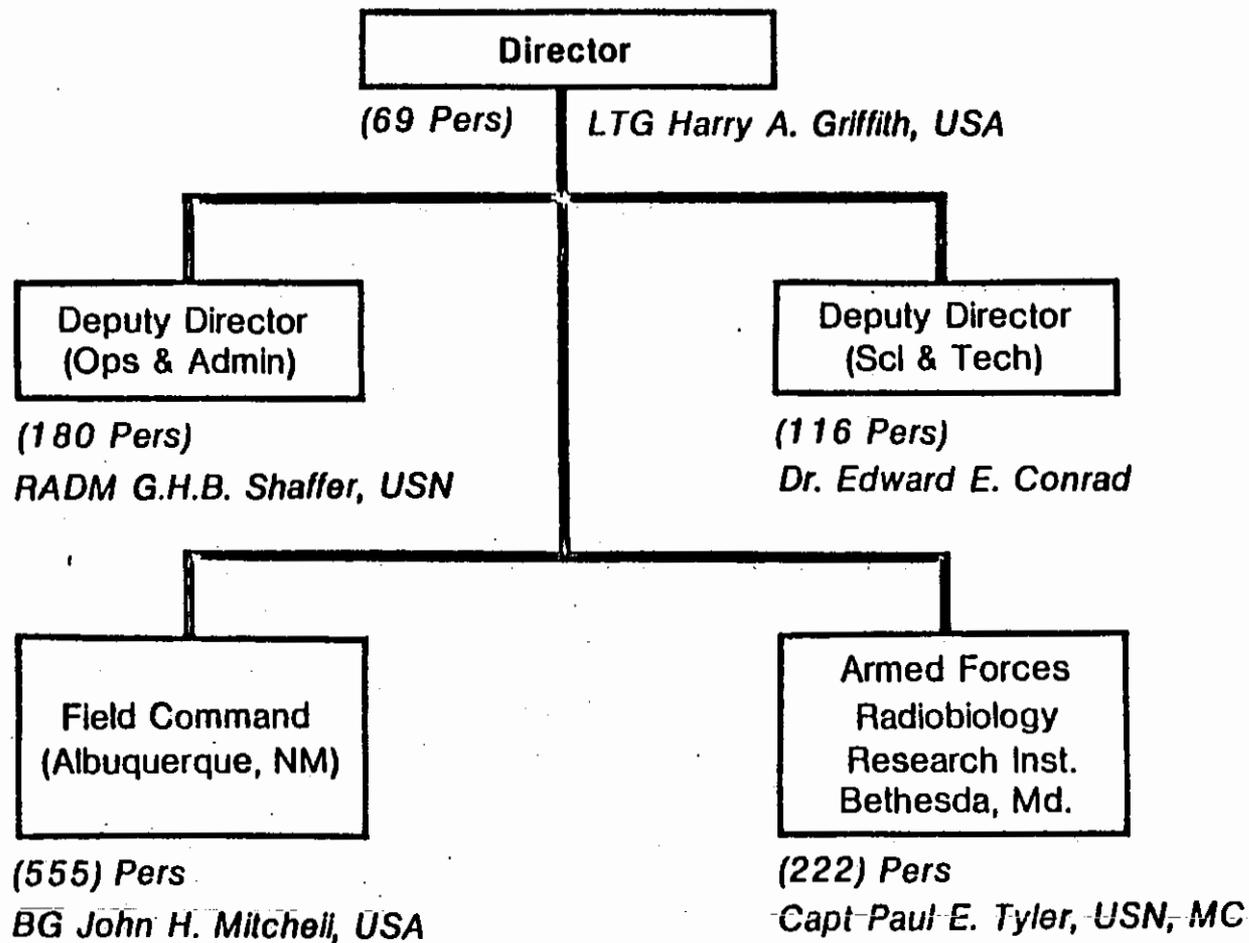
TRANSITION

MAJOR DNA FUNCTIONS

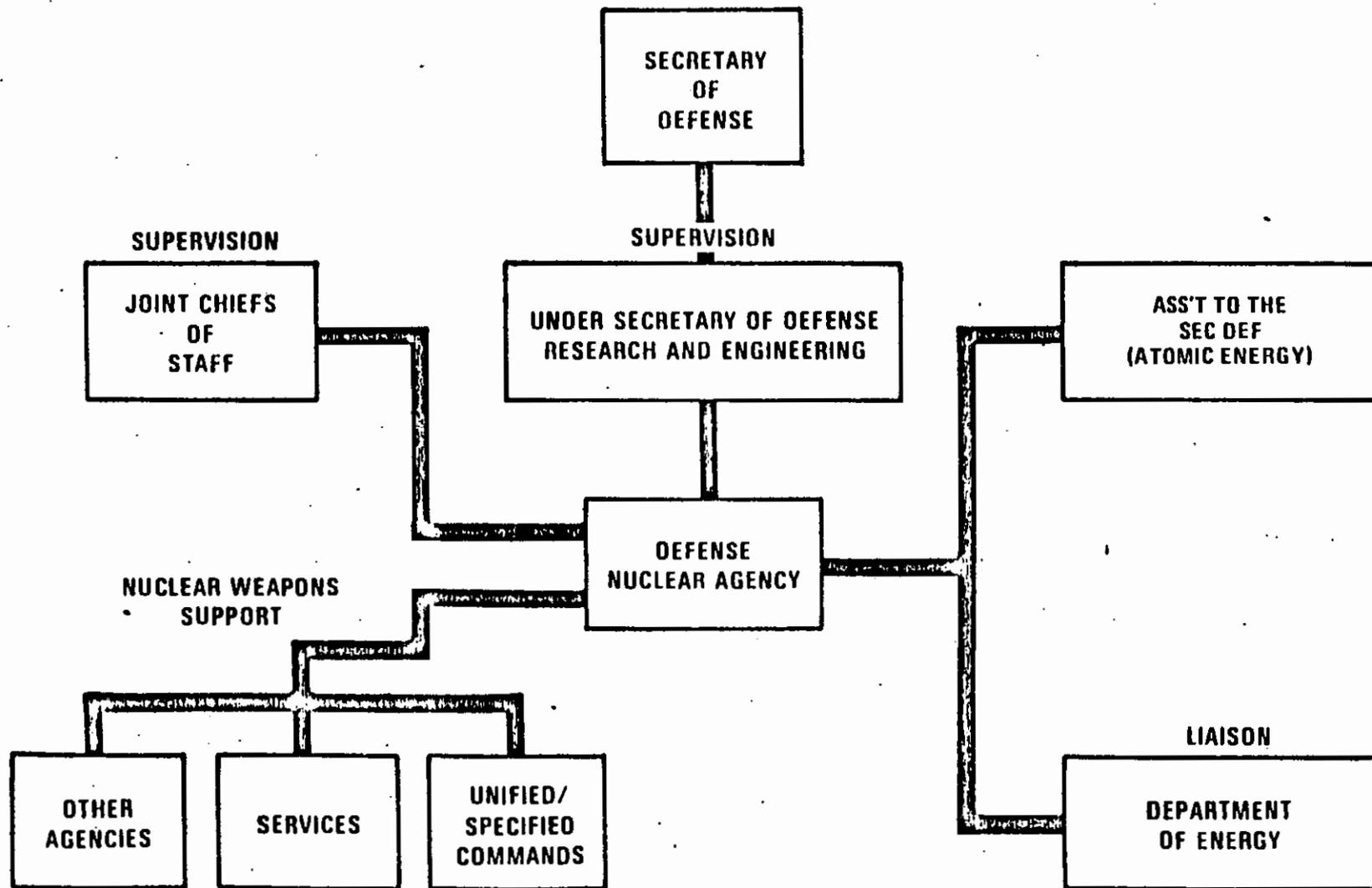
- o Conduct R&D in nuclear weapon effects:
 - Underground nuclear tests
 - High explosive tests
 - Pulse-power machines
 - Simulation experiments
 - Computer codes
- o Carry out all radiobiology research for DoD
- o Develop:
 - Effectiveness of nuclear weapons (ours and theirs)
 - Vulnerability and hardening of systems, forces, C³, etc.
 - Strategy and tactics for weapons use
 - Design inputs for U.S. systems
 - Targeting procedures, aids, etc.
 - Survivability of TNF
- o Manage nuclear weapons stockpile
- o Oversee nuclear weapons security
 - DoD Security Manual
 - Defense Nuclear Surety Inspections
 - Management of physical security
 - Terrorism/counterterrorism
 - Disable/Destruct
 - Overseas NEST
 - Security of TNF
- o Provide advice/assistance on all nuclear weapon issues to all DoD components
- o Execute specific nuclear weapon responsibilities:
 - National "Readiness to Test" program (Safeguard C)
 - JAIEG (Joint Atomic Information Exchange Group)
 - Nuclear Test Personnel Review
 - Ionizing Radiation Health Effects
 - Comprehensive Test Ban
 - Enewetak radiological cleanup
 - Nuclear Weapons Accident Exercises
 - JNACC (Joint Nuclear Accident Coordination Center)
 - Liaison with DoE

Defense Nuclear Agency

(1142 Pers; 44% Mil, 56% Civ)



DNA RELATIONSHIPS



Major Issues

1. SUBJECT: Level Funding of the DNA RDT&E Program.

2. BACKGROUND: During FY 1977-80, the DNA RDT&E program has been essentially level funded at just under \$200M in constant FY 1981 dollars. During that same period, DNA has assumed additional responsibilities, which require significant fiscal resources. Examples of these additional tasks are the Satellite X-Ray Test Facility (SXTF) program, the DoD Theater Nuclear Forces Survivability, Security, and Safety (TNFS) program, the Nuclear Test Personnel Review (NTPR) effort, an assessment of electromagnetic pulse (EMP) effects on tactical aircraft, support of a Navy nuclear weapon effects assessment effort, and a Pacific Command (PACOM) theater nuclear force survivability/vulnerability assessment. Years of level funding coupled with additional taskings have resulted in a major reduction of the Agency's basic nuclear weapon effects technology effort.

3. CURRENT STATUS: The added program efforts must continue in FY 1981 and for the foreseeable future. The DNA RDT&E submission for FY 1981 is \$203M. Recently, Decision Package Set (DPS) #212 reduced DNA's FY 1982 submission from \$240M to \$232M (reclama submitted).

4. ALTERNATIVES:

a. Continue Near Constant Dollar Level Funding. Accept a continued decline in basic research on nuclear weapons effects to respond to the critical new R&D responsibilities.

b. Provide 5% (or more) Real Growth. Restoration of the DNA FY 1982 submission level of \$240M would provide 5% real growth in that year. This level would restore some of the nuclear weapon effects technology base, as well as provide continued support of the SXTF, TNFS, NTPR, and the other critical efforts and would represent an initial step toward reversing a serious, adverse trend.

5. RECOMMENDATION:

Exemption 5

1. (U) SUBJECT: Underground Nuclear Testing

EXEMPTIONS 1 and 5.

62

Defense Nuclear Agency
 Budgetary Summary
 As of November 1980

(\$'s in Thousands)

	<u>FY 1981</u>	<u>FY 1982</u>
Research, Development, Test and Evaluation (6.2 Exploratory Development)	\$203,000	\$240,000
Military Construction (in support of RDT&E)	0	500
Operations and Maintenance	30,323	34,000
Procurement	<u>1,632</u>	<u>2,000</u>
Total Obligational Authority	\$235,055	\$276,500
Manpower Summary:	(Manpower in Units)	
Military Personnel (all Services)	504	516
Civilians (US Direct Hire)	<u>638</u>	<u>641</u>
Total Manpower Authority	1,142	1,157

1. SUBJECT: Emergency Disablement System (EDS)

2. BACKGROUND:

The Emergency Disablement System (EDS) renders nuclear weapons unusable on short notice. It was developed as an alternative to violent Emergency Destruction (ED) to prevent terrorist or host nation seizure of nuclear weapons. EDS was envisioned initially as a command initiated "strap on" device. This concept has evolved to an internal, command enabled, intruder activated, timer initiated system. From Dec 74 to Apr 75, USCINCEUR conducted an operational evaluation of 95 emergency disablement "strap on" devices. The final report resulted in a JCS request for a EUCOM Statement of Requirements, which was subsequently submitted and approved in June 76.

- The USAF was lead agency in developing EDS from June 1976 until November 1979 when responsibility was transferred to DNA. The reason for changing lead agencies was to balance the cost and effectiveness of EDS against other projects in Theater Nuclear Forces Survivability, Security and Safety (TNFS³). The EDS Project Officer Group met six times from fall 1976 through summer 1978. During that time, the concept of Employment and Military Characteristics were approved and published.

3. CURRENT STATUS:

- Changes in concept, software and hardware requirements resulted in a loss of program momentum. Initial RD&T fiscal allocations have been exhausted, and Sandia Laboratories, Albuquerque terminated funding in March 1980. The Services no longer budget for EDS as a separate item although funds are available from allocations for more general categories.

- USEUCOM has been advised that the original development cycle is concluded, and that three EDS actions are being pursued: compendium of documents on options and costs, development of Intruder Detection System (proof of concept model), and DOE assessment of disablement effectiveness.

4. ALTERNATIVES/RATIONALE:

- Original USCINCEUR support of EDS has not changed.

- The low priority of the program among the Services is reflected by their lack of fiscal support.

1. (U) SUBJECT: Magazine Penetration Delay (also known as Weapon Access Delay System).

Exemption 1

3. (U) CURRENT STATUS: Currently the Army, under the management of Project Manager - Nuclear Munitions and with funds primarily from DNA, is developing experimental magazine penetration delay concepts and equipment. Two magazine penetration delay systems are scheduled to undergo user feasibility tests in Europe beginning in Summer 1981. Concurrently, adversary testing will be ongoing in the U.S.

4. (U) ALTERNATIVES/RATIONALE: Prior to Summer 1980, little attention had been paid to magazine penetration delay, thus funds had to be taken from other programs for the FY 81 effort. Most of the funds being used by the Army during FY 81 are DNA 6.2 RDT&E dollars. The normal equipment development process may take 3-5 years before magazine penetration delay devices are installed at nuclear weapon storage sites. High priority effort would take less time. USAREUR AOs have also expressed the possibility that a NATO infrastructure R&D process may be used in order to meet NATO requirements for security equipment.

Exemption 5

~~(S)~~ (U) C³I. (Approximately 20 percent of DNA's annual TOA.)

Exemption 1

(U) High-altitude detonations would create continent-sized propagation disturbances that could negate or severely degrade satellite communications. DNA investigations of natural ionospheric disturbance, using a dedicated satellite and research radars, and of nuclear simulation, using high-altitude releases of barium, have led to the capability to predict nuclear disturbances and their impact. Propagation models test current satellite communications links, design future links, and develop mitigation schemes.

(U) DNA will continue theoretical and experimental effort to examine techniques to improve the performance of infrared surveillance, "adaptive HF," and VLF radio systems in nuclear environments and to mitigate nuclear effects on propagation at all frequencies.

(U) Significant portions of DoD communication needs are supplied by long-haul communication systems. We are concentrating on the EMP threats from high-altitude nuclear explosions because of their potential for causing widespread loss of communications. Our efforts have been directed not only toward understanding the response of communications networks and facilities, but also toward developing the methodologies to correct the identified problems.

Exemption 1

(U) We are continuing to address the satellite hardening issues comprehensively and with a financial commitment consistent with both the magnitude of the technical issues and the importance of satellite system survivability to national defense. The objectives of our RDT&E program are to improve our analysis and prediction capability, to develop test techniques for evaluating hardening solutions and, most importantly, to demonstrate the hardness of protected satellites.

~~(U)~~ (U) Strategic Systems. (Approximately 19 percent of DNA's annual TOA.)

(U) DNA is providing significant support to the Air Force in the development of MX, contributing directly to establishing system requirements and developing the technical data base to ensure adequate nuclear survivability. DNA support includes the missile system itself, the various basing concepts, and the supporting C³. Included in this effort are nuclear threat environment and hardness issues relative to the Low Altitude Defense System (LOADS). Extensive tests of MX/LOADS components will be conducted in dust, thermal, and X-ray environments.

(U) The MINERS IRON underground nuclear test--executed in October 1980--will provide important data on the X-ray response of a number of candidate materials for protection of the motor cases, interstages, and other external booster components. In addition, DNA is developing shielding materials which can provide greater resistance to erosion due to nuclear-lofted dust and ice during flyout.

(U) DNA is continuing to develop data to evaluate the hardness and survivability of the various MX basing options. While primary emphasis is on the horizontal shelter concept, we are continuing to investigate nuclear weapons effects issues pertinent to other options such as the vertical shelter. We are placing emphasis on quantifying and, where feasible, reducing the uncertainties associated with specific nuclear weapons effects which threaten the survival of the system. DNA will develop step-by-step guidelines to assist field engineers in understanding nuclear effects and in applying technology tools (including codes and simulators) to achieve a system design which is inherently hard.

(U) In support of future U.S. strategic systems, we conduct an advanced reentry vehicle technology program. This program provides methods for improving survival from an enemy anti-ballistic missile (ABM) encounter and from fratricide among our own warheads (i.e., the effects of one burst interfering with another arriving warhead). This is accomplished by evaluating the effect of nuclear-weapon-created radiation and dust/debris environments on U.S. reentry vehicles, exploring protective shield concepts, and verifying hardness using underground, laboratory, and field tests. An example is the testing of candidate fuze systems for dust hardness in support of Advanced Ballistic Reentry Systems (ABRES) programs.

(U) In addition, we are supporting the Air Force hardness assessment of the B-52 by improving airblast and thermal analytical methods and conducting field experiments. Our Advanced Aircraft Assessment and Protection program includes threat-level EMP investigation of advanced electronics of the B-52. In addition, DNA has been tasked by the Deputy Under Secretary for Strategic and Space Systems to take the lead in developing a unified position on EMP hardening technology and to work in conjunction with the Air Force in bringing about a joint technology program for hardening of strategic systems, particularly aircraft.

Exemption 1

(U) We are also supporting the planning for effective employment of strategic nuclear weapon systems. The major part of this effort is a research program to: (1) examine and evaluate alternative ways that our strategic nuclear weapons might be employed in a wide range of conflicts; (2) identify installations and activities that would be targeted in these employment options; and (3) determine the nature and level of damage that must be inflicted by our nuclear forces to achieve national goals.

Theater Nuclear Warfare. (Approximately 17 percent of DNA's annual TOA.)

The DNA theater nuclear program has made major contributions to the development of theater nuclear force modernization, planning and employment capabilities, and improved doctrinal concepts. The program features direct, rapid response to operational commanders' needs and to direction by OSD and the JCS. Further, DNA theater nuclear programs assist in strengthening the effectiveness of the NATO triad and U.S. strategic objectives through increased emphasis on deterrence by targeting Soviet projection forces.

Examples of ongoing efforts include:

-- The SecDef requested DNA participation in a study to determine what would be required to hold the Warsaw Pact Second Echelon divisions at risk; EUCOM/SHAPE have concurred that a DNA developed concept is relevant and achievable.

-- PACOM has requested DNA support in conducting a net assessment of U.S./Soviet vulnerabilities in the Pacific Theater with a major effort to support a Pacific Command Theater nuclear warfare improvement program.

-- The SecDef requested DNA manage a DoD Theater Nuclear Forces Survivability, Security and Safety (TNFS³) program which will identify essential elements of the TNF, validate technological, procedural, and operational improvement by test, exercise, and evaluation, and recommend appropriate improvements to provide TNF safety and security against possible sabotage and terrorist attacks and survivability in combat.

-- The CNO Executive Panel requested DNA assistance in an assessment of Navy policy for maritime theater nuclear warfare (MTNW) and the capability to implement that policy should deterrence fail. Present research efforts are focused on the technological alternatives offering the greatest leverage to improve Navy MTNW posture in the near- to mid-terms.

Theater nuclear force doctrine, together with employment planning concepts and capabilities, are evolving dynamically as exemplified above. DNA is playing a major role in that evolution.

Underground Nuclear Testing. (Approximately 13 percent of DNA's annual TOA.)

Because the capability to simulate nuclear detonations has limitations, our underground nuclear weapons effects test program remains a cornerstone of the DNA RDT&E effort to ensure nuclear hardness. This program consists of a comprehensive series of nuclear test events designed to obtain vital experimental information required to meet program objectives. Experiments are limited to those requirements which cannot be satisfied by simulation techniques. Specifically, we continue to rely on underground nuclear testing to provide design data and to validate the nuclear hardness of systems such as satellites, strategic missiles, and reentry vehicles. In addition, certain weapon environment information such as source-region EMP and cratering derives only from underground nuclear tests. Recent tests include HURON KING, conducted on 24 June 1980, and MINERS IRON, conducted on 31 October 1980. HURON LANDING is scheduled for execution during FY 1982. The HURON KING test exposed a full-size, operating, simulated spacecraft (called STARSAT) to X-rays to examine vulnerabilities. MINERS IRON evaluated the X-ray vulnerability of components of the MX missile, Advanced Ballistic Reentry Vehicle (ABRV), Advanced Maneuvering Reentry Vehicle (AMaRV), and other systems. HURON LANDING will evaluate, in a simulated exoatmospheric environment, components of the MX, ABRV, and Low Altitude Defense Systems.

Aboveground Simulation Testing. (Approximately 8 percent of DNA's annual TOA.)

In addition to underground nuclear testing, DNA pursues an extensive nuclear weapons effects simulator program. These simulators can test components repetitively--and, in some cases, full systems--more cost-effectively than underground testing. The continuing development of simulators reduces the need for underground nuclear testing--although it must be emphasized that, for the foreseeable future, certain tests can only be done underground. The simulation program consists of three areas: (1) laboratory radiation simulators; (2) high explosive testing; and (3) atmospheric phenomena simulation. For many years, laboratory radiation simulators have provided the means for assessing weapon system vulnerability to X-ray and electromagnetic pulse (EMP) effects. DNA has underway an effort to develop a satellite X-ray test facility (SXTF) beginning in FY 1984 as part of the nuclear hardening verification process for satellites (see the DNA C³I program). In FY 1982, a DNA high explosive test (MILL RACE) will include large-scale thermal simulation to expose military equipment simultaneously to simulated nuclear blast and thermal pulses. Small barium releases simulate the phenomena of atmospheric nuclear detonations which affect signal propagation in the ionosphere. Such an experiment will be conducted in 1981 to examine the duration of the effects upon signal propagation. Electronics can simulate some atmospheric nuclear phenomena effects on satellite communications. A device to produce such signal degradation is under construction and will be used to test satellite receivers and transmitters.

Biomedical Effects. (Approximately 6 percent of DNA's annual TOA.)

- Biomedical Research

DNA also researches the effects of nuclear weapons upon humans. Most of this basic research is accomplished at the Armed Forces Radiobiology Research Institute (AFRRI), Bethesda, Maryland, which uses animal experimentation to determine the response of cells, tissue, blood systems, nervous systems, etc., to relatively high levels of ionizing radiation.

- NTPR

More recently, DNA has been designated Executive Agent for DoD in directing the Nuclear Test Personnel Review (NTPR) program on behalf of approximately 210,000 former DoD participants in atmospheric nuclear weapons testing during 1945-62, subsequent underground tests, and occupational duties at Hiroshima and Nagasaki in 1945-46. This program responds to widespread public concern that exposure to low-level ionizing radiation at these tests may lead to adverse health effects. The effort currently requires over \$4 million in DNA RDT&E funds and 170 person-years of effort annually by DNA, the Services, and several contractors. We have been tasked to identify who was present at the tests, what they were doing, what radiological safety measures were taken, and what radiation doses were received.

Nuclear Readiness-to-Test Capability. (Approximately
6 percent of DNA's annual TOA.)

Under Safeguard C to the Limited Test Ban Treaty, the DoD will "maintain a basic capability to resume nuclear testing in the atmosphere should that be deemed essential to our national security." Tasked as the DoD coordinator for achieving a support program for the Safeguard, DNA's responsibilities include retention of Johnston Atoll, the primary U.S. overseas nuclear readiness-to-test facility, to ensure its availability in the event the U.S. resumes atmospheric testing. DNA, through our Field Command, maintains a small personnel force on Johnston Atoll to ensure this readiness.

DoD Physical Security Exploratory Development Program.
(Approximately 2 percent of DNA's annual TOA.)

In April 1977, the DDRE tasked DNA to develop, in cooperation with the Services, an exploratory development program that would identify the technologies and techniques applicable to nuclear weapons security. Currently, DNA is the only authorized source within DoD to initiate and fund exploratory research in physical security. This program focuses upon efforts that will scientifically validate standards and procedures to ensure their effectiveness and efficiency, to determine the optimum level of achievable security, and to identify, test, evaluate and validate concepts (from human factors through automated detection/deterrent systems) that will enhance nuclear weapon security against an increasing spectrum of threats.

Nuclear Stockpile Management. (Approximately 1 percent of DNA's annual TQA.)

DNA provides consolidated management and data control for the DoD nuclear weapons stockpile. This function includes implementing the annual nuclear weapon stockpile allocations directed by the JCS and providing assistance to the JCS in the annual preparation of the nuclear weapons deployment plan. Further, DNA maintains current information on the status of production, modification and retirement of weapons and associated components throughout the life cycle of the weapon. Instrumental to the performance of these functions is DNA's operation of the Worldwide Military Command and Control System (WWMCCS) remote terminal. Through this terminal, DNA manages the Nuclear Weapons Accounting System for the Joint Chiefs of Staff, verifies the accuracy of the data bases maintained at the primary and alternate NMCC, and provides information to the National Command Authority, JCS and other customers. Additionally, to respond to the increasing worldwide terrorist threat, DNA developed Stockpile Emergency Verification procedures which provide a positive confirmation that all weapons in the DoD nuclear weapons stockpile remain in the custody of DoD.

Nuclear Weapons Accident Exercises (NUWAX). (Approximately 1 percent of DNA's annual TOA.)

DNA plans and directs nuclear weapon accident exercises for DoD in conjunction with the Department of Energy (DoE) and the Federal Emergency Management Agency (FEMA). Major objectives are to evaluate and test selected response and coordination procedures that comprise this country's collective capability to deal with peacetime nuclear accidents. These exercises provide realistic training for joint DoD/DoE nuclear accident response organizations; determine the effectiveness of nuclear accident response equipment, procedures, techniques, directives and plans; ascertain the effectiveness of the coordination and communications of a multiservice and DoE accident response force; and actively exercise the civil and Federal interfaces which would be required if an actual accident occurred.

1. SUBJECT: NUWAX-81

2. BACKGROUND:

- In April 1979, the first joint DoD/DoE Nuclear Weapon Accident Exercise (NUWAX-79) was conducted at the Nevada Test Site. As a result of the success and the lessons learned, the Assistant to the SecDef (Atomic Energy) directed DNA in June 1979, to take the lead in planning an expanded follow-on exercise (NUWAX-81).

- A total of \$2.3 million was budgeted for all aspects of the exercise. Various planning conferences and meetings have been held throughout 1980. Participating agencies included DoE, FEMA, the National Laboratories (LLL, SNL, LASL), the military Services, FCDNA, California State Office of Emergency Services and various civilian contractor organizations (EG&G, REECO, H&N, etc).

3. CURRENT STATUS:

- NUWAX-81 will be conducted between 19 April - 1 May 81 at the Nevada Test Site.

- Approximately 560 player/participants and controller/umpire personnel are involved in the actual exercise.

- Official observers will include representatives of Great Britain, Canada, Australia and New Zealand in their capacity as members of the Air Standardization Coordinating Committee (ASCC).

4. ALTERNATIVES:

- The scope of NUWAX-81 will be expanded to include significant involvement with National, state and local emergency response agencies. All nuclear accident response procedures will be exercised.

- Realism will be maximized to include the use of

- Short life radioactive material.

- Site preparation with "crashed" helicopter, "damaged" nuclear weapons, and personnel "casualties."

1. SUBJECT: Nuclear Weapon Security Test and Evaluation Site (Development of a DoD mock nuclear weapon storage site required to support testing of security hardware, personnel, building designs, and procedure within the scope of a full-up nuclear weapon security system).
2. BACKGROUND: Current test programs emphasize only isolated laboratory testing of security hardware. Testing of developmental subsystems in an operational environment is rarely performed due to constraints at operational nuclear security sites. A mock site would allow validation and critically needed optimization of security systems and system components in a quasi operational environment.
3. CURRENT STATUS: DNA is presently briefing the Services on the requirements for a test site and site selection criteria. A recommended initial test site program, emphasizing tests related to small isolated Army European nuclear weapon storage site issues, is included in the briefing. Fort McClellan, Alabama, home of the U.S. Army Military Police School, is being recommended as the location for such a site.
4. ALTERNATIVES: An alternative is to construct a larger, multiservice site in the vicinity of Kirtland AFB, New Mexico (Albuquerque). The greater need of the Army to test security system elements in a small site setting and in a more realistic terrain environment than available in New Mexico results in the current emphasis away from the large site alternative.
5. RECOMMENDATIONS:

Exemption 5

- Membership on the Safety Committees of all weapon systems Project Officer Groups.

- Update DNA charter to include current activities.

- Provide staff assistance to ATSD(AE) on a variety of DNA mission related requirements.

1. (U) SUBJECT: Starbird Study

2. (U) BACKGROUND:

- On 27 Feb 79, the ATSD(AE) proposed a joint DoD/DoE analysis of DoD nuclear weapon requirements and related DoE capabilities. Gen Starbird was appointed Study Director, hence the name "Starbird Study."

- Meetings, briefings, and working group sessions were conducted during 1979 which culminated in approval of Terms of Reference on 2 Nov 79.

- In 1980, meetings continued during which consultants reviewed findings as they were developed.

- The final report was published 15 July 1980.

3. (U) CURRENT STATUS:

- The Starbird Study resulted in a variety of recommendations which are summarized in para 4.

- Responsibility for implementation of recommendations within DoD rests with ATSD(AE), and with ASDF for DoE.

Exemptions 1 and 3

- (U) The above recommendations involved DNA in the following specific actions:

-- Nuclear Weapons Development Guidance (NWDG), the DoD statement of qualitative requirements for the development of nuclear weapons.

- Annual Nuclear Weapons Safety Report to the President, prepared by DNA and transmitted through ATSD(AE).

1. SUBJECT: Plutonium (Pu) Storage

2. BACKGROUND:

- In July 1977, the Military Liaison Committee (MLC) approved a recommendation to increase storage limits for plutonium bearing weapons.

- The joint DoE/DoD Technical Publication, TP20-7, Nuclear Safety Criteria, still contains the original storage limits.

- DNA has agreed (18 Nov 80) to conduct a comprehensive study of the plutonium hazard and

- The ATSD(AE), Dr. Wade, has agreed (28 Mar 80) to chair the Steering Committee.

3. CURRENT STATUS:

- The Services are operating under the increased limits.

- TP20-7 must be changed to acknowledge current Service positions or the practice discontinued.

- DNA submitted study Terms of Reference (TOR) to ATSD(AE) for approval on 29 May 80.

4. ALTERNATIVES/RATIONALE:

- A meeting between ATSD(AE), Director of Military Applications (DoE) and Director, DNA is pending approval of the TOR.

- Participation by the National Laboratories is pending tasking by DoE.

- DNA envisions the study effort as having three elements.

-- Operational chaired by DNA.

-- Political/sociological chaired by a contractor.

-- Technical analysis chaired by Sandia Laboratories, Albuquerque.

- ATSD(AE) has expressed a desire for the study to be in two parts:

-- Short term (9-12 months).

-- Long term (total evaluation of all aspects of Pu limits for both transportation and storage).

1. SUBJECT: Joint DoD/FEMA Planning for Nuclear Weapons Accidents

2. BACKGROUND:

- On 28 May 80, DIR, FEMA requested DoD assistance in developing emergency plans for DoD nuclear facilities. Specifically requested were:

-- A list of all storage facilities and their locations.

-- Joint FEMA/DoD review of Emergency Planning Zones.

- On 2 Jan 80, ATSD(AE) emphasized DoD policy to cooperate with civilian agencies on radiological accident. He assured FEMA of DoD cooperation on 23 Jun, but emphasized the unique national security aspects involved.

- On 5 August, DNA was designated lead agency to develop a joint planning basis with FEMA. DNA requested FC/DNA to begin work on Emergency Planning Zone data on 26 Aug 80. Field Command's initial report was submitted on 17 Sep 80. The list of nuclear facilities, less nuclear weapons locations was provided to FEMA on 20 Oct 70.

- ATSD(AE) orally approved transmission of specific storage site data to FEMA on 21 Nov 80.

3. CURRENT STATUS:

- HQ DNA is preparing a prioritized list of actual and potential storage sites which will be sent to ATSD(AE) for retransmission to FEMA.

- Field Command, DNA is working on an illustrative site study similar to the four site specific surveys done by Sandia. The illustrative study should be completed in approximately 30 days.

- Input from the National Laboratory is pending tasking by DoE.

4. ALTERNATIVES/RATIONALE:

- On track.

1. SUBJECT: National Level Response Capability

2. BACKGROUND:

- NUWAX-79 indicated that the then current national nuclear weapon accident response capability was in need of review.

- On 11 Apr 80, DNA recommended to DIR Joint Staff that consideration be given to establishing a National-level response force.

- Credible nuclear accident response options were generically grouped in terms of: Current matrix of response teams designated within each Service; single, highly trained response teams within each Service; single team, from one Service, performing primary response function for all of DoD; and a jointly constituted response team.

- Each Service member of the panel concluded that an enhanced Service capability maximizes advantages. The panel also recognized a requirement for additional Inter-Service support agreements.

- DNA proposed creation of an interim advisory team consisting of from six to twelve experts which would deploy on order to augment the Service team in the field.

- Panel recommendations were approved with minor changes by the Services at the action officer level.

- DNA forwarded recommendations to JCS on 26 Sep 80, where they were submitted to Services and DNA for formal (FLIMSY, BUFF, GREEN) concurrence.

- Extensive changes submitted by Services required major rewrite at the BUFF stage. These changes were incorporated at an AO Meeting and the proposed MOP was republished ("Re-BUFF") for Service coordination on 24 Nov 80.

3. CURRENT STATUS:

- DNA is prepared to field an augmentation team of experts on order.

- Final approval of an enhanced concept for nuclear weapon accident response is pending Service concurrence of the recirculated proposal ("Re-BUFF").

4. ALTERNATIVES/RATIONALE:

- On track.

1. (U) SUBJECT: Status of the Withdrawal of Nuclear Warheads
from the NATO Guidelines Area

Exemptions 1 and 3

1. SUBJECT: Intrinsic Radiation (INRAD) Study

2. BACKGROUND:

- A growing public awareness of and concern for the hazards of low level, intrinsic radiation inherent in nuclear weapons has been increasing.

- The number and size of legal claims based upon exposure to alleged radiation has risen sharply.

- Previous risk estimates were minimal for low level exposure to stored nuclear materials. While the general view remains that the effects are insignificant, DoD has decided to verify a variety of associated aspects.

3. CURRENT STATUS:

- A joint DoD/DoE study has been initiated to review the impact of intrinsic radiation. The working group is chaired by DNA/OASO and includes representatives from DoE, OATSD(AE), DNA, JCS, the military Services, and the National Laboratories.

- The working group contains two sub-groups: Weapon and Environment, and Personnel Exposure.

4. ALTERNATIVES:

- Specific areas to be addressed in the study include:

- Identification of personnel who receive INRAD doses.

- INRAD output of current stockpile.

- Evaluation of Service programs, regulations, and procedures.

- INRAD implications to DoD (fiscal, manpower, operational, etc.).

- Impact on weapon design.

- The TOR for the study was approved on 12 Sep 80. The recommendations to be developed should be approved and implemented by September 1981. (Specific tasks and milestones are available as an enclosure if desired).

1. ~~☒~~ SUBJECT: Overseas Nuclear Emergency Search Team (ONEST)

2. ~~☒~~ BACKGROUND:

- (U) In response to the threat of nuclear terrorism in the United States, the Department of Energy developed a NEST capability.

- (U) Organizations include persons from DOE, DoD, the National Laboratories (LLL, LASL, and SNL), and DoE contractors (EG&G).

- (U) Capabilities include sophisticated threat assessment, highly technical nuclear search requirement; detailed diagnostics and render safe (disarm or destroy) procedures.

Exemption 1

- (U) Larger road block monitors were in production by mid-1980, and van/helicopter mountable pods were in procurement by the end of 1980.

3. ~~☒~~ CURRENT STATUS:

Exemption 1

- (U) Training and maintenance are provided by quarterly visits from the DNA project officer and EG&G contractor personnel.

4. ~~☒~~ ALTERNATIVES:

Exemption 1

- (U) Future program development will be based on experience gained from currently deployed capability.

1. SUBJECT: DoD Physical Security Management

2. BACKGROUND:

a. The current fragmentation of responsibilities, within the OSD, relative to the nuclear weapons security program makes it difficult for DNA to fulfill its responsibilities. It is essential that one element within OSD provide uniform policy guidance with respect to both nuclear security system implementation and the security research, development and acquisition process.

b. Under the provisions of an April 1974 Memorandum of Understanding (MOU) between the ATSD(AE) and the Assistant Secretary of Defense (Comptroller) (ASD(COMP)), the ATSD(AE) provides advice and assistance to the Deputy Assistant Secretary of Defense (Security Policy) (DASD(SP)) on matters concerning the protection of nuclear weapons. In 1978 the DASD(SP) became the Director, Security Plans and Programs (DUSD(PR) (SP&P)) for the Deputy Under Secretary of Defense for Policy Review (DUSD(PR)). The DUSD(PR) (SP&P) has policy responsibility across the broad spectrum of the security arena.

c. In April 1977, the Under Secretary of Defense for Research and Engineering (USDRE) tasked DNA to develop an exploratory development program which would identify the technology and techniques applicable to nuclear weapon security.

3. CURRENT STATUS:

a. Responsibilities divide among various OSD staff elements. The DUSD(PR) is responsible for the development of policies, standards, and procedures governing the physical security of nuclear weapons and devices. The ATSD(AE), being the principal staff assistant to SECDEF on atomic energy matters, is counted on to provide considerable advice and assistance on nuclear weapons matters to SECDEF, Military Departments, JCS, and others. Another DNA responsibility is to develop, prepare, publish design standards, and investigate/recommend standards and operating procedures for DoD.

b. There is a fragmentation within DoD involving nuclear weapons security program. This fragmentation has had a serious impact on development, procurement, installation, and maintenance of physical security equipment. To illustrate the problem, currently a proliferation of working groups addresses various aspects of physical security. We have a DoD Physical Security Review Board (PSRB), reporting to the Director, Security Plans and Programs (DUSD(PR) (SP&P)); Physical Security Equipment Action Group (PSEAG) reporting

to the Under Secretary of Defense for Research and Engineering (USDRE); the Tri-Service Requirements Working Group (PSRWG) and the Security Equipment Integration Working Group (SEIWG) reporting to the PSEAG.

c. In cooperation with the Army, Navy, and Air Force, DNA now funds and manages the nuclear weapons security exploratory development program.

4. ALTERNATIVES/RATIONALE:

a. Responsibility for nuclear security policy should be vested in the activity most knowledgeable of the total DoD nuclear program. Management would be strengthened and manpower savings realized if the nuclear security policy functions were assigned to DNA, under the staff supervision of the ATSD(AE). Many items of equipment developed for nuclear security will have broader application for other physical security requirements. In January 1978 an ATSD(AE) memorandum was prepared for the Secretary of Defense recommending that the 1974 MOU be terminated. To date, however, a decision has not been announced.

b. Technology and techniques developed in the nuclear security exploratory development program can provide scientifically validated direction for policy implementation. Accordingly, the physical security working groups (i.e., TSRWG and SEIWG) should be designated as subgroups of the PSEAG.

5. RECOMMENDATIONS:

Exemption 5

1. (U) SUBJECT: Special Nuclear Materials (SNM)
2. ~~SECRET~~ (U) BACKGROUND: SNM consists of highly enriched uranium (HEU), plutonium (Pu), and tritium (T).

Exemptions 1 and 3

(U) The JCS, continuing to be unsuccessful in having their position incorporated in OSD documents, released a strongly worded JCSM on 22 Jul 80.

3. ~~SECRET~~ (U) CURRENT STATUS:

Exemptions 1 and 3

- (U) Solutions to mid-term shortfall are long-lead time N-Reactor and PUREX, L & R Reactor and new reactor.

Exemptions 1 and 3

4. (U) ALTERNATIVES/RATIONALE:

- Future of SNM availability problem lies in the degree of aggression exerted by DoD and DOE on Congressional budget office to pursue approval of long lead term actions to prevent mid-term shortfalls.

1. (U) SUBJECT: Insertable Nuclear Components (INC) Technology

Exemptions 1 and 3

4. (U) ALTERNATIVES/RATIONALE:

- DoE has expressed interest in preserving the technology for new weapons systems.

- DoD has traditionally been willing to adopt a wait and see attitude.



DEPARTMENT OF THE ARMY
OFFICE OF THE ADMINISTRATIVE ASSISTANT
WASHINGTON, D.C. 20310

U.S. News & World Report
2300 N. Street, N. W.
Washington, D. C. 20037

Dear _____

This is in response to your letter of December 9, 1976, requesting pursuant to the Freedom of Information Act a copy of the "issue papers" prepared by the Department of the Army for the Carter transition team.

We have determined that 205 issue papers were prepared for delivery to the transition team. While no paper is being denied in its entirety, appropriate deletions have been made in accordance with the Freedom of Information Act. Material that has been determined to be properly and currently classified in accordance with Executive Order 11652 is exempt from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552(b)(1)) and has been deleted. In addition, the Freedom of Information Act exempts from mandatory public disclosure opinions, recommendations and evaluations contained in inter-agency or intra-agency memoranda, (5 U.S.C. 552(b)(5)). Material of this type has been deleted where there exists a legitimate governmental purpose which will be served by its non-disclosure. Much of the information within this category consists of Fiscal Year 1978 budget data which has not yet been submitted to Congress by the President and thus is predecisional in nature. The only other deletion made was of a sentence which if released would cause a clearly unwarranted invasion of the privacy of an individual, (5 U.S.C. 552(b)(6)).

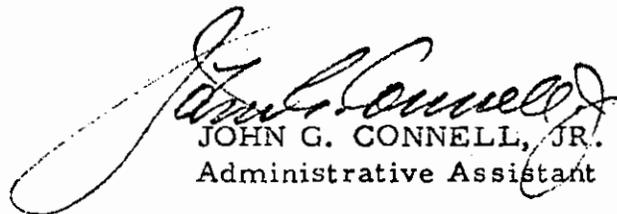
It should be noted that the papers prepared by the Office of Congressional Liaison are intended to reflect the Army's observations of Congressional perceptions of the various topics, not the Department of the Army or Department of Defense position on the matters.

Many of these papers were prepared in late November and the information contained therein may already be outdated. Should you so desire, the Army will be pleased to provide you with any updated versions that are available. Your request should be addressed to the Office, Chief of Public Affairs, Department of the Army, Washington, D. C. 20310.

I am pleased the Army has been able to substantially reply to your request and hope the information provided will be beneficial to your organization.

You may if you so desire seek further review of this partial denial directly from the Secretary of the Army (ATTN: General Counsel), The Pentagon, Washington, D. C. 20310. To ensure expeditious handling of any appeal, please label your letter and envelope "Freedom of Information Act Request."

Sincerely,



JOHN G. CONNELL, JR.
Administrative Assistant

9 Incl

- Tab A - Assistant Secretary of the Army (Civil Works)
- Tab B - Assistant Secretary of the Army (Financial Management)
- Tab C - Assistant Secretary of the Army (Installations & Logistics)
- Tab D - Assistant Secretary of the Army (Manpower & Reserve Affairs)
- Tab E - Assistant Secretary of the Army (Research & Development)
- Tab F - Chief of Legislative Liaison
- Tab G - Chief of Public Affairs
- Tab H - Assistant Chief of Staff for Intelligence
- Tab I - The Inspector General and Auditor General

A-1

FEDERAL POLICY TOWARD
REQUIREMENTS FOR LOCAL COOPERATION

1. SUBJECT/ISSUE: What recognition should be made of the legal inability of certain States and local governments to enter into binding contracts covering items of local cooperation? .

2. BACKGROUND:

a. Section 221 of the 1970 Flood Control Act requires non-Federal sponsors of a project to be built by the U. S. Army Corps of Engineers to enter into a binding, legally-enforceable contract to perform the conditions of cooperation required of them as set forth in the project document that provides the basis for the Congressional authorization.

b. The Department of the Army, through the Corps of Engineers, has had great difficulty, in many instances, in negotiating local cooperation, water supply and recreation cost-sharing agreements with certain State and local governmental jurisdictions because of their inability to commit themselves unconditionally to meet their financial obligations in future years. State representatives, in particular, point to, either constitutional or legislative prohibitions against one legislative body contractually binding future legislatures to appropriate funds. In some situations it has been possible to rely on supplemental procedural mechanisms, such as an existing taxing and bonding authority or alternative funding sources, to avoid the problem that would be posed by accepting a contract that contains a clause specifying that future legislatures cannot be bound.

c. State representatives also point out that the Federal Government limits its financial obligations by specifying in the contract that Federal performance is subject to appropriation of funds by the Congress, and they believe that the negotiated contract should recognize the equal status of sovereigns in their own sphere to enter into a cost-sharing agreement. In addition, recognition of constitutional limitations in a contract should not dilute the obligation to perform the terms of the contract, since they are in the end receiving the benefits of the Federal project. The Federal courts would undoubtedly find it unreasonable not to enforce the terms of the contract should a breach of the agreement occur.

d. Consideration of a possible submission of proposed legislation to redefine the responsibilities of non-Federal entities has been hampered by (1) the complexity of defining the extent of relief to be sought and questions concerning the coverage of subordinate jurisdictions; (2) the known opposition of the present Chairman of the House Public Works and Transportation Committee to any amendment

of Section 221 (the position of his successor remains to be determined); and (3) the paucity of instances where failure to execute a suitable contract appears to be based solely on the legal impediment of binding future legislatures.

3. ARMY POSITION: Contracts that contain reservations on the ability of the non-Federal entity to commit future legislative bodies to appropriation of funds will not be executed unless supplemented by a mechanism that is available to assure compliance. This policy was established on all contracts to be executed after 15 August 1975. In addition, a legal position of the State Attorney General certifying the State contracting agency's authority to execute the contract is necessary.

4. CURRENT STATUS: The authority of the Governor of Kentucky to execute recreation cost-sharing agreements which recognize the Commonwealth's constitutional restriction against binding future legislatures. (these contracts were executed before the 15 Aug 75 change in policy by ASA(CW)) is currently being challenged in the case of the Kentucky Rivers Coalition Committee of Paint Creek v. Hoffmann before a State court, despite the Commonwealth Attorney General's certification that the contracts were legally binding and enforceable.

FEDERAL DAM SAFETY PROGRAM

1. SUBJECT/ISSUE: Implementation of the Federal Dam portion of a National Dam Safety Program.

2. BACKGROUND:

a. Section 5 of P.L. 92-367 authorized the Secretary of the Army to develop and submit to the Congress recommendations for a comprehensive national program for the inspection, and regulation for safety purposes of dams of the Nation, including the respective responsibilities which should be assumed by Federal, State, and local governments and by public and private interests.

b. The Chief of Engineers' report on all activities performed under the authority of Public Law 92-367 has recently been transmitted to the Congress by the Assistant Secretary of the Army (Civil Works). Briefly, the Chief of Engineers reports that approximately 20,000 of some 49,000 dams of the Nation are so located that failure of the dams or misoperation of discharge facilities could result in loss of human life and appreciable property damage and that dam safety programs in most States and in some Federal agencies are either non-existent or inadequate. Although the adequacy and safety of dams are the obligation of the dam owner, governmental inspection and regulation are necessary to ensure the adequacy of design, construction and operation of dams to protect human life and property from the hazards of dam failure or misoperation.

c. The Chief of Engineers recommends the implementation of a comprehensive national dam safety program through the establishment of regulatory authorities to review and approve plans and specifications to construct, enlarge, modify, remove, or abandon a dam; perform construction inspections; issue certificates of approval upon completion of construction; perform periodic safety inspections and evaluations throughout the life of the structure; and issue notices for required remedial or maintenance work. He further recommends that, (1) State responsibility, under the police powers of the State, to protect the health, safety and welfare of its citizens should be recognized and all States and Territories should be encouraged to prosecute dam safety programs encompassing all dams not under Federal authority and, (2) Federal agencies should prosecute the recommended dam safety program for the dams under their jurisdiction.

3. ARMY POSITION: The primary responsibility for safety of privately-owned dams should rest with the States unless there are cogent reasons to the contrary. Federal agencies owning and operating dams and owning the land on which dams are located should prosecute the recommended dam safety program for the dams under their jurisdiction. "Federal dams" are thus defined as those dams owned or operated by the Federal government, or located on Federal lands.

4. CURRENT STATUS: On 16 November 1976 the Assistant Secretary of the Army (Civil Works) transmitted to the Congress the report of the Chief of Engineers, together with draft legislation to establish a National Dam Safety Program and to implement the Federal dam portion of the program by providing Federal agencies authority and direction to regulate, for safety purposes, all dams they own or operate or which are located on their lands.

A-5

))

AMENDMENTS TO THE FEDERAL WATER POLLUTION
CONTROL ACT (P.L. 92-500)

1. SUBJECT/ISSUE: Improvement of the Act and implementing regulations.

2. BACKGROUND:

a. OMB has asked the Federal agencies to cooperate with EPA in the development of an Administration proposal to amend P.L. 92-500 based on each agencies experience in implementing the Act and on its review of the recommendations of the National Commission on Water Quality. The amendments are to be submitted to OMB by EPA by 1 December 1976.

b. The Corps of Engineers is directly affected by P.L. 92-500 in several major ways: The Corps of Engineers pioneered wastewater management studies and is involved in a number of current studies associated with water resources urban studies. Corps of Engineers reservoir projects may include storage for lowflow augmentation for water quality control purposes. P.L. 92-500 (particularly Section 404) has assigned significant regulatory responsibilities to the Army.

c. Implementation of the provisions of Section 404 has been difficult. The Federal agencies could not agree on implementing guidelines and numerous lawsuits were also initiated on the basis of Section 404. Guidelines were issued in 1975 under the pressure of an Order by a Federal Judge. The Secretary of the Army submitted a legislative proposal to modify Section 404 on 11 August 1976 to improve the legislation by:

- Clearly defining the Federal/State roles in administration of the program;
- Striking an appropriate balance between the need to protect water quality and the need for the sustained production of food, fiber and forest products; and
- Improving program efficiency by minimizing regulation.

No congressional action was taken on this proposal.

1-6

d. The Assistant Secretary of the Army (Civil Works) has also requested that the implementing regulations be revised to correct certain deficiencies noted in the 1975 version and to achieve administratively the objectives of the amendments proposed in August 1976 to the extent permissible under existing law. The revised regulations are to be submitted to the Assistant Secretary by 1 January 1977.

e. A great deal of interest has been expressed in the Section 404 activities by Congressional, environmental, agricultural, and developmental interests. Hearings were conducted in the House of Representatives and in the Senate during the last session of Congress, but agreement could not be reached on appropriate amendments.

3. ARMY POSITION: That P.L. 92-500 should be amended in accordance with the proposal by the Secretary of the Army dated 11 August 1976 and in accordance with the specific proposals to be furnished EPA for incorporation into the Administration package.

4. CURRENT STATUS: The Army input to EPA is expected to be forwarded within the next few days. Army will have an opportunity to review the Administration package after 1 December 1976. A special Task Group is revising the Section 404 regulations for submission to the Assistant Secretary by 1 January 1977.

A-7

FOLLOW-UP ON SECTION 80 STUDY COST SHARING

1. SUBJECT/ISSUE:

Follow-up on Section 80 Study - Cost Sharing.

2. BACKGROUND:

Section 80(c) of the 1974 Water Resources Development Act (Public Law 93-251) directed the President to "make a full and complete investigation and study of principles and standards for planning and evaluating water and related resources projects." Later that year the President assigned study responsibility to the Water Resources Council, noting the "unique opportunity" to move toward principles and standards and cost sharing arrangements "that can be fully supported by both the executive branch and the Congress."

The WRC Council of Members (COM) developed their views based on the professional data developed by a study team and forwarded their recommendations through OMB to the President in December 1975. Shortly after, the FY 1977 budget submission contained the note that the WRC report would go to Congress in "calendar year 1976 together with recommendations for program reform."

Early in 1976 the COM learned that OMB was not satisfied with the WRC recommendations. The recommendations lacked detailed impact studies and did not offer enough range of choice for greater change. OMB wants to send the President and the Congress a "reform option" that would sharply increase the local share of project costs for a number of purposes. For Corps programs, the "reform option" would require no less than 50 percent of project construction costs and all of the OM&R costs from local interests. Water supply and hydropower costs would be repaid in full, but at current interest rates.

OMB requested, and the WRC members provided, additional information during the summer of 1976 in three areas:

1. The principles and philosophy underlying the WRC Section 80 recommendations of December 1975.
2. A "critique" of the OMB "reform option."
3. A "plan of study" for making impact analyses of cost sharing increases from local interests.

There was no indication that WRC would back down on the essence of their recommendations, since they were tempered to be acceptable to Congress, while making some improvements in present policies.

3. ARMY POSITION:

The Army should be responsive to the President's future program for reforms in water resources policies. At the same time, Army Civil Works experience and knowledge should be available to the President and his staff to assess the full impacts of program changes before they are implemented.

4. CURRENT STATUS:

OMB is continuing their efforts to develop impact information, particularly on navigation user charge options, toward a report to the President before mid-January 1977. The prospect for major changes in water resources policies depends largely on the character of, and support within the Administration for, such change as well as on the outcome of reorganization of Congressional committees.

NAVIGATION USER CHARGES

1. SUBJECT/ISSUE: Shallow-Draft Waterway User Charges

2. BACKGROUND:

a. Since 1940, various Administrations have proposed Congressional enactment of legislation to recoup a portion of the Federal costs of providing navigation facilities. In the President's Budget for Fiscal Year 1977 an \$80 million item appeared under Miscellaneous Receipts, and the accompanying Domestic Council-Office of Management and Budget publication entitled "Seventy Issues" (dated 21 January 1976) indicated that, during Calendar Year 1976, the Administration planned to submit a legislative proposal to impose charges for the use of waterway facilities. It would aim at recovering \$80 million in 1977. Details of the proposal would be worked out by DOT and other interested Federal agencies.

b. Section 4 of the 1884 Appropriations Act for river and harbor improvements, as amended, stipulates that no tolls or operating charges shall be levied on vessels transiting federally-improved waterways. This policy has been reaffirmed by subsequent enactments. Unless Congress enacts legislation to change this policy, no navigation user charges will be applied to either domestic waterway users or recreational passenger traffic.

c. The Water Resources Council forwarded the Section 80 Study of cost sharing policies applicable to water resource purposes and programs, accomplished in accordance with the provisions of Section 80(c) of P.L. 93-251, the Water Resources Development Act of 1974, to the Office of Management and Budget in December 1975. The Council Members urged that initial application of navigation user charges be phased in gradually and confined to a 10 percent cost recovery level while detailed impacts analyses are prepared.

d. During the course of CY 1976, the Transportation Systems Center of the Department of Transportation continued work started in March, 1975 on cost-oriented impacts scenarios for both system-wide and segment-based waterway user charge schemes designed to recoup 50 percent or 100 percent of average annual Operations, Maintenance and Rehabilitation costs for FYs 1971-1975. TSC's initial computerized analyses revealed little or no impacts at a 10 percent recovery level.

a. In response to an OMB request for Corps of Engineers' assistance between the end of June and October, 1976 in the form of 'data resources,' 'computer technology and support,' and 'analysis of data' for an OMB study of the potential impacts of navigation user charges, the Assistant Secretary of the Army for Civil Works requested that the Corps of Engineers prepare a partial analysis, sharply delimited in scope, of the potential economic impacts on carrier costs and rail-water modal shares of traffic in the Mississippi River-Gulf Coast inland waterway system for the base year case (1972) of a system-wide fuel tax, system-wide ton-mile toll, or segment-based ton-mile toll. The OMB Associate Director for Natural Resources, Energy and Science received the draft report 15 November 1976. This report, presently under review and revision, will be finalized by 15 December 1976. The preliminary findings indicate that severe traffic reductions, on a ton-mile basis, would result on most of the smaller, less-developed waterways; traffic diversions from water to rail would range from five to seven percent on a system-wide basis, although localized diversions would be more significant; and small initial traffic losses on main stem waterways are subject to a compounding effect over time as costs are borne by fewer users and traffic declines on tributary waterways.

f. During the course of the Senate Subcommittee on Water Resources' deliberations on the 1976 Water Resources Development Act, Senator Domenici (New Mexico ranking Minority member) introduced a section in the draft bill which was reported to the Senate floor by the full Public Works Committee. This section, if enacted, would have authorized and directed the Secretary of the Army, after consultation with the Secretary of Transportation, to establish a system of user charges by regulation which would gradually recover 50 percent of the Federal Operation and Maintenance costs as well as capital costs of New Construction and Rehabilitation by phased implementation over a ten-year period beginning 1 July 1978. Impacts analysis was also included in the proposal. Prior to Senate floor action, however, a Majority/Minority compromise was reached to strike the user charge provision from the bill - along with authorizations for Locks and Dam 26, Alton, Illinois.

3. ARMY POSITION: The Army Corps of Engineers and the Assistant Secretary of the Army for Civil Works have pressed for impacts analyses as part of the introduction of any phased user charge mechanism. The Chief of Engineers, in his earlier capacity as Director of Civil Works, testified before Congress that he would prefer to see any user charge proposition developed in a manner which precludes direct collection of fees by Corps employees.

4. CURRENT STATUS: Transportation financing issues have engendered increased public attention and discussion, and become a major focus of Congressional concern. Waterway user charges are expected to be the subject of early Congressional hearings during the first session of the 95th Congress (February-May 1977 timeframe). Certain Congressional interests and some sectors of the water transportation industry are pressing for early hearings, and Senator Domenici announced that he intended to reintroduce his original proposal. It is unclear, however, whether the House Public Works and Transportation Committee or the House Ways and Means Committee would exercise primary jurisdiction.

IMPLEMENTATION OF THE TWO STAGE PROJECT AUTHORIZATION CONCEPT

1. SUBJECT/ISSUE:

The Water Resources Development Acts of 1974 and 1976 require the Secretary of the Army to submit to Congress a preconstruction planning report (Phase I General Design Memorandum), in addition to an initial feasibility report (Survey Report), as a basis for Congress to decide whether or not to authorize a project for construction. This two-step authorization process requires new procedures and guidelines for the development and processing of preconstruction authorization studies.

2. BACKGROUND:

Congress authorizes the Secretary of the Army, acting through the Chief of Engineers, to study water resources problems in particular areas and to submit to Congress recommendations to solve these problems. Recommendations can be either a plan to be implemented as a Federal project or a plan in which Federal participation is not warranted and, therefore, should be accomplished by state or local governments.

Congress, prior to 1974, normally acted on the Chief of Engineers' recommendations for Federal projects by authorizing their construction on the basis of the feasibility report, commonly known as the "survey report." The actual initiation of construction of projects often has lagged behind their authorization and, as a result, the Corps often has made substantial changes in project design to respond to conditions as they existed when Congress subsequently made funds available for construction. The Committees on Public Works believe that changes in project purpose, significant changes in project scope, or changes in cost sharing arrangements should be decisions on which they should act and which should be authorized by Congress.

To provide greater opportunity for Congressional oversight of the Corps' planning process, Congress established the two stage authorization procedure in the Water Resources Development Act of 1974 and continued the procedure in the 1976 Act. For those significant projects -- that is, complex and costly ones -- chosen by Congress to be authorized under the two stage procedure, the first authorization is one which authorizes only further studies and requires a second report be submitted to Congress for its use in making a construction authorization decision. This second report is called the "Phase I General Design Memorandum."

In establishing the two stage authorization process in the 1974 and 1976 Water Resources Development Acts, Congress also established procedures which allow the Chief of Engineers to take the next step in project planning pending specific authorization for the project. The procedure which permits the Chief of Engineers to proceed directly from the Survey Report stage to the Phase I General Design Memorandum stage of project planning is the source of potential controversy.

3. ARMY POSITION:

From the perspective of the Executive Branch, the two stage authorization procedure represents, obviously, a growing Congressional involvement in the planning of individual projects. Where projects are large and complex, this involvement is understandable and appropriate. However, implementation of the new process should not lead to any loss of Executive Branch prerogatives regarding review and approval of individual Civil Works project recommendations, whether for construction authorization or for initiation of Phase I planning.

4. CURRENT STATUS:

The Corps of Engineers currently is drafting procedures to implement the two stage authorization process enacted by Congress in the Water Resources Development Acts of 1974 and 1976. A consideration of precisely what is envisioned by Congress in each of these two acts indicates that the development of implementing procedures, acceptable to the Secretary of the Army and the Office of Management and Budget as well as to the Congressional Committees, will not be an easy task. The problems associated with the 1974 Act and with all but one subsection (101(c)) of the 1976 Act, while difficult, are amenable to satisfactory solution.

Section 101(c) of the Water Resources Development Act of 1976, P.L. 94-587, permits the Chief of Engineers to proceed directly with Phase I studies upon his transmittal of a survey report to the Secretary of the Army and submission of "findings" justifying further studies to the authorizing committees of Congress.

--

REGIONAL ECONOMIC DEVELOPMENT BENEFIT EVALUATION

1. SUBJECT/ISSUE:

Implementation of Regional Economic Development Benefit Evaluation.

2. BACKGROUND:

Regional economic development benefits are simply the national economic development benefits enjoyed by a particular region plus other net increases in the region's income as a result of income transfers between regions induced by a water resources project. The traditional benefit-cost analysis of national economic development reflects only benefits associated with direct project outputs. The second component of regional benefits -- interregional transfers -- is not included in the benefit-cost calculation because no added national benefit results. There is no net national benefit because the interregional transfers cancel out on a national basis unless it can be shown that there is some resulting impact on national employment or efficiency. In practice this cannot be done because of the complexity of the analysis required.

The regional development account is one of four accounts recognized by the Principles and Standards (P&S), Water Resources Council, 1973. Regional development is not an objective; however, regional effects are to be displayed.

Corps implementing guidelines provide that (1) regional benefits not already reflected in national benefits shall not be included in the benefit-cost ratio (BCR); (2) regional benefits and costs need not be included in detail for each study; (3) project modification to avoid adverse regional impacts is permissible and appropriate.

Section 140 of the Water Resources Development Act (WRDA) of 1976 provides that benefits may be counted in project justification for authorized navigation projects serving regional needs.

Section 140, taken together with Section 209 of the Flood Control Act of 1970 and Section 80 of the 1974 Water Resources Development Act, indicates an ongoing Congressional interest to include regional benefits in project justification. On the other hand, there is considerable reluctance in the Executive Branch to analyze such benefits. The Section 80(c) study, conducted by the Water Resources Council, contains a comprehensive discussion of regional economic development benefits (Part 3 of the Water Resources Council report). Congress' interest in regional benefits reflects its desire to provide a broader basis for project justification. However,

there has been very little dialogue between the Executive and Legislative Branches regarding regional benefits. The Executive Branch has never explained the role of income transfers, in the regional benefit calculation. Congress has also not been made aware of the difficulties of identifying and measuring these transfers.

3. ARMY POSITION:

The Army position is that secondary benefits leading to regional growth should be assumed to be transfers. This assumption could be relaxed at some indefinite future time if (1) there is clear and convincing proof that they are national benefits, and (2) they can be accurately measured. A transfer does not give rise to a Federal interest and, hence, should not be used in the BCR. Of course, the President and Congress can determine that transferring income from one area to another is appropriate, but such transfers should not be recommended by Army.

4. CURRENT STATUS:

The Secretary of the Army has issued guidelines to OCE, dated November 1976, concerning Section 140 of the Water Resources Development Act of 1976. The guidelines state (1) that regional development benefits, not reflected in national economic development benefits, by definition, are transfers; (2) that Army's role is to display, for decision-makers the benefitting and transferring regions; and (3) that the Chief of Engineers is to prepare detailed guidelines for review by the Secretary of the Army before promulgation.

A-14

NONSTRUCTURAL APPROACHES
TO SOLVING FLOOD PROBLEMS

1. SUBJECT/ISSUE: Nonstructural flood damage prevention measures.

2. BACKGROUND:

a. The Army Corps of Engineers active leadership on a nationwide basis in solving flood problems stems from the 1936 Flood Control Act. This act was spurred by the disastrous floods of the 1920's and 30's. Even though the thrust of Corps programs and the general public interest over the first 30 years was unquestionably structural (dams, levees, etc.), the potential for nonstructural solutions was recognized over 15 years ago by Corps planners.

b. Since 1961, Corps planning guides have provided that consideration be given to a full range of adjustments to flood hazards, such as flood plain regulation and relocation, in addition to structural works.

c. The 1974 Water Resources Development Act made two contributions toward increased use of nonstructural approaches.

(1) It authorized nonstructural approaches to be used on the projects for Prairie Du Chien, Wisconsin and the Charles River Basin, Massachusetts, as well as permitting overflow areas at Littleton, Colorado in lieu of channelization.

(2) Because the Littleton, Colorado project highlighted the problem of using federal funds for a nonstructural alternative, the Congress adopted the general enabling legislation contained in Sec. 73(a) of the 1974 Act.

d. The Corps is proceeding with flood protection planning in full recognition of Section 73. A good recent example of applying a non-structural solution is the Baytown, Texas project which calls for removal of structures from the flood hazard area.

a. Since 1974, Corps policy announced by regulation and by key officials have furthered nonstructural solutions. Lieutenant General J. W. Morris, present Chief of Engineers, has stated: "... We can put nonstructural approaches to solving flood problems near the top of the (priorities) list, ... since it was Corps initiative that unleashed the great potential that exists here in dealing with flood control. ... Our flood control problems ... require a new look. While I think there are probably going to be continuing needs for structures to store excess waters, I would like to see much more attention to nonstructural solutions as the first option."

A-17

3. ARMY POSITION: Support a continued aggressive approach toward full Corps implementation of Sec. 73, including resolution with OMB of remaining problems of cost-sharing policy and the relative role of local governmental entities.

4. CURRENT STATUS: Many basic policy issues as well as problems related to the economic evaluation of non-structural measures - especially flood plan evacuation and relocation measures - need to be resolved. The Corps of Engineers is preparing an Engineer Regulation (ER) to provide policies on the formulation, evaluation and cost sharing for nonstructural measures to reduce flood damages as an integral part of Corps of Engineers feasibility studies. The Engineer Regulation will expand on the existing planning regulations, the Principles and Standards, and the Water Resources Council's Unified National Program for Flood Plain Management. Subsequently, the Army will need to secure OMB agreement to supersede an Army-OMB agreement made early in 1975 to leave out nonstructural costsharing recommendations and to treat each report on a case-by-case basis. Depending on review progress, the draft ER will be provided to the Water Resources Council and the Corps field offices.

A-14

CORPS ENVIRONMENTAL QUALITY PLANNING OBJECTIVE

1. SUBJECT/ISSUE:

Implementation of environmental quality objective in Corps planning procedures.

2. BACKGROUND:

Although the Corps has long expressed a legitimate concern for an environmental quality objective, particularly as this related to fish and wildlife habitat and matters of aesthetics, within the past decade the Corps has been increasingly emphasizing environmental quality matters, in addition to more traditional economic factors, in its multiobjective planning activities.

A number of substantive legislative enactments and executive policy directives since the late 1960's have given specific scope and direction to the Corps effort to more specifically address environmental quality objectives in its planning. Among others, and as supported and reinforced by specific policy directives from the Secretary of the Army and the Chief of Engineers, these include: (1) the National Environmental Policy Act of 1969 (NEPA); (2) Section 122 of the River and Harbor and Flood Control Act of 1970 directing that the Corps consider all economic, social, and environmental effects, intended or unintended, of its projects; (3) Section 209 of the same Act in which Congress stated its intent that the objectives of enhancing regional development, the quality of the total environment, including its protection and improvement, the well-being of people, and national economic development are the objectives to be included in federally financed water projects; (4) the Federal Water Pollution Control Act Amendments of 1972 (PL 92-500), major legislation that links water quality concerns to the more traditional aspects of resource management planning; and (5) the Principles and Standards (P&S) of the Water Resources Council as published in the Federal Register on 10 September 1973.

In response to all of the above, the Chief of Engineers, on 10 November 1975, provided seven specific policy and planning guidelines (engineering regulations) to the field directing the conduct of multi-objective planning consistent with the Corps' mission and purposes as enunciated through law, policy, and executive directives.

Basically, the Corps regulations emphasize the equality of the two national objectives -- environmental quality and national economic development -- in the conduct of Corps planning. Following this approach, environmental quality is not considered as an "add on" to planning; rather, it is integral to planning. Further, the integration of all major concerns in the planning process requires the use of all interdisciplinary skills, including diverse environmental disciplines in the conduct of that process.

The overall planning approach of the Corps is thus predicated on the philosophy that plans, whatever their number, and whether essentially nonstructural or structural in character, should be publically acceptable, implementable, and harmonious with the economic, social, environmental, and institutional milieu that they serve.

3. ARMY POSITION:

The Secretary of the Army, through the office of the Assistant Secretary of the Army (Civil Works), has enunciated a policy which requires an unequivocal commitment by officials and staff in both the Secretariat and the Corps to the support of the environmental ethic to the fullest extent consistent with mission accomplishment; that the Civil Works program of the Corps of Engineers set an example by providing national leadership in the conservation and enhancement of the environment.

Reinforcing the views of the Secretary of the Army, the Chief of Engineers on 29 October 1976 issued EP 1165-2-501, a clear and definitive statement communicating to all Corps personnel and to the public the fundamental environmental policies, objectives, and guidelines governing the Corps of Engineers implementation of statutes and executive guidelines concerning the environment.

4. CURRENT STATUS:

Currently, the Corps has in an advanced stage of preparation additional follow-on guidance to further clarify and extend environmental quality considerations to be applied within the established multiobjective planning framework. Among other things, this additional extended guidance will provide policy for carrying out thorough environmental resource inventories in support of multiobjective planning; define and articulate approaches for depicting environmental conditions for biological, cultural, physiographic and aesthetic features of a study area; provide specific guidance for formulating alternative plans which emphasize environmental quality; provide specific guidance for conducting environmental impact assessment; and finally, provide specific environmental guidance on the formulation of alternative plans. This additional guidance is scheduled for publication in the form of four engineering regulations in the Federal Register in January 1977.

An interdisciplinary team from the Office of the Chief of Engineers is presently conducting a series of environmental quality training sessions for Corps personnel through January 1977. These sessions provide interpretation of the scope and limits of environmental considerations in Corps planning. These sessions supplement and extend the content of 10 multi-objective planning training sessions which the interdisciplinary training team provided to some 500 Corps planners in April and May of 1976.

FY 1978 ARMY CIVIL WORKS BUDGET

1. SUBJECT/ISSUE:

The President's FY 1978 Civil Works Budget contains

2. BACKGROUND:

The President's annual Civil Works Budget submission contains

3. ARMY POSITION:

The Army's position is that

4. CURRENT STATUS:

No developments have occurred since the Army submitted its budget request to OMB on November 8, 1976 which would

FY 1978 ARMY CIVIL WORKS BUDGET

1. SUBJECT/ISSUE:

The President's FY 1978 Budget indicates that the Corps of Engineers _____

2. BACKGROUND:

The Flood Control Act of 1960 broadened the flood control mission of the Army Corps of Engineers by authorizing the Corps to provide a full range of flood plain management related information and advisory services on request from local, state and Federal agencies. This program has been funded over the past four years by line item appropriations, averaging \$10.5 million annually. The issuance in 1966 of Executive Order 11296 -- Flood Hazard Evaluation -- clearly recognized the multi-agency role and responsibility in limiting the growth of the national flood damage potential. As a result of the enactment in 1968 of the National Flood Insurance Program, administered by the Department of Housing and Urban Development (HUD), the nature of services provided by the Corps has changed. For example, the preparation of Corps-funded flood plain information reports has been declining recently and will end in FY 1978 as funding of this function is assumed by HUD. On the other hand, the demand for technical assistance from the Corps has increased dramatically as a result of flood plain regulation requirements associated with implementation of the flood insurance program. For the past two fiscal years, the volume of requests received by the Corps of Engineers has averaged about 14,000 annually.

3. ARMY POSITION:

The Assistant Secretary of the Army (Civil Works) believes

2022

4. CURRENT STATUS:

LOCKS AND DAM NO. 26, MISSISSIPPI RIVER

1. SUBJECT/ISSUE:

Authority for construction of a replacement facility at Locks and Dam No. 26.

2. BACKGROUND:

Locks and Dam No. 26 is located in Madison County, Illinois and St. Charles County, Missouri at approximately mile 200.8 above the mouth of the Ohio River in the vicinity of Alton, Illinois. The existing locks and dam is one of a series of locks that provide the authorized 9-foot minimum navigable depth along the Mississippi River to above St. Paul, Minnesota. The existing facilities are overloaded by navigation traffic and have structural problems. Replacement of the existing structure was approved as a major rehabilitation by the Secretary of the Army in 1969 under the authority of the River and Harbor Act of 1909.

Land acquisition began in Fiscal Year 1974, but construction work was delayed awaiting preparation of a revised Environmental Impact Statement. On 6 August 1974, the U. S. District Court for the District of Columbia issued a temporary restraining order against opening of bids for the first phase construction contract. On 20 August 1974, the court held a hearing for preliminary injunction against construction of the project. Two lawsuits by the Izaak Walton League, the Sierra Club, and other environmental interests and by a group of 21 midwestern railroad companies were combined into one proceeding. Plaintiffs allege the project is the first step in a multi-billion dollar project to rebuild the Upper Mississippi River Navigation System without the consent of Congress. Collectively and separately the plaintiffs have alleged that the presently proposed construction lacks the necessary Congressional authorization. In addition, the Environmental Impact Statement (EIS) is alleged to be deficient because considerations are largely restricted to the Locks and Dam 26 vicinity and do not extend over the length of the Upper Mississippi River Navigation System. On 5 September 1974, the court issued a preliminary injunction based upon a finding that current plans for replacement provide for needs beyond "existing" navigation. The court also found the EIS inadequate because it did not consider the system and did not address all reasonable alternatives. A trial was set for 3 March 1975, but has been indefinitely deferred based on letters sent by the Secretary of the Army to the Chairman of the House and Senate Appropriations and Public Works Committees of the Congress, asking for "a reaffirmation or clarification of the authority of the Secretary of the Army prior to proceeding with construction of Locks and Dam 26." The Corps of Engineers will not conduct or undertake construction activity in connection with Locks and Dam No. 26 until Congress acts and the legal issues have been resolved.

Following the Court action, the Corps of Engineers undertook preparation of a new evaluation report based on current studies to determine the best plan for lock replacement. This study included consideration of several plans to rehabilitate the existing structure and plans for replacement at a new

location, and the preparation of a supplement to the Environmental Impact Statement to address the concerns expressed by the Court. Both the report and EIS were sent to an extensive number of concerned individuals, private organizations, and governmental agencies for review and comment. These documents also were reviewed by the Board of Engineers for Rivers and Harbors, which provided its recommendations to the Chief of Engineers. After consideration of all information, the Chief of Engineers recommended construction of a new structure about two miles downstream with a single lock 110-foot wide and 1,200-foot long. The Chief of Engineers further recommended additional studies to determine more adequately the need, size and timing for installation of a second lock in the replacement structure. Construction of a second lock would require separate authorization by Congress after the proposed special report is submitted to Congress.

Senators Stevenson and Percy, and Representatives Findley and Price have expressed interest and support for the project. During the 94th Congress, legislation was introduced that would have taken care of the authorization deficiencies alleged in the lawsuit. The Corps of Engineers presented testimony concerning the recommended lock replacement in hearings before the Senate Public Works Committee in connection with then pending water resources development legislation. The Senate bill reported out by the Public Works Committee included a section which would have authorized a replacement lock. However, another section of the same bill related to imposition of waterway user charges. Both sections were deleted by action in the Senate and were not adopted in the final bill enacted by Congress.

3. ARMY POSITION:

The Secretary of the Army has concluded that the Chief of Engineers has made a convincing case that replacement of Locks and Dam 26 is justified and more feasible than rehabilitating the existing structure. The Secretary has recommended that Congress authorize construction of a replacement dam and 1,200-foot lock, but that no auxiliary lock be authorized until such time as an interagency study indicates that such a lock should be constructed.

4. CURRENT STATUS:

The report of the Chief of Engineers was forwarded to Congress by the Secretary of the Army on 24 August 1976. It has been printed as House Document No. 94-534. Congress did not take any action as part of the Water Resources Development Act of 1976. It is likely that Congressional hearings will be held in the 2nd Quarter CY 1977 on a potential Water Resources Development Act of 1977, and that Locks and Dam 26 will be taken up then.

ATCHAFALAYA BASIN, LOUISIANA

1. SUBJECT/ISSUE:

Flood damage reduction and environmental preservation in the Atchafalaya Basin.

2. BACKGROUND:

The Atchafalaya Basin project is located in south-central Louisiana below the latitude of Old River, west of and generally paralleling the Mississippi River. The basin floodway is approximately 110 miles long by 15 miles wide. It is a major original feature of the Mississippi River and Tributaries project authorized in 1928. As Mississippi River flood flows increase, the Atchafalaya Basin project provides an additional outlet to the Gulf of Mexico by receiving flows through the Old River and Morganza control structures and relieving flood threat to Baton Rouge and New Orleans. The floodway was formed by constructing protection levees about 8 miles to the east and 7 miles to the west of the Atchafalaya River. Because of extremely poor foundations, these levees are subject to continuous settlement. The levees currently are from 1 to 6 feet below proper design grade. The floodway is intended to carry one half of the Mississippi River project flood, 1,500,000 cubic feet per second (c.f.s.), with 600,000 c.f.s. going through the Morganza Floodway and 900,000 c.f.s. being channeled through the Atchafalaya River and the West Atchafalaya Floodway. Easements have been procured in the Morganza and West Atchafalaya Floodways. Easements below Krotz Springs for areas normally flooded were prohibited by Congress.

The lower Atchafalaya basin consists mainly of unimproved lands including significant wetlands. Environmental interests believe that a center channel will drain the wetlands, allow the unimproved lands to be farmed or otherwise developed, and the improvement potential will increase pressures for additional flood control and less overbank flow with the eventual loss of the area for both environmental and flow diversion needs. These interests feel that consideration must be given to redistributing low flow water to maintain the habitat and that servitudes are necessary to preserve the open space environment by removing the improvement potential.

A multi-interest, interdisciplinary effort to complete the Environmental Impact Statement (EIS) is currently under way. Also, a study known as the Atchafalaya Basin Management study has been authorized by Congress and is presently under way. The purpose of this study is to develop a comprehensive plan for the preservation and management of the water and related land resources of the basin with provisions for the reduction of siltation, improvement of water quality, improvement of commercial and sport fishing, and operation of the Old River control structure during non-flood conditions. This study is scheduled for completion of a draft report by the end of calendar year 1977 and final action by the Mississippi River Commission by December 78. The comprehensive study may result in additional recommendations to modify the authorized project, some of which may require Congressional authorization.

At the meeting with Congresspersons Boggs and Breaux and staff of other Congressional delegates from Louisiana, the Honorable Victor V. Veysey, Assistant Secretary of the Army (Civil Works), and Lt. General J. W. Morris, Chief of Engineers, indicated the Corps would continue to expedite the comprehensive basin study while at the same time continuing work on the EIS and the preconstruction planning report for the authorized project to determine whether compatible items could be approved and initiated at an early date. Landowners and others living in the basin want the Corps to get on with the authorized project, especially dredging, and protect them from floods. Environmentalists, on the other hand, want to defer dredging until all aspects of water and land management are thoroughly studied and a comprehensive plan adopted.

3. ARMY POSITION:

The Secretary of the Army supports the completion of a thorough examination of alternative plans for multi-purpose development and preservation in the Atchafalaya Basin as essential to preparation of a draft EIS and a prerequisite to a decision on continuation of further enlargement of the central channel feature of the authorized flood control channel. Alternatives will include an analysis of meeting the project objectives without additional channel enlargement.

4. CURRENT STATUS:

Funds to initiate construction were appropriated in 1928. The entire project is about 33 percent complete. Certain features such as flood control and major diversion structures have been completed, but levees, channels and floodwalls have been only partially completed. Main channel dredging was suspended in 1969. Work on strengthening and raising certain levees will be done with funds appropriated in Fiscal Year 1977. The EIS and a General Design Memorandum, which will discuss the alternative implementation actions and their impacts, are currently under way.

4-27

ARKANSAS-RED RIVER BASINS WATER QUALITY CONTROL PROJECT
TEXAS, OKLAHOMA, KANSAS

1. SUBJECT/ISSUE:

The Arkansas-Red River Basins Chloride Control project would contain and store natural chlorides which now degrade the Arkansas and Red Rivers. The benefits methodology and cost sharing are at issue.

2. BACKGROUND:

The plan of improvement consists of three freshwater lakes with outlet diversion channels, three low-head brine collection dams, nine brine lakes, subsurface cut-off walls and collection conduits, pipelines and pumping facilities. The Flood Control Act of 1970 provided that construction shall not be initiated until approved by the Secretary of the Army and the President. The Army and OMB have agreed that the Phase I General Design Memorandum for any justified element, river basin or project would be the vehicle for resolution of issues and approval. The Water Resources Development Act of 1976 amended Section 201 of the Flood Control Act of 1970 to read, "Construction shall not be initiated on any element of such project until such element has been approved by the Secretary of the Army."

3. ARMY POSITION:

An Army position has not been established as the post authorization studies are still underway. OMB has previously held the position that the project benefits are not primarily water quality improvement but, rather, are primarily for water supply.

4. CURRENT STATUS:

Work on the Phase I General Design Memorandum (GDM) for the project was initiated in FY 1973. However, preconstruction planning efforts have been concentrated on the Red River Basin portion until the technical and economic feasibility for all units in that system have been established. The Phase I GDM on the Red River portion was completed and submitted to the Office of the Chief of Engineers (OCE) in August 1976. Review is expected to be completed by OCE in January 1977. Completion of the Arkansas River portion of the Phase I GDM is expected in the spring of 1979. An independent consultant's analysis of Corps of Engineers' estimates of benefits of the Red River Basin portion of the project was commissioned by the Secretary of the Army in July 1976. A response to the consultant's analysis, which raised questions about the estimates of benefits by the Corps, is expected early in December 1976.

CROSS FLORIDA BARGE CANAL

1. SUBJECT/ISSUE:

Preparation of a restudy report and draft environmental impact statement for the Cross Florida Barge Canal Project.

2. BACKGROUND:

The Cross Florida Barge Canal Project was authorized by Public Law 675, 77th Congress, dated 23 July 1942. The project would provide a barge waterway route between the St. Johns River at Palatka, Florida, and the Gulf of Mexico at Yankeetown, Florida, a distance of 110 miles. The project would include three dams, five locks, and a channel 12 feet deep and 150 feet wide.

Construction of the project was started in February 1964 and terminated by President Nixon in January 1971, due to potential adverse environmental effects. Completed works include 25 miles of channel, three locks, three dams and four bridges. Approximately \$70 million have been invested in completed works and lands for the project.

Congressional action contained in Public 92-405, 19 June 1972, required the Corps of Engineers to prepare a restudy report and draft environmental impact statement for the project.

3. ARMY POSITION:

There is no Army position pending completion of the restudy report and draft environmental impact statement. Similarly, the Chief of Engineers has not established a position.

4. CURRENT STATUS:

A draft version of the restudy report and environmental impact statement was completed on 8 November 1976 and is currently under review by the Chief of Engineers, the Assistant Secretary of the Army (CW), the Department of the Interior, the Council on Environmental Quality, the Environmental Protection Agency, and the Office of Management and Budget. The draft documents present the best plans for completion and non-completion of the project. After receipt of comments, the documents will be prepared in final form and submitted to Congress, the Court and the Council on Environmental Quality on 21 February 1977.

CROSS FLORIDA BARGE CANAL

1977 CALENDAR OF PROJECTED SIGNIFICANT ACTIVITIES

	JANUARY	FEBRUARY	MARCH
Integration of Washington Policy Group views comments into Final Restudy Reports (Jacksonville District)	1 - 14		
Plan Selection (OCE/SA)	14 - 21		
Completion of Final Reports (Jacksonville District SAD)	21 - 31		
Transmittal of Final Reports to Congress, EQ, and Court		1-21	

NORTHEASTERN UNITED STATES WATER SUPPLY - FEDERAL INTEREST

1. SUBJECT/ISSUE: Federal participation in the provision of an adequate supply of water for the Northeastern United States.

2. BACKGROUND:

a. The basic authority for inclusion of water supply in Civil Works multiple-purpose projects is the Water Supply Act of 1958 (P.L. 85-500, Title III). The introduction reads:

"It is hereby declared to be the policy of the Congress to recognize the primary responsibilities of the States and local interests in developing water supplies for domestic, municipal, industrial and other purposes, and that the Federal Government should participate and cooperate with States and local interests in developing such water supplies in connection with the construction, maintenance, and operation of Federal navigation, flood control, irrigation, or multiple-purpose projects."

b. Although water supply has been included in many Civil Works multiple-purpose projects, the primary responsibility for municipal and industrial water supply has been with non-Federal interests. P.L. 89-298 authorized a Federal and non-Federal cooperative study to prepare plans to meet the long-range water needs of the northeastern U. S. The legislation also specifically authorized Federal construction and operation and maintenance of certain major facilities (water supply reservoirs, conveyance facilities, and purification facilities) that had previously been the responsibility of non-Federal interests.

c. The declaration of a Federal role in providing water supply for the northeastern U. S. in P.L. 89-298 is not totally compatible with recent Administration positions to return more responsibilities to State and local levels of Government. OMB in a letter dated 23 February 1976 on two of the projects reflects this Administration's policy by stating, "States and local governments throughout the Nation have traditionally assumed responsibility for meeting their own local water needs, and we believe that policy continues to be in the public interest."

d. From its beginning, the game plan for the study called for identifying those metropolitan areas which had significant near-term water supply deficiencies. Thirty-one areas were studied and three, Metropolitan Washington, Metropolitan New York and Metropolitan Boston, were found to have immediate deficiencies. Interim reports were submitted for Washington (Verona-Sixes Bridge and the Prototype Treatment Plant) and Boston (Millers River and Northfield Mountain). Work is now proceeding on completing the study for the New York Metropolitan area which is the only remaining area for which recommendations for Federal actions are to be considered. This will involve high flow skimming of the Hudson River about 80 miles north of New York City and transmission of the water through deep tunnels to the city and the adjacent counties of Westchester and Nassau. Any recommendation for a New York City project will be included in the final NEWS report to be completed in the early summer of 1977.

3. ARMY POSITION: None established. Secretary of the Army supported the authorization of the two reservoir projects to supply water for the Washington, D. C. area; the projects included other water resources purposes, thus avoiding the policy question of Federal participation in water supply only projects. The interim report for the Boston area involves facilities for water supply only and the report is currently under review in the office of the Secretary of the Army.

4. CURRENT STATUS: The Chief of Engineers has prepared a Decision Memorandum on this issue which is under review in the office of the Assistant Secretary of the Army (Civil Works).

CORPS OF ENGINEERS PERMIT

1. SUBJECT/ISSUE: Permit Application by Chicago Bridge and Iron (CBI), Victoria Bluff, South Carolina

2. BACKGROUND:

a. The Secretary of the Army, acting through the Chief of Engineers, exercises jurisdiction over navigable waters of the United States under Section 10 of the 1899 Rivers and Harbors Act and Section 404 of Federal Water Pollution Control Act Amendments of 1972.

b. This highly controversial permit case was forwarded to the Secretary of the Army in 1974 under the Memorandum of Understanding (MOU) with the Department of Interior due to unresolved issues between the U.S. Fish and Wildlife Service and the Corps of Engineers. The permit application is for construction of a pier; associated dredging adjacent to the pier, and filling of an area, including approximately one acre of wetland, to construct a metal fabricating facility. Secretary Callaway had tentatively made a decision to issue the permit over the objections of Interior. The case was returned to the Corps of Engineers when CBI changed their position with regard to certain conditions of the permit.

c. The case has been recycled by the Corps, to include preparation of a Supplement to the Environmental Impact Statement which assesses the revisions to the permit made by CBI. These changes are a reduction of 308 acres, from 448 acres, in the size of the buffer zone, and a less restrictive definition of the products to be manufactured, e.g., no longer limited to liquified natural gas tanks.

d. The Department of Interior, Environmental Protection Agency, and National Marine Fisheries Service all continue to object to the issuance of the permit. Therefore, the Corps has again submitted the case to the Secretary of the Army for decision.

3. DOD POSITION: The Army will review the case and make a decision based on full consideration of all factors of the public interest.

4. CURRENT STATUS: The case has been reviewed in the Offices of the Army General Counsel and the Assistant Secretary of the Army (Civil Works). It is anticipated that further coordination will be made between the Secretary of the Army and the Secretary of Interior, with a decision likely to be made during January 1977.

A-32

AFFIRMATIVE ACTION PLAN FOR
MINORITY EMPLOYMENT ON
TENNESSEE-TOMBIGBEE WATERWAY PROJECT
AND OTHER PROJECTS

1. SUBJECT/ISSUE: Full participation of minority groups in the Tennessee-Tombigbee Waterway Project and other projects.

2. BACKGROUND:

a. Section 185 of the Water Resources Development Act of 1976, Public Law 94-587, requires the Secretary of the Army, acting through the Chief of Engineers, to make a maximum effort to assure the full participation of members of minority groups living in the States participating in the Tennessee-Tombigbee Waterway Development Authority in the construction of the Tennessee-Tombigbee Waterway project, including actions to encourage the use, whenever possible, of minority owned firms. Public Law 94-587 also requires the Chief of Engineers to report on 1 July of each year to Congress on the implementation of Section 185, together with recommendations for any legislation that may be required to assure full and equitable participation of minority groups in the Tennessee-Tombigbee Waterway Project and other projects under the direction of the Secretary of the Army.

b. Many areas of the country where projects are being developed under the direction of the Secretary already have in existence voluntary plans, known as affirmative action plans, between contractors and minority groups insuring the full participation of minority groups in all work undertaken by contractors, whether for the Government or private industry. These plans are incorporated in the contracts awarded by the Government. In those areas in which no such plan currently exists, all efforts are made to achieve a voluntary plan, and, when necessary, steps are taken by the Government to develop an affirmative action plan which is imposed on all contractors as one of the conditions of contracts awarded by the Government.

c. In the areas traversed by the Tennessee-Tombigbee Waterway no agreed plans of minority participation existed between contractors and minority groups. Prior to the initiation of work on the project, concerned minority groups had attempted to enter into a voluntary plan with contractors in the area, but contractor agreement could not be obtained. Consequently, in order to assure the maximum participation of minority groups in the project, special bid conditions were developed by the Defense Contract Administration Service and approved by the Department of Labor, whereby all contractors to whom a contract is awarded

will be required to make every effort to hire a specific goal of minority employees, depending upon the location of the work. The percentage of minority participation is to be increased during the construction period of the project. Contracts in the Gainsville area of the project have a separate affirmative action plan which was developed especially for that region.

3. ARMY POSITION: Maximum effort to assure the full participation of minority groups and minority firms in all projects.

4. CURRENT STATUS: Contractors to whom a contract was awarded prior to the adoption of an affirmative action plan have voluntarily agreed to try to comply with the requirements of the plan. The special bid conditions developed for the Tennessee-Tombigbee Waterway Project have been included in the invitations for the Aberdeen Works and Dam, the ICGR railroad relocation, and the Section 4A Divide Cut, all of which are separate aspects of the project. The special bid conditions will be included in all future contracts awarded in furtherance of the project. As the need arises, affirmative action plans will be developed for other projects. We are now in the process of obtaining assistance from the Office of the Assistant Secretary of the Army, Installations and Logistics, for developing affirmative action plans for Arnold Engineering and Development Center, Tullahoma, Tennessee; Richard G. Russell Dam, Georgia; and Falls Dam, North Carolina.

A-15

GOVERNMENT VERSUS PRIVATE DREDGING

1. SUBJECT/ISSUE: Increasing the private dredging industry's role in the Corps of Engineers dredging program.

2. BACKGROUND:

a. The objective of the Corps is to encourage the dredging industry to perform a greater portion of that dredging work traditionally performed by Corps plant.

b. During the past several years, 60 to 65% of the total dredging program has been accomplished by contract dredging, while 40 to 35% has been accomplished by Corps plant. Much of the work traditionally performed by Corps plant has been with specialized equipment such as dustpan dredges, hopper dredges and sidecasting dredges. Approximately 75% of the Corps work is performed by Corps hopper dredges required to meet the exposed marine environment of ocean bars, bar channels, ocean inlets and unprotected estuaries. Until very recently, private industry has demonstrated little interest in developing this type of plant.

c. In response to directives of the Subcommittees on Public Works of the Senate and House of Representatives Appropriation Committees, the Chief of Engineers prepared a report to Congress on national dredging requirements. The report was based on a study by the firm of Arthur D. Little, Inc., covering dredging practices over the past ten years, and dredging requirements for the next ten years. As an outgrowth of the study, the Chief of Engineers concluded that a "testing of the market" (TCM) by soliciting bids on work traditionally performed by Corps dredges was desirable to ascertain the capability of the dredging industry to accomplish the work at reasonable prices and in a timely manner.

3. ARMY POSITION: Maximize industry participation in the overall dredging program through the Testing of the Market Program. Through this program, encourage industry to participate in and develop increased capability for hopper dredging work while at the same time adjusting the Corps fleet to an active modern residual fleet of hopper dredges to meet emergency needs and the requirements of national defense.

4. CURRENT STATUS: The Corps is presently in the process of initiating in FY 77 the Testing of the Market (TCM) Program which

will compare the relative ability of industry plant to perform at reasonable prices and in a timely manner that work traditionally performed by Corps plant. Initially, approximately 25 per cent by dollar volume of that work presently performed by Corps plant will be advertised during the first year of the TOM Program. A new 3,700 cubic yard hopper dredge is presently under construction by private Industry and will be available to participate in this program by about March 1977. The Corps is also designing three dredges to provide for the replacement of obsolete hopper dredges and to provide a nucleus of modern hopper dredging capability for a residual fleet of Corps dredges. The new dredges, in order of priority, consist of (1) a Shallow Draft Dredge for the West Coast, designed specifically to meet the requirements of the small projects along the Oregon coast; (2) a Medium Class Dredge to replace the hopper dredge MACKENZIE which sank in 1974; and (3) a Lower Mississippi River Dredge specifically designed to meet the unique dredging requirements of the lower Mississippi River. The President submitted a rescission on 22 September 1976 for \$6.6 million in the Fiscal Year 1977 program for construction of replacement dredges.

ENHANCE DIALOGUE WITH ENVIRONMENTAL COMMUNITY

1. SUBJECT/ISSUE: Produce better understanding of CW Environmental program with environmental organizations by participating in CW training and personal contact.

2. BACKGROUND: This goal will be achieved in two phases. Phase I will promote participation from environmental organizations in CW training to gain a better understanding of the Corps environmental program. Phase II will allow Director of CW to meet personally with various Directors of environmental organizations to discuss environmental issues which have surfaced in litigation against the Corps.

3. ARMY POSITION: Enhance the dialogue with the major environmental and conservation organizations through an expanded pattern of liaison arrangements in the field and at the Washington level.

4. CURRENT STATUS:

Phase I initiated	Jan 76
Coordination w/organizations on CW training courses inviting participation	Apr 76
Review of organization responses	Jul 76
Continued coordination w/organizations who responded	Nov 76
Phase II initiated	Nov 76
Compile list of issues	Nov 76
Schedule meetins w/environ organizations	Jan-May 77
Prepare report on meetings and continued coordination	Jul 77

A-14

REVIEW OF ADEQUACY OF CORPS AND FEDERAL
AGENCY DAM CONSTRUCTION PRACTICES

1. SUBJECT/ISSUE: Initiation of critical reviews of Corps and other Federal agencies practices and procedures relating to dam safety.
2. BACKGROUND: The report on the Teton Dam Disaster (House Report No. 94-1667) of the Subcommittee on Conservation, Energy and Natural Resources of the House Committee on Government Operations indicated a need for better coordination within the Federal Government on practices and procedures relating to dam safety. This and other developments have led the Corps of Engineers to initiate critical reviews of Corps standards and procedures. Similar reviews are planned or are underway in other Federal agencies. A coordinated effort by all involved Federal agencies would have merit and would be responsive to House Report No. 94-1667.
3. ARMY POSITION: The Corps of Engineers is in the best position to take the lead in coordinating the review of dam safety practices and procedures of the Federal agencies with dam safety responsibilities.
4. CURRENT STATUS: Based on informal coordination with ASA(CW), it appears that OMB will be requested to assist in this effort by administratively (Executive Order, etc.) requiring the Federal agencies to develop consistent practices and procedures.

37

ALASKA HYDROELECTRIC POWER DEVELOPMENT ACT

1. SUBJECT/ISSUE: The Susitna, Alaska, Hydroelectric Power Project.

2. BACKGROUND:

a. The Water Resources Development Act of 1976 (P.L. 94-587; 90 Stat. 2917) includes two sections related to the Susitna, Alaska project. Section 160 authorized the Secretary of the Army, acting through the Chief of Engineers, to undertake Phase I design memorandum stage of advanced engineering and design for Susitna. Section 203 (Alaska Hydroelectric Power Development Act) established a new procedure for financing (and expediting) hydroelectric power projects in Alaska planned and constructed by the Corps of Engineers, and established the Hydroelectric Power Development Fund for purposes of the Act. Congress authorized \$25.0M in appropriations for this Fund.

b. Section 160 does not become effective, however, until after the Chief of Engineers submits his report to the Secretary of the Army and notifies Congress of his approval.

c. Section 204 of the Act prohibits expenditures of any funds authorized for the Susitna project or the Fund prior to fiscal year 1978.

3. ARMY POSITION: The Army supports, within the law and available resources, early and expedited development of the Susitna project.

4. CURRENT STATUS:

a. Phase I studies for Susitna are not authorized pursuant to section 160 since the Chief of Engineers report has not been finalized. This report, currently under review by Federal agencies and the State of Alaska, will be submitted to ASA(CW) following receipt of comments.

b. Congress has not appropriated any money for Phase I (pursuant to either section 160 or section 203).

c. The State of Alaska would like to expedite the planning process for Susitna and, toward this end, is examining methods of accomplishing work during FY 77 using State funds (in absence of Federal funds). The State may request the Army, early in calendar year 1977, for technical and specialized services pursuant to the authority of Title III of the Intergovernmental Cooperation Act of 1968 (P.L. 90-577; 82 Stat. 1098).

ARMY-INTERIOR MEMORANDUM OF UNDERSTANDING ON
MISSOURI RIVER WATER MARKETING

1. SUBJECT/ISSUE: Army-Interior Memorandum of Understanding (MOU) on the sale of water for industrial purposes from the Missouri River main stem reservoirs.

2. BACKGROUND:

a. On 24 February 1975 the Secretary of the Army and the Secretary of the Interior executed a MOU pertaining to the marketing of water for industrial purposes from the Missouri River main stem reservoirs constructed and operated by the U. S. Army Corps of Engineers. The MOU is an interim two-year inter-departmental arrangement to administer a limited industrial water marketing program prior to eventual establishment of a broader industrial water marketing program of indefinite duration and clarification of outstanding issues relating to legislation, pricing, project formulation and cost allocations.

b. The Department of Interior, which functions as contracting officer under the provisions of the MOU, has gradually developed detailed implementation procedures and criteria, as well as the terms and conditions of the water supply contracts, in cooperation with the interested States. On 30 September 1976, Interior executed a contract with the State of Montana for 300,000 acre-feet annually from Fort Peck irrigation storage for industrial usage. This contract registers fulfillment of Interior policy to encourage the State Governors to function as marketing agents, on behalf of their respective states.

c. On 15 October 1976, the Department of Interior transmitted a second draft contract with the State of South Dakota to the Deputy Assistant Secretary of the Army for Civil Works and Corps of Engineers elements for review. The proposed contract, whose terms and format are similar to the Montana instrument, would involve withdrawals of up to 300,000 acre-feet annually from any of the four main stem reservoirs located within South Dakota -- Oahe, Big Bend, Fort Randall, and Gavins Point. The distinctive portion of this contract, which is still under review, concerns provisions to protect preference power customers under the Pick Sloan Missouri Basin Program.

A-112

3. ARMY POSITION: The Corps of Engineers and the Assistant Secretary of the Army for Civil Works have agreed that any future extension or modification of the MOU itself should be left to the New Administration. Both Army and Interior staff representatives agree that any revised MOU should note the role of the States in the marketing process and more clearly stipulate that the MOU is designed to establish an efficient Federal administrative procedure rather than achieve the ultimate end desired.

4. CURRENT STATUS: The MOU is the subject of a State-Federal Coordination Meeting, scheduled for 3 December 1976 by Missouri Basin Commission (MRBC) Chairman John Neuberger. An Ad Hoc Committee of MRBC, in the past, examined various water marketing issues, including the degree of availability of water. The incumbent Assistant Secretaries of the Army and Interior deferred further Federal action until the advent of the New Administration, but they expect some early action to extend and/or modify the MOU will be necessary prior to its expiration on 23 February 1977.

13

INDIAN TREATY WATER AND LAND RIGHTS

1. SUBJECT/ISSUE: Indian Treaty Water and Land Rights

2. BACKGROUND:

a. Since World War II, Congress has passed a series of laws benefitting Indians. A number of Court cases have interpreted treaties and laws in favor of Indian rights. There has been some Indian militancy, most notably by the American Indian Movement.

b. Indian reservations and certain other types of Indian lands are known legally as "Indian country." The trend in judicial decisions is to assert or restore the criminal and civil jurisdiction of Indian tribal councils over Indian country unless Congress has specifically limited or removed such jurisdiction. Even though the Federal Government may have acquired fee title to land for certain purposes under an Act of Congress, an Indian tribe may have jurisdiction for all other purposes, taking priority over any state or local jurisdiction.

c. There has been correspondence from the Commissioner of Indian Affairs to the Secretary of the Army calling attention to a number of areas in which Army activities relate to Indian affairs. The Secretary of the Army guidance includes:

(1) Stop controversial actions and talk over the issues until both sides understand what is going on;

(2) Establish and maintain good communications with the Bureau of Indian Affairs and with Indian tribes affected by Army activities;

(3) Highlight the real issues needing resolution; and

(4) Seek initiatives to better Indians in ways that are consistent with accomplishing the Army's mission.

d. All of the Civil Works matters and a number of other Army problems with Indians fall within the purview of the Chief of Engineers. Secretary Hoffmann has written former BIA Commissioner Thompson designating the Chief of Engineers as the Army point of contact for the discussion of all problems with the Bureau of Indian Affairs. It is the Corps' responsibility to try to resolve these problems with as little disturbance of the rest of the Army as practicable and in a manner which reflects favorably on the Army as a whole. The Corps works closely with other elements of the Army Staff whenever a matter affects their area.

3. DOD POSITION: The DOD is responsive to the President's desire to improve the coordination among the Federal agencies with programs that serve the Indian people; that priority attention be given to coordination of Indian programs and services among the Departments and agencies and

that agencies continue to insure that when Federal actions are planned which affect Indian communities, the responsible Indian leaders are consulted in the process.

4. CURRENT STATUS: A dialogue is underway between the Corps of Engineers and the Bureau of Indian Affairs to gain a better understanding of Indian problems and how to resolve them. Field elements are being encouraged to meet with Indian tribal representatives to discuss problem areas.

A-115

ARLINGTON NATIONAL CEMETERY

1. SUBJECT/ISSUE: Modification of Interment Regulations.

2. BACKGROUND:

a. Change in eligibility criteria.

(1) The eligibility criteria at Arlington National Cemetery were restricted in 1967 due to lack of space and the realization that Arlington would have ceased to be an active military cemetery within one year. Current criteria now limits eligibility to Medal of Honor recipients, active duty and retired members of the Armed Forces, veterans who have served in major posts in the Federal Government, and the spouses, minor children, and dependent adult children of the foregoing.

(2) Since 1967, veterans' organizations have vigorously opposed the restrictive criteria. On 1 December 1975, Army opposed a bill in hearings before the Subcommittee on Cemeteries and Burial Benefits of the House Veterans Affairs Committee which would have opened the cemetery to all veterans. Enactment of the bill would have resulted in about 60 burials per day (present interment rate is approximately 10 per day). The bill was amended in the Subcommittee to impose maximum daily interments to 30 per day. In order to preclude enactment of legislation which would have an adverse effect on cemetery operations, the criteria were reviewed with consideration given to a limited expansion of the present criteria.

(3) An examination of the present criteria revealed that there are some inequities and that a limited expansion could be satisfactorily accomplished. The proposed expanded criteria include two veterans' groups: (1) veterans awarded any one of the following: Distinguished Service Cross (Air Force Cross or Navy Cross), Distinguished Service Medal, Silver Star, or Purple Heart; and (2) veterans whose service has resulted in permanent disability of 30% or greater.

(4) On 31 August 1976, the Subcommittee again held hearings to consider eligibility for Arlington. The Army testimony supported a change to the criteria.

b. Review of interment regulations.

(1) Certain unique situations have arisen within the last several months which have required detailed explanations to the general public and the Congress concerning controversial interments made in Arlington.

(2) The regulations are being reviewed to insure that the provisions are specific enough to avoid an inadvertent decision in certain unique situations which would otherwise be contrary to good policy.

3. DOD POSITION: To support and approve the concept of the revised criteria as being staffed.

4. CURRENT STATUS:

a. Change 1 to AR 290-5 is presently being staffed and should be approved during the month of December.

b. Review of regulations and any necessary policy decisions will be completed in December.



47

ARLINGTON NATIONAL CEMETERY

1. SUBJECT/ISSUE: Columbarium Eligibility Criteria.

2. BACKGROUND:

a. Statistics indicate a significant upward trend in the number of cremated remains being interred in Arlington. Cremated remains are presently interred in the same manner as casketed remains.

b. In 1966, a Master Plan for Arlington National Cemetery was developed by an architectural firm to include a Chapel/Columbarium which would extend the active life of the cemetery. The proposed structure would have contained 50,000 niches and could receive 100,000 cremated remains. However, due to inflation, construction of this project was cancelled. It was decided that chapel facilities at Fort Myer would continue to be used and that a 10,000-niche Modular Columbarium would be substituted for the original plan. The Modular Columbarium concept can be expanded in 10,000-unit increments as the need arises. It is proposed that the criteria for the Columbarium will include the interment of the cremated remains of veterans not now eligible for burial but eligible for interment in other national cemeteries.

c. The criteria proposed for the Columbarium are consistent with those used by the DA when the national cemeteries were under its jurisdiction. The current regulation of the National Cemetery System, Veterans Administration, governing burials in national cemeteries is also consistent with the proposed criteria.

d. Congress has expressed considerable interest in the proposed Columbarium.

3. DOD POSITION: Columbarium concept has been approved.

4. CURRENT STATUS:

a. Funds have been appropriated by the Congress for the Columbarium, and construction is expected to commence in November 1977 with completion in January 1979.

b. A change to AR 290-5 is required concerning eligibility criteria for interment and will be staffed through the Army staff and submitted for approval to SECDEF in 1977.

1-17

ARLINGTON NATIONAL CEMETERY

1. SUBJECT/ISSUE: Conversion of FY 1978 In-House Forces to Contract.

2. BACKGROUND:

a. The Appropriation "Cemeterial Expenses, Department of the Army" is a Civil Function of the DA covering necessary expenses incurred in the maintenance, operation, administration, and construction costs at Arlington National Cemetery (ANC). Since this is a No-Year appropriation, the funds appropriated are available for obligation and disbursement for an indefinite period of time. The annual budget is presented each spring before the House and Senate appropriations committees. Prior to presentation to the committees, the budget is submitted to OMB for review and issuance of Program/Budget Decision (PBD).

b. PBD #12, 29 October 1976, directed that in FY 1978, security guards (-27) and maintenance personnel (-98) be contracted out. OMB indicated that the security and maintenance functions at the cemetery were appropriate for contracting out in compliance with the provisions of OMB Circular A-76, "Policies for Acquiring Commercial or Industrial Products or Services for Government Use." OMB Circular A-76 indicates that maintenance contracting out shows increased productivity and lower cost than use of federal employees.

c. A reclama to the PBD was submitted through channels based on the following: ANC is the largest single tourist attraction in the National Capital Area. It is a National Shrine which commemorates national heroes and a site for Ceremonies of State, as well as an active cemetery which clearly expresses the Nation's reverence and gratitude for the honored dead. Any action or incident affecting ANC is subject to an inordinate magnitude of national publicity.

3. DOD POSITION: Concurs in the contracting of security guard service; however, Army did not concur in contracting out ANC maintenance operations.

4. CURRENT STATUS: OMB has indicated that the reclama has been disapproved, and contracting out will be accomplished per PBD #12.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: Consolidation of the retail stores of the Panama Canal Company with the military commissary and post exchange systems in the Canal Zone.

2. BACKGROUND:

a. The Panama Canal Company currently operates in the Canal Zone an extensive system of retail outlets which include supermarkets, superettes, bowling alleys, department stores, gasoline stations, cafeterias, vending machines, a laundry, a pastry bakery, and barber/beauty shops. These facilities serve all residents of the Canal Zone, but are primarily intended for the use of personnel employed by agencies other than the United States military. Prices charged by the facilities are equivalent to those of the New Orleans area.

b. The United States Army operates in the Canal Zone a system of commissary stores for the use of the military forces and their civilian employees. These commissaries are a part of the military commissary store system which is subsidized by appropriated funds. Prices are comparable to those charged in similar military facilities throughout the world.

c. The Army-Air Force Exchange System (AAFES) operates in the Canal Zone a system of post exchanges for the use of the military forces and their civilian employees. Appropriated funds are involved only indirectly in support of this operation.

d. The Assistant Secretary of the Army (Civil Works) has consistently viewed the retail sales store systems which exist in the Canal Zone as duplicatory and, to some degree, competitive. He is of the opinion that consolidation of these United States Government facilities could result in savings to all concerned.

3. DOD POSITION: The Secretary of the Army has consistently endorsed efforts of the ASA(CW) to reduce costs of

50

operating the Canal Enterprise and of maintaining Army forces in the Canal Zone. The retail sales facility consolidation is certainly in consonance with this policy.

4. CURRENT STATUS: On 20 August and 1 November 1976 the ASA(CW) wrote the Director of the Army Staff asking that a study be undertaken to determine the magnitude of savings which might accrue as the result of consolidating these retail facilities. On 17 November a conference was held in the Pentagon to discuss possible consolidation alternatives.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: Use of the flexible budget concept by the Panama Canal Enterprise as a management control device within the federal budget.

2. BACKGROUND:

a. The Panama Canal Company and the Canal Zone Government are independent agencies of the United States Government. These two agencies together, known as the Panama Canal Enterprise, are required by law to be self-supporting; that is the revenues from tolls and other services must be sufficient to cover the cost of all operations.

b. Even though no appropriated funds are involved, the Canal Enterprise submits its budget annually in the same manner as any other Federal agency. This budget is based on an expected volume of Canal traffic and the best projections possible as to revenue. Although traffic projections may not materialize, the Canal Enterprise continues to operate within the approved budget.

c. It is obvious that the Federal Budget System is not well suited for a Government activity such as the Panama Canal Enterprise.

3. DOD POSITION: The Assistant Secretary of the Army (Civil Works) has urged that the Canal Enterprise submit annually as its federal budget the best estimate available as to revenue and expenses. However, within the agency there would be developed several other budgets based on variables which impact on Canal operations. For example, if estimates of Canal traffic do not materialize then a budget based on the reduced revenue would be available for implementation.

4. CURRENT STATUS: The President of the Panama Canal Company, Harold R. Parfitt, informed the Board of Directors at its July 1976 meeting that he would develop a flexible budget for internal use by the Canal Enterprise. The Assistant Secretary of the Army (Civil Works) will be briefed in early December on progress made by the Company to date in developing the flexible budget.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: The zero-based budget process as a trial management control project for the Canal Enterprise.

2. BACKGROUND:

a. The Assistant Secretary of the Army (Civil Works) is concerned with the cost of operations being conducted by the Panama Canal Company and the Canal Zone Government. The Canal Enterprise has operated at a deficit for the past four years even though tolls were increased 19.7% in July 1974 and the rules for measurement of vessels were changed in March 1976 which resulted in an increase in toll revenue of 4.5%.

b. The Governor of the Canal Zone is now conducting a zero-based budget review in two important functional areas of the Canal Enterprise. In the Panama Canal Company, the field of communications will be studied; while in the Canal Zone Government, the educational system (elementary, junior and high schools, as well as, the Canal Zone College) will be reviewed.

c. These zero-based budget reviews will involve an indepth study of the two functions to determine the impact of eliminating aspects of the activity, the feasible alternatives, the basic minimum service required and what additional service might be appropriate. Management from the lowest level to the top will become involved in this functional review.

d. The zero-based budget will initially be limited in scope and conducted on a trial basis. After evaluating the results of this first phase, a determination will be made as to continuation of the project.

3. DOD POSITION: The Assistant Secretary of the Army (Civil Works) is convinced that this complete review of two basic functions of the Canal Enterprise will be most beneficial.

4. CURRENT STATUS: The Governor of the Canal Zone will periodically review with the Assistant Secretary of the Army (Civil Works) progress which is being made in conducting this zero-based evaluation. The first review is scheduled for early December 1976.

A-55

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: The status of morale of the employees of the Panama Canal Company and the Canal Zone Government.

2. BACKGROUND:

a. The Governor of the Canal Zone, Harold R. Parfitt, considers the current low state of Canal Enterprise employee morale to be one of his most significant problems. The present level of morale can be attributed to three major factors: (1) the on-going treaty negotiations with the Republic of Panama, (2) changes in Canal Enterprise educational and housing assignment systems, and (3) recent austerity measures initiated by management of the Canal Enterprise.

b. Treaty negotiations have been underway now for 13 years. The United States and Panama have agreed to confidentiality of the negotiations; however, when it serves its own purposes, Panama does not hesitate to release confidential information. The United States, on the other hand, reveals almost nothing regarding the talks. Canal employees, therefore, hear little from their own government but a great deal from Panama concerning the negotiations. The Chief Negotiator, Ambassador Ellsworth Bunker, has attempted to reassure employees; however, the generality of his assurances have made them of little value in easing fears.

c. During 1976 several social changes were initiated in the Canal Zone which had a great impact on employees. Steps were initiated to discontinue the Latin American School System and to consolidate it with the U.S. School System. This was necessary in order to eliminate the perceived racial prejudice. For the same reason the system of separate United States and Latin American housing areas was discontinued. In addition, the number of security positions, that is those jobs reserved for U.S. citizens, was reduced by almost 50%. These actions were resisted vigorously by U.S. citizen residents.

d. The depressed world economic situation and opening of the Suez Canal has caused a drop in Canal traffic. In addition, inflation has had an important impact on operations of the Canal. The Canal Enterprise has, therefore,

4-54

been required to initiate a number of austerity measures, which included a 1,000 man reduction-in-force. These actions have, of course, had a major impact on employee morale.

3. DOD POSITION: The Assistant Secretary of the Army (Civil Works) has strongly supported a toll increase which would relieve financial pressures on the Canal Enterprise. An increase in tolls would indicate to employees that the total effort to balance the budget would not be effected through austerity measures alone. In addition, the Assistant Secretary has consistently and repeatedly asked the treaty negotiators to conduct discussions with Panama on Canal Enterprise employee benefits and rights which would prevail under a new treaty. Hopefully, after agreement were reached regarding this matter some type of public announcement would be possible. Such action would benefit both the U.S. and Panama.

4. CURRENT STATUS: On 18 November 1976, President Ford signed into effect a toll increase of 19.5%. This should be welcomed by Canal employees.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: It would be advantageous for the Panama Canal Company Board of Directors to continue to function effectively throughout the coming Presidential transition period.

2. BACKGROUND:

a. The President of the United States has designated the Secretary of Army as "Stockholder" of the Panama Canal Company. The Stockholder appoints the nine to thirteen members of the Board of Directors of the Company. According to the Company By-Laws, the Directors "serve at the pleasure of the Stockholder."

b. Although the Stockholder of the Panama Canal Company notifies Board members of their appointments, the selection process is, in fact, traditionally conducted by the White House. Board members have in past Presidential transitions which involved a change in political party tendered their resignations effective with the inauguration of the new President. The incoming Administration has usually taken as long as six to eight months in replacing members of the Board.

c. Early in 1977, the Panama Canal Company will be faced with a number of critical issues. The continuing operation of an effective Board of Directors during this period will be most important to the future of the Canal.

3. DOD POSITION: The Secretary of the Army has directed that action be initiated now which would insure continuous and effective functioning of the Panama Canal Company Board of Directors throughout the coming Presidential transition period.

4. CURRENT STATUS: The ASA(CW), on 22 November 1976, wrote to each of the current Board members asking that they submit their resignations to the Stockholder at the January 1977 Board Meeting which will be conducted in the Canal Zone. He requested that no effective date for the resignation be stated. The Board would, therefore, continue in office until resignations were accepted by the incoming Stockholder, hopefully after new Board appointments had been determined.

A-56

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: Participation by the Governor of the Canal Zone in the activities of Canal Zone Civilian Personnel Policy Coordinating Board.

2. BACKGROUND:

a. Section 311 of Public Law Number 94-387, The Canal Zone Government Appropriations Act, states that:

"No funds appropriated or made available by this Act shall be used to implement the provision of section 155 of title 2 of the Canal Zone Code relating to the establishment of employment standards, pay levels and other conditions of employment within the Canal Zone."

b. Section 155 of Title 2, Canal Zone Code, is quoted as follows:

"The President shall coordinate the policies and activities of the respective departments under this subchapter, and may promulgate regulations necessary and appropriate to carry out the provisions and accomplish the purposes of this subchapter."

c. In order to carry out the provisions of Section 155, the Secretary of the Army has formed the Canal Zone Civilian Personnel Policy Coordinating Board. This Board consists of the ASA(CW), the Governor of the Canal Zone and the Commander-in-Chief, U.S. Southern Command. The Board meets quarterly in the Canal Zone.

d. The originators in Congress of Section 311 have stated that their intent in proposing the legislation was to return to the Governor the authority he once had over determination of civilian personnel policy; that is the authority which he possessed prior to 1975 when the Secretary of the Army added his own representative to the Board. Before that date the Board had consisted of only the Governor and the CINC.

e. On 8 September 1976, the Governor of the Canal Zone requested that the Comptroller General render a decision regarding the impact of this Congressional action.

3. DOD POSITION: The ASA(CW) is of the opinion that limiting the Governor's participation in the activities of the Board would have an affect opposite of that intended by the originators of Section 311. It would, in fact, diminish rather than increase the Governor's authority.

4. CURRENT STATUS: The General Accounting Office, (GAO) has verbally informed the Office of the Canal Zone Governor that the legislation will result in the Governor not being able to participate in the activities of the Board. No written response has as yet been received.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: The labor relations program which exists in the Canal Enterprise has been subjected to considerable union criticism.

2. BACKGROUND:

a. The Panama Canal Company/Canal Zone Government, under proper authority, has excluded itself from the provisions of Executive Order 11491. Canal Zone unions, therefore, do not have the right of collective bargaining nor exclusive recognition. Labor relations are based on a program of consultation. The decision not to apply E.O. 11491 in the Canal Zone was made in 1970 by both Secretary of the Army Resor and Governor Leber of the Canal Zone.

b. Labor unions in the Canal Zone have been consistently vocal in their opposition to the existing program of labor relations. They demand the right to collectively bargain, saying that the program of consultation is ineffective. The labor unions claim that management makes a proposal, asks for union comments and then proceeds to carry out its proposal regardless of what comments were made by unions. Management, on the other hand, responds that unions only ask that entire management proposals be withdrawn and do not provide meaningful comments.

c. In order to help overcome this dissatisfaction with the consultation process, a written document which outlines policy and procedures for consultation has been prepared, concurred in by unions, and widely distributed. In addition, a special Labor/Management Committee has been formed to study various systems of collective bargaining which might prove acceptable to both management and labor.

3. DOD POSITION: The Assistant Secretary of the Army (Civil Works) is firmly convinced that every effort should be made by the Canal Enterprise to improve labor/management relations. He endorses efforts to make the current consultation process more meaningful. This includes conducting an extensive program of labor relations training for managers.

4. CURRENT STATUS: The Canal Enterprise is currently involved in discussions with labor unions regarding replacement labor relations systems.

Both labor and management have in recent months conducted labor relations seminars; therefore, the level of competence in labor/management relations has been improved.

P-60

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: The continued operation of the SS CRISTOBAL by the Panama Canal Company versus alternative modes of supply.

2. BACKGROUND:

a. The Panama Canal Company operates a combination cargo/passenger vessel, the SS CRISTOBAL, which has a passenger capacity of 12 and a cargo capacity of 9,100 tons. The vessel makes 25 roundtrips annually between the Canal Zone and New Orleans. It provides a sure line of supply which is under United States Government control. The SS CRISTOBAL is in excellent condition and can be expected to operate until 1990 with no major overhauls or extraordinary repair expenses.

b. The Board of Directors, Panama Canal Company, in early 1976, directed that the President of the Company conduct an in-depth evaluation of the SS CRISTOBAL operations to determine if an alternative supply mode would be financially advantageous. In July 1976 the Company President reported to the Board on the matter, however, it was determined that further refinement of the study was necessary. At the October 1976 Board meeting each member was provided a copy of the refined study.

c. The study indicates that a cost comparison of the ocean transport alternatives shows significant savings attributable to the use of the SS CRISTOBAL ranging from a minimum of \$300,000 to more than \$3,600,000 per year. The savings, due largely to differences in ocean freight, also reflect the adverse impact of SS CRISTOBAL alternatives on the railroad, marine bunkering, warehousing, cargo expediting and other related Company Government operations.

d. A number of nonfinancial impacts were also identified in the study. Alternatives to the SS CRISTOBAL would: (1) reduce the many efficiencies inherent in the present free-flow cargo delivery system; (2) adversely affect control over scheduled deliveries; (3) increase risk of stock-outs and shortages; (4) lower responsiveness to operational/logistical requirements; and (5) jeopardize continuity of operations in the event of strikes in the U.S. ports.

e. United States shippers have been consistent in their criticism of SS CRISTOBAL. They insist that a one-ship line can certainly not be cost effective and further they say that competing shippers are required to offset the losses of the SS CRISTOBAL through higher Canal tolls.

3. DOD POSITION:

4. CURRENT STATUS: The issue will come before the Board at its January 1977 meeting.

PANAMA CANAL ISSUES

1. SUBJECT/ISSUE: The development of job grading standards for manual category jobs not covered by published Federal Wage System (FWS) standards.

2. BACKGROUND:

a. The Civil Service Commission has published job grading standards which cover some 4,800 of the 7,700 Canal Enterprise manual category jobs. The remaining 2,900 jobs will be covered by Canal Zone Civilian Personnel Policy Coordinating Board developed or adopted standards.

b. At its 29 January 1976 meeting the Board approved an extension for initial application of the FWS type locally developed standards. Indefinite pay saving provisions would apply to those employees affected until 31 March 1977. This extension was required in order to afford the Board and agencies sufficient time to develop, coordinate, publish and apply the new standards.

c. The Executive Officer of the Board met with Canal Zone agencies and assigned responsibility for preparation of the standards. In addition the Executive Officer consulted with representatives of Canal Zone unions and apprised them of the procedure to be used in developing the standards.

d. The Canal Enterprise is currently making good progress in the development of its assigned standards. There are indications, however, that jobs may be subject to downgrading. Positions affected include stevedores, line handlers, oilers and boatmen.

4-63

3. DOD POSITION: The Assistant Secretary of the Army (Civil Works) has not yet established a position regarding this matter. Additional information from agencies and labor unions is required and further study of other associated factors will be necessary.

4. CURRENT STATUS: This matter will be discussed at the January meeting of the Canal Zone Civilian Personnel Policy Coordinating Board. In the meantime, agencies will continue with the process of job evaluation, perhaps asking the Civil Service Commission to review proposed job grading standards.

A-122

THE PANAMA CANAL TREATY NEGOTIATIONS

1. (U) SUBJECT/ISSUE: General Status of the Panama Canal Treaty Negotiations.

2. BACKGROUND:

a. (U) General. The United States and Panama are currently involved in negotiations for a new treaty to replace the Treaty of 1903. In the Treaty of 1903, Panama granted to the United States -- in perpetuity -- the use of a 10-mile wide zone of Panamanian territory for the "construction, maintenance, operation and protection" of a canal, as well as all the rights, power and authority within that zone which the United States would "possess as if it were the sovereign." The very favorable terms of the treaty were a major factor in the U. S. decision to build the canal in Panama rather than in Nicaragua, which was widely favored at the time.

b. (U) Panama's Treaty Concerns. Panama has been dissatisfied with the existing treaty since its inception in 1903. Panamanians have blamed what they consider to be its highly unfavorable terms on the unusual circumstances under which the treaty was negotiated and ratified. They say that Panama's dependence upon the United States to protect its new-found independence from Colombia seriously limited its bargaining strength in the negotiations. Adding to their complaints, they note that the Panamanian negotiator was a French stockholder in the bankrupt French canal company - a company which benefited considerably when the United States purchased its assets.

Through the years Panama also has been dissatisfied with the level of direct economic benefits it receives from the canal. It has charged that in relation to the valuable rights and privileges granted to the United States, its share of canal revenue is inadequate.

Panamanian discontent, however, is primarily political. It is focused on the treaty's terms which granted to the United States "in perpetuity" sweeping jurisdiction powers as "if it were the sovereign," over 550 square miles of Panamanian

216

territory. The problem, Panama asserts, is that the United States operates a full-fledged foreign government on Panamanian territory. To back up its contention Panama states that the United States exercises almost total jurisdictional rights, maintaining a police force, courts, and jails to enforce U. S. laws which are applicable equally to Panamanian as well as U. S. citizens in the Canal Zone. The United States controls all legal activity from murder trials to marriage and divorce actions. In addition, Panama charges that the U. S. Government operates virtually all commercial enterprises within the Canal Zone, thereby unfairly denying Panamanians the ability to compete for business opportunities. Moreover, they state that the United States controls all the deep-water port facilities which serve Panama and holds large land and water areas which could productively benefit Panama's economy. Panama also claims that the Canal Zone, which cuts across its heartland, has seriously curbed the growth of its urban areas. Finally, Panama notes that we pay but \$2.3 million annually for these immensely valuable rights -- rights which, under the existing treaty, the United States can continue to have forever.

Over the years the United States has attempted to respond to some of Panama's most pressing concerns. The 1903 treaty was revised in 1936 and again in 1955. As a result Panama now receives a greater share of the economic benefits related to the canal. Also, certain outdated powers have been eliminated, such as our right to interfere in Panama's internal affairs.

Despite these modifications, however, the most objectionable feature in the present treaty from Panama's viewpoint -- the U. S. exercise of rights over the Canal Zone as if it were sovereign forever -- has remained unchanged.

In recent years the other Latin American nations have strongly supported Panama's quest for a more modern treaty. They have made the negotiation of a new treaty a major hemispheric issue as well as a general test of U. S. intentions regarding all of Latin America.

c. (U) Chronology of Negotiations Prior to 7 February 1976.
Today the canal is the major political issue in Panama and in Panamanian-U. S. bilateral relations. The intensification of Panama's desire for more equitable treaty terms has produced severe stress in our relations; this was most notable in January 1964 when riots led to the deaths of 20 Panamanians and 4 Americans.

1-6

During 1964 the status of the canal was debated in the United Nations, the Organization of American States, and other international bodies. Later that year President Johnson, after consulting with Presidents Truman and Eisenhower, and with bipartisan support, made a public commitment to negotiate a wholly new, fixed-term canal treaty. President Nixon and President Ford subsequently reaffirmed that commitment.

In 1967 three draft agreements were prepared but neither government moved to ratify them. Later the Government of Panama, under General Omar Torrijos, formally rejected these draft treaties. The United States and Panama renewed negotiations in 1971 but progress was limited.

In March 1973 the U. N. Security Council met in Panama City and debated a resolution which supported Panama's position on the canal issue. Although the U. S. Permanent Representative to the U. N. vetoed the particular terms of the resolution on the grounds that it recognized Panama's concerns but not those of the United States, he did reaffirm the U. S. commitment to peaceful adjustment of its differences with Panama. In September 1973 Ambassador at Large, Ellsworth Bunker, was charged with the task of resuming negotiations with Panama. During succeeding months, Ambassador Bunker met with Panamanian officials to work out a common approach to future treaty negotiations.

On February 7, 1974, Secretary of State Kissinger and Panamanian Foreign Minister Juan Antonio Tack met in Panama City and signed a Joint Statement of Principles which has served as the framework for the present negotiations.

d. (U) Joint Statement of Principles (7 February 1974).

"1. The Treaty of 1903 and its amendments will be abrogated by the conclusion of an entirely new interoceanic canal treaty.

"2. The concept of perpetuity will be eliminated. The new treaty concerning the lock canal shall have a fixed termination date.

"3. Termination of United States jurisdiction over Panamanian territory shall take place promptly in accordance with terms specified in the treaty."

4-11

"4. The Panamanian territory in which the canal is situated shall be returned to the jurisdiction of the Republic of Panama. The Republic of Panama, in its capacity as territorial sovereign, shall grant to the United States of America, for the duration of the new interoceanic canal treaty and in accordance with what that treaty states, the right to use the lands, waters and airspace which may be necessary for the operation, maintenance, protection and defense of the canal and the transit of ships.

"5. The Republic of Panama shall have a just and equitable share of the benefits derived from the operation of the canal in its territory. It is recognized that the geographic position of its territory constitutes the principal resource of the Republic of Panama.

"6. The Republic of Panama shall participate in the administration of the canal, in accordance with a procedure to be agreed upon in the treaty. The treaty shall also provide that Panama will assume total responsibility for the operation of the canal upon the termination of the treaty. The Republic of Panama shall grant to the United States of America the rights necessary to regulate the transit of ships through the canal and operate, maintain, protect and defend the canal in accordance with what is agreed upon in the new treaty.

"7. The Republic of Panama shall participate with the United States of America in the protection and defense of the canal in accordance with what is agreed upon in the new treaty.

"8. The United States of America and the Republic of Panama, recognizing the important services rendered by the interoceanic Panama Canal to international maritime traffic, and bearing in mind the possibility that the present canal could become inadequate for said traffic, shall agree bilaterally on provisions for new projects which will enlarge canal capacity. Such provisions will be incorporated in the new treaty in accord with the concepts established in principle 2."

e. Chronology of Negotiations Subsequent to 7 February 1974.

(U) Subsequent to 7 February 1974, representatives of the two governments met several times in Panama and Washington to define the major issues involved in negotiating the new treaty arrangement. The issues thus identified were the following:

4-68

1. DURATION. How long will the new treaty remain in force?

2. OPERATION AND DEFENSE. What rights and arrangements are necessary for the United States to continue to operate, maintain, and defend the canal effectively?

3. LANDS AND WATERS. What geographic areas will the United States require to accomplish its purpose?

4. JURISDICTION. How soon and under what arrangements will U. S. jurisdiction terminate? What functions will continue to be performed by the United States after its jurisdiction has terminated?

5. EXPANSION OF CAPACITY. How will the new treaty provide for possible enlargement of the canal?

6. PARTICIPATION. How will Panama participate in the administration and defense of the canal?

7. COMPENSATION. What will be the economic form and level of benefits to Panama under the new treaty?

(U) In June 1974, Ambassador Bunker and Foreign Minister Tack began substantive talks aimed at resolving these major issues. Since June 1974, the negotiating teams of both governments have been attempting to resolve these major issues, at the conceptual level, by means of "threshold" agreements addressing these major issues only, leaving other peripheral, or subsidiary, issues to be resolved in the treaty drafting stage of the negotiations.

1-67

(U) In October 1975, at the request of the Department of Defense, Ambassador Bunker accepted an additional Deputy U. S. Negotiator, LTC' Welborn G. Dolvin (USA Ret.), to represent, at the deputy negotiator level, the Department of Defense and the Office of the Secretary of the Army.

f. (U) Party Platform Statements. Significantly, the platforms of both political parties supported the canal treaty negotiations, with, however, various caveats. The Democratic Party Platform Statement was as follows:

"We pledge support for a new Panama Canal treaty, which insures the interest of the United States in that waterway, recognizes the principles already agreed upon, takes into account the interests of the Canal work force and which will have wide hemispheric support."

The Republican Party Platform Statement was as follows:

"The present Panama Canal Treaty provides that the United States has jurisdictional right in the Canal Zone 'as if it were the sovereign.' The United States intends that the Panama Canal be preserved as an international waterway for the ships of all nations. This secure access is enhanced by a relationship which commands the respect of Americans and Panamanians and benefits the people of both countries. In any talks with Panama, however,

A-13

the United States negotiators should in no way cede, dilute, forfeit, negotiate or transfer any rights, power, authority, jurisdiction, or territory or property that are necessary for the protection and security of the United States and the entire Western Hemisphere."

2-71

THE PANAMA CANAL TREATY NEGOTIATIONS

1. (U) SUBJECT/ISSUE: Negotiating issues of particular interest to the Secretary of the Army.

2. BACKGROUND:

(U) The negotiating teams of both countries are still in the process of attempting to reach conceptual agreement on the major issues in the negotiations. Among the currently identified major issues, which are to be addressed at the conceptual level, are four items of particular interest to the Secretary of the Army: lands and waters; the nature of the entity that will operate the canal under a new treaty; the economic benefits that Panama will receive on account of the new treaty; and, the jurisdictional rights and privileges that the G.O.P. will by treaty extend to the employees of the new entity.

1-17

3. ARMY POSITION:

A-73

4. CURRENT STATUS:

WILDLIFE - ANIMAL DAMAGE CONTROL

1. SUBJECT/ISSUE: Action underway to control wildlife populations on Army installations where overpopulations of certain species are related to health and safety hazards and economic loss. The Army works with Federal, State and local communities in devising and conducting population control measures in an environmentally acceptable manner.

2. BACKGROUND:

a. Huge migratory blackbird populations winter-roosting on Ft. Campbell, Kentucky and Milan Army Ammunition Plant, Tennessee caused concern for agricultural crops, loss of suckling pigs (gastroenteritis), histoplasmosis and aircraft bird strikes. National controversy developed over mass killing of blackbirds, particularly the use of Avian Stressing Agent PA-14. Army was prime target because of ideal location for major winter roosts.

b. Major Army installations totaling 267,000 acres (Ft. Ord, Ft. Hunter Liggett and Camp Roberts) and located within the normal range of the California ground squirrel (*Citellus beechyi*). Programs to control populations at acceptable levels had been conducted on Army lands in cooperation with appropriate Federal, State and local agencies for several years. One of the more effective and economical toxicants used was compound 1080 (sodium fluoroacetate) a secondary poison. It was applied selectively on colonies by aerial dispersion. Possession of the bait was unlawful and could only be applied under the direct supervision of the County Agricultural Commissioner. Presidential E.O. 11870 prohibits use of secondary poisons on Federal lands. Army ceased cooperative control actions and populations increased resulting in political pressure from adjoining ranchers due to population spill-over on their lands. Army again became the prime target of controversy because of large uncontrolled acreage within the squirrel range.

3. DOD POSITION:

a. Maintain conditions on the installation essential to the health, safety and welfare of installation occupants.

75

b. Cooperate with Federal, State and local policies, standards and procedures as essential for an area control of animal damage, consistent with DOD missions.

4. CURRENT STATUS:

a. Blackbirds - Installations are prepared for immediate cooperation with local and state governments after approval by the Department of the Interior (USDI) who is the controlling authority to use PA-14. Use of the material must be coordinated with their field offices.

(1) Ft. Campbell - Populations are light (estimates 200,000). Installation is prepared to cooperate on short notice.

(2) Milan Army Ammunition Plant - Populations are exceptionally heavy. A contract with a local spray unit to apply PA-14 is ready to react within 2-3 hours.

b. Ground squirrels - Army has been assigned the lead role by DOD for control operations on DOD installations. The Sacramento District Engineer in conjunction with Fort Ord is preparing an EIS with the intent of completing it prior to the spring feeding season (April-June). Installations are maintaining an on-going effort to control ground squirrels and fleas with authorized materials and methods in areas of high human activity to respond to The Surgeon General's decision that a plague potential exists and precautionary measures are essential. FORSCOM (AFEN-FE) is maintaining surveillance over progress and coordinating action between elements of training operations, medical, engineer and National Guard.

26

SOLID WASTE MANAGEMENT - RESOURCE RECOVERY AND RECYCLING

1. SUBJECT/ISSUE: Actions underway to implement new Environmental Protection Agency (EPA) guidelines on solid waste source separation and resource recovery which result in new requirements for the Army to establish operations and facilities to separate and recover materials and energy from solid waste.

2. BACKGROUND: EPA has issued guidelines with principal requirements, as follows:

a. Solid Waste Management Guidelines - Source Separation for Materials Recovery; 24 May 1976.

(1) High-grade paper generated in office facilities of over 100 workers shall be separated at the source of generation, separately collected and sold for the purpose of recycling.

(2) Separation of used newspapers at the source of residential generation in conjunction with separate collection shall be carried out at all Federal facilities in which more than 500 families reside, and the newspapers shall be sold for the purpose of recycling.

(3) Any commercial establishment generating ten or more tons of waste corrugated containers per month shall separately collect and sell this material for the purpose of recycling.

b. Solid Waste Management Guidelines - Resource Recovery Facilities, 21 September 1976.

(1) A federal facility that generates, collects, or disposes of 100 tons or more per day of residential, commercial, or institutional solid waste shall establish and/or utilize resource recovery facilities to separate and recover materials or energy or both from this solid waste.

(2) If any one Federal facility within a Standard Metropolitan Statistical Area (SMSA) generates 50 tons or more of residential, commercial, or institutional solid waste per day, and if the combined total of this solid waste for all Federal facilities within the SMSA is 100 tons or more per day, all Federal facilities within that SMSA shall establish and/or utilize a

single resource recovery facility to separate and recover materials or energy or both from this solid waste. The agency that generates the largest quantity of residential, commercial, and institutional solid waste in the SMSA shall be designated the lead agency in the resource recovery facility planning process. The lead agency shall be responsible for planning, organizing, and managing the joint resource recovery activities of the agencies in the SMSA.

3. DOD POSITION: DOD Directive 4165.60, Solid Waste Management - Collection, Disposal, Resource Recovery and Recycling Programs, 4 October 1976, implements the above guidelines.

4. CURRENT STATUS:

a. Contract awarded in June 1976 for study to determine optimum method(s) for implementation of Source Separation guidelines. Final draft study report received 15 November 1976.

b. Demonstration project to field test study recommendations being planned, to begin in early CY 1977. Fort Meade has been tentatively selected as demonstrated site, pending concurrence by FORSCOM and Fort Meade. Concurrence requested 18 November 1976.

c. Annual tonnage figures required by Resource Recovery guidelines for installations within SMSA's reported to DOD on 17 November 1976.

d. Army regulations required to implement DOD Directive 4165.60 are under preparation. Draft copies will be furnished to MACOM's for comment prior to publication. Copies must be furnished to DOD by 2 January 1977.

e. The Defense Supply Agency (DSA) has been requested by DOD to develop a plan to test various resource recovery facility options upon which policy decisions can be made relative to the Resource Recovery guidelines. The military services are assisting DSA on an ad hoc committee.

A-77

ARMY COMPLIANCE WITH THE
NATIONAL ENVIRONMENTAL POLICY ACT

1. SUBJECT/ISSUE: Training and programs to improve compliance with the National Environmental Policy Act (NEPA) in major Army actions.

2. BACKGROUND: The National Environmental Policy Act (NEPA) requires that all major Federal actions significantly affecting the quality of the human environment be systematically assessed and the environmental amenities considered in the decision-making process. The Council on Environmental Quality (CEQ) has promulgated Guidelines on Preparation of Environmental Impact Statements which implement the NEPA. The policy is further promulgated by DOD and is implemented, for the Army military functions (excludes Civil Works), in Army Regulation 200-1. There are several areas of Army activity where NEPA has had a significant impact.
 - a. Army actions to close or reduce the work force at installations have been stopped, in a few cases, by judicial action based on citizen suits until additional documentation of environmental impacts have been produced.

 - b. Army actions to expand or develop new facilities or initiate new programs can be delayed unless proper attention is paid to the environmental aspects in the decision-making process.

3. DOD POSITION: In accordance with the DOD position the Army is required to assess the environmental consequences of all actions early in the planning stage. When the environmental impact could be significant an Environmental Impact Assessment (EIA) is prepared to determine if the Environmental Impact Statement (EIS) is required. A draft EIS is prepared, when required, by the Army activity or installation most knowledgeable of the action's total impact, including environmental aspects. The draft EIS is staffed, by chain-of-command, and when approved by ASA(O) is filed with CEQ, notice is placed in the Federal Register, and copies are sent to interested governmental agencies and public groups. Comment by others is invited and all comments received are evaluated and considered in the preparation of the final EIS. Public hearings

may be held to receive comments and explain the intended action. The final EIS is staffed and, when approved by ASA(CW) for the Secretary of the Army, is filed with CEQ. The decision on the assessed Army action can then be made and, after a 30 day wait, the decision can be implemented. Total elapsed time from initiation of an EIS to decision implementation is typically a minimum of nine months.

To assist Department of the Army (HQDA) in the implementation of NEPA, the ASA(CW) is chairman of the Army Environmental Council, a 16 member council to review and recommend environmental policy and provide policy guidance. A working level Army Environmental Committee chaired by OCE assists the council.

4. CURRENT STATUS: In order to minimize delays or constraints on necessary Army activity it is essential that Army decision-makers recognize the environmental impact early and initiate proper assessments and studies. To improve Army compliance with NEPA the Army has recently completed several actions and has several underway.

a. A team from the Army Logistics Management Center and one from TRADOC recently went to each major Army installation and briefed the Commander and senior staff on their responsibilities and Army policies on compliance with NEPA and the pollution abatement laws.

b. The Army staff is developing a revised regulation to specifically state thresholds that require the preparation of an EIS. This is intended to assist Army Commanders in early identification of actions which would be expected to require an EIS prior to any decision.

c. The Army has recently updated, consolidated, and revised the regulation that states overall Army environmental policy and establishes the Army Environmental Council and Committee. Publication is expected in January 1977.

d. The Army staff has drafted and is finalizing instructions on assessments and studies necessary on realignment actions prior to decision-making. These instructions, when completed, will help insure that realignment decisions are made in full conformance to the provisions of NEPA.

A-20

e. The Secretary of Defense and the Secretary of the Army make annual awards to installations/activities showing outstanding environmental awareness. Previous Secretary of the Army Environmental Award winners have been Forts Sill, Bragg and Carson. This program is designed to advertise and encourage environmental excellence.

f. The Army Logistics Management Center, Ft. Lee, VA, offers two Environmental Management Courses. The course content of both have been revised to put greater stress on the provisions of NEPA.

g. The Office of the Inspector General makes periodic inspections of Army organizations to assess compliance with policy and regulations. The office utilizes guidance in an Army Regulation (AR 20-3) to conduct these inspections. The AR has recently (Jun 76) been modified to add specific questions on NEPA compliance.

DOD INSTALLATION RESTORATION PROGRAM

1. SUBJECT/ISSUE: Actions underway to identify military installations having known or suspected contamination of a nature which would pose a potential threat to human health and safety, as a result of past training, testing, or manufacturing operations.

2. BACKGROUND: The Secretary of the Army approved the charter for Project Manager, Chemical Demilitarization and Installation Restoration on 22 August 1975. At this time, Rocky Mountain Arsenal (RMA), CO and Weldon Springs Chemical Plant (WSCP), St. Louis, MO, were identified as first and second priority for restoration. RMA was further identified to be used as a model to develop technology which would be applicable to future restoration projects.

a. Rocky Mountain Arsenal, CO: In May 1974, diisopropylmethylphosphonate (DIMP) and dicyclopentadiene (DCPE), resulting respectively from the manufacture of GB (nerve gas) and pesticides were detected in surface water draining from a marshy bog on the northern boundary of RMA. In December 1974, the Colorado Department of Health detected DIMP in a well near the city of Brighton, north of RMA and in April 1975, issued three Cease and Desist Orders (to stop the off-post discharges of DIMP and DCPD) against RMA and Shell Chemical Company.

b. Weldon Spring Chemical Plant (WSCP): An inactive Army facility located approximately 25 miles west of St. Louis, MO. The facility was used by the Atomic Energy Commission during the period 1955-1966 for uranium ore processing. The Army reacquired WSCP in 1967 on an "as is" basis. To date the Atomic Energy Commission, now Energy Research and Development Administration (ERDA), has maintained that the Army knew of the radioactivity and the residual explosive contamination from TNT and DNT production (1943-1945) when it reacquired the plant in 1967, therefore it is an Army problem.

Information on radiological contaminants in the surface water exiting WSCP has been previously provided the Missouri State Department of Natural Resources and Region VII of the Environmental Protection Agency by the ERDA. These are currently within the maximum permissible concentrations allowed by Title 10, Code of Federal Regulations, Part 20, for uncontrolled areas.

c. Pine Bluff Arsenal, (PBA) AR: The arsenal has produced and stored chemicals, biological agents, and pyrotechnics. In FY74 a program was initiated to determine the profile of surface contamination. This involved the survey of 33 contaminated areas.

This survey was completed in June 1976. As a result of this effort DDT was found to be migrating by surface routes into the Arkansas River in quantities in excess of EPA standards.

3. DOD POSITION: The Army is the DOD lead service for installation restoration. DOD guidance is to concentrate on real migration problems, which should have first priority; actual restoration should be considered only where plans to reuse or excess the land are firm. The goal is abatement of pollution which has an immediate impact on public health and welfare.

4. CURRENT STATUS: The research effort is concerned with the development of data to support the establishment of environmental standards for contaminants, analytical techniques and instrumentation for identification and quantification of contaminants and development of cost effective methods for decontamination. The operational effort is in sampling, analysis for data management, ecology surveys and monitoring conduct of actual operations.

a. RMA: The major work and cost effort will be a soil and water sampling and analysis program to determine the nature, location and scope of contamination sources on the installation. The second area will be the program to support containment of migrating contaminants to include hydrology and related geotechnical studies on containment migration with the objective of having an interim containment and water treatment system by the end of FY77 and the completion of a data management program.

It is planned to have an interim containment and water treatment system by the end of FY77, a final system at the north boundary operating by the end of FY79 and the system to eliminate the source of contamination by FY82.

b. WSCP: The Army recognizes that a detailed radiological survey of the buildings and real estate to determine levels is required prior to determining final disposition alternatives. The Project Manager, Chemical Demilitarization and Installation Restoration is in the process of letting a contract for the detailed survey and feasible alternatives for disposal.

The University of Missouri and the Francis Howell School District has expressed interest in the administration building and portions of the plant buildings.

ERDA retained ownership of the old areas (approximately 26 acres) west of the Army buildings and coal astash. ERDA wrote Senator Eagleton that these pits would be covered. As of November 1976 this has not happened. The Missouri Congressional Delegation (Senators Symington and Eagleton plus Congressman Huelskamp)

monitors the progress toward final disposition closely.

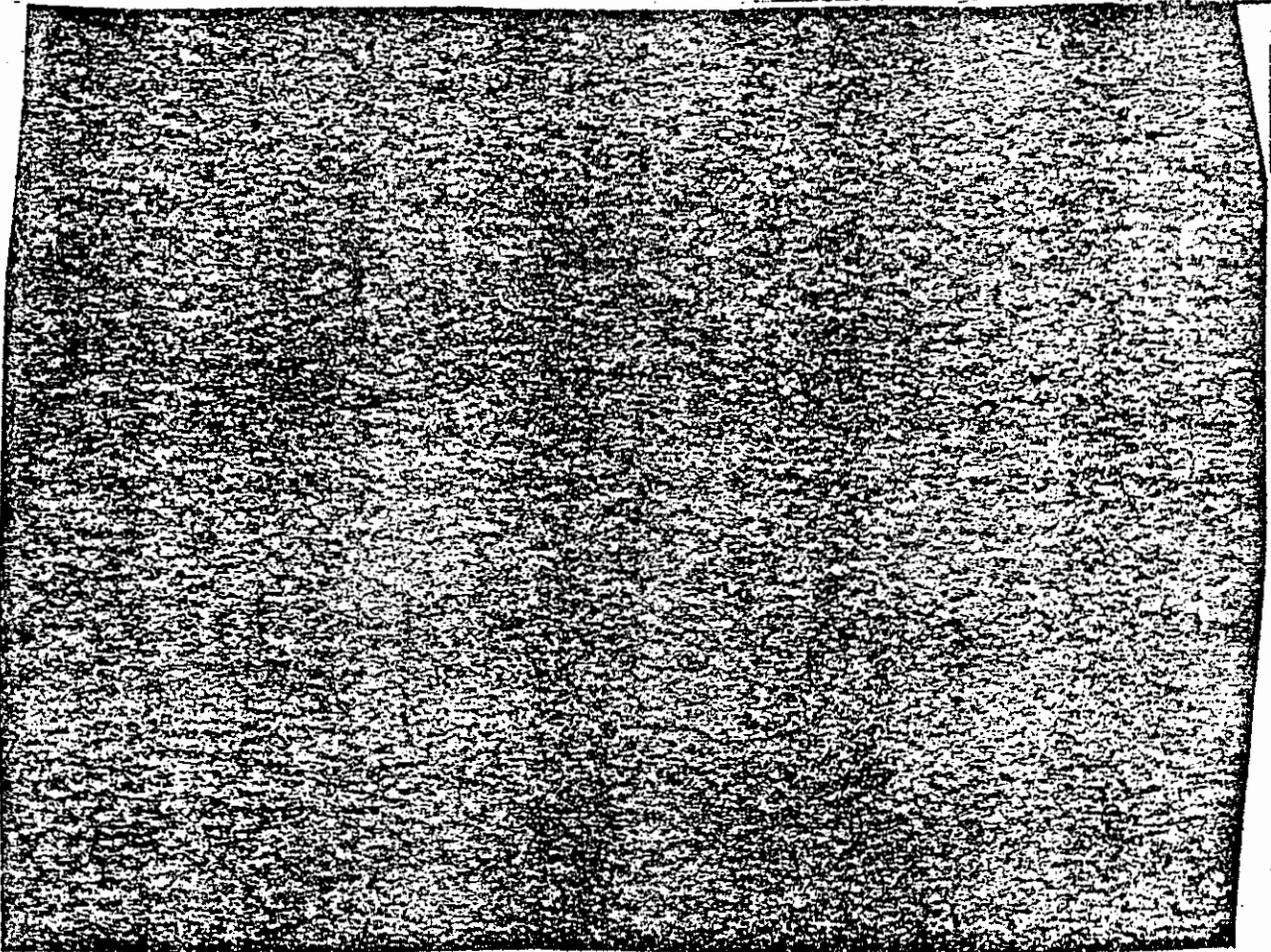
c. PEA: The principal Installation Restoration Activity in FY77 will be the completion of the ongoing program to contain extensive surface deposits of DDT. The planned solution is to remove the heavy contamination to basement structures and cover it with 2 feet of local clay that is highly resistant to penetration of water. The scattered less concentrated deposits will be removed to a single pit and also covered with local clay. Appropriate grading will insure sediment run off is collected in storage basins. The data collected during the 1974-76 survey of 33 geographic sources will be reduced. This data will constitute a base line data for preliminary surveys of arsenal boundaries to identify contaminants which might be migrating off the reservation. A preliminary survey is projected in FY77 in conjunction with the Corps of Engineers Waterways Experiment Station, Vicksburg, Mississippi.

d. Other Site Assessments: The objective is to determine as soon as possible the total Army installation contamination problem. Presently there are 57 Army installations suspected of having contamination. These installations have been prioritized as to the ones having the greatest potential for contamination which will be surveyed first. The initial survey will be a records search to determine the type of contaminant and possibly how bad it is. If the records survey shows a high potential, then a preliminary survey will be conducted to determine the contaminants and applying the DOD criteria of concentration on real migration problems, abatement of pollution which has an immediate impact on public health and welfare or restoration only when plans to reuse or excess the land are firm. There are eight record searches and one preliminary survey scheduled for this year.

THIS PAPER IS EXEMPT FROM RELEASE OUTSIDE THE DEPARTMENT OF DEFENSE IAW
PARA 2-6e, AR 340-17

FY 1978 BUDGET

1. SUBJECT/ISSUE: Status of FY 1978 Budget.



Army: ASA(SM) 17 December 1976

B. 2

FINANCIAL MANAGEMENT ADVISORY COMMITTEE

1. SUBJECT/ISSUE: Army actions to implement FMAC recommendations.

2. BACKGROUND:

a. The Secretary of the Army established the Financial Management Advisory Committee (FMAC) to look into the corrective actions underway, (Financial Management Improvement Program, Customer Order Steering Committee, etc), or needed, in the Army's financial management practices and related fiscal controls exercised over its procurement accounts. The Committee issued their report on 30 June 1976. The FMAC Report acknowledged that much was underway within the Army to improve financial management. However, the report also noted that much remained to be done and certain problems and related actions would require continued attention from top Army managers if the Army was to achieve its overall goal of improving financial management

b. The Committee singled out the customer order program, particularly the complex foreign military sales (FMS) program as the most pervasive cause of the Army's financial problems. The Committee reported that the following areas should be intensively managed:

- Reconciliations
- Program and Fund Control
- Accounting and Reporting
- Management Evaluation and Reporting
- Pricing
- Audit
- Financing Customer Program
- Structure and Resources

Specific corrective actions were recommended for each of the areas identified above.

c. After studying the FMAC Report and discussing it at length with the Committee members, the Secretary of the Army established the Financial Improvement Implementation Steering Group to review, approve and monitor the implementation of the recommended actions. The Steering Group was chaired by the Under Secretary of the Army. Its task was to review the FMAC recommendations, provide Army level decisions on the course of action to be taken on each recommendation and monitor the implementation of the corrective actions. The Secretary of the Army directed that the Steering Group intensively manage the corrective action program during a 90-day period ending 30 September 1976. The Steering Group membership included:

B-3

Under Secretary of the Army, Chairman
Vice Chief of Staff, Army
Commander, Materiel Development and Readiness Command
Assistant Secretary of the Army (Financial Management)
Assistant Secretary of the Army (Installations and Logistics)
Comptroller of the Army

d. A 90-Day Implementation Plan was developed to monitor, coordinate, and control the many actions requiring review and approval. The Steering Group met on a regular two-week basis to monitor progress. The accomplishments of the Army in each of the eight areas is documented in the 20 October 1976 Steering Group Report.

3. DOD POSITION: On 9 September 1976, the Deputy Secretary of Defense directed that the finance and accounting for foreign military sales be centralized. A Security Assistance Accounting Center (SAAC) was established at Denver, Colorado. The U.S. Air Force was assigned DOD executive agent responsibility for this new activity. Financial records are being transferred to the SAAC by Army and Navy in two increments and is to be accomplished by March 1977. The centralization of these FMS functions at Denver, Colorado directly affected the actions underway by the Army in FMS collection, billing, accounting, pricing, financing and trust fund management.

4. CURRENT STATUS: The intensive 90-day Implementation Plan resulted in considerable progress toward resolving many of Army's financial problems. All FMAC recommendations were addressed by the Steering Group. Decisions were made on the direction the Army would take on each recommendation. For most actions, specific policy was established and executing procedures are either in place and working or in-process of being implemented. However, many corrective actions and policy changes are still in an early stage of implementation. It will be some time before the results of these changes can be adequately assessed. Undoubtedly, some will have to be adjusted, possibly significantly, as we gain experience from the new procedures.

The Secretary of the Army directed that the Financial Improvement Implementation Steering Group continue monitoring the improvement program at least through 31 December 1976. To assure that the benefits of the substantial efforts that Army has devoted to improving financial management are not lost, subsequently, the COA will be assigned DA-level responsibility for the remainder of FY 1977 and the ASA(FM) will provide close monitorship and assistance. To assure continued momentum is maintained and that implementing efforts are properly integrated and accomplished in the shortest possible time frame, an Army focal point was established for expediting of Financial Control and Reporting Systems. This concentrated 90-day effort began on 18 October 1976 and involves:

- Full implementation of the HQ, DA Procurement Appropriations Program and Fund Control System.

B-3

- Full development of executive level management reports for budget execution along with related fiscal control reports.

- Effective implementation of PEMARS system and integration of its output into required management reports.

Starting with the Second Quarter of FY 1977 the Steering Group, although not meeting every two weeks as in the past, would receive a quarterly status report and would be available on call of the COA or ASA(FM) should significant problems be encountered.

B-5

SHORTFALLS IN OBLIGATIONS RESULTING IN LAPSE OF FUNDS

1. SUBJECT/ISSUE: Shortfalls in Obligations Resulting in Lapse of Funds.
2. BACKGROUND:

a. Analysis of obligation rates is a major part of the continuous review of budget execution. This paper discusses shortfalls in obligations in those accounts which expired 30 September 1976 for purposes of incurring new obligations. Upon expiration, reasonable unobligated balances of direct and reimbursable obligation authority should be retained in each of the expiring accounts to allow for any upward obligational adjustments that may occur. Lack of funds to absorb an upward adjustment is a violation of the Anti-Deficiency Act - Revised Statutes (RS) 3679. For this reason only those appropriations with a high ratio of lapsed funds are discussed.

b. Unobligated balances in appropriations that expired as of 30 September 1976 are as follows:

<u>Appropriation</u>	<u>Total Funds</u> (\$ in millions)
Military Personnel, Army	- 0 -
Reserve Personnel, Army	23.5
National Guard Personnel, Army	6.2
Operation and Maintenance, Army	115.2
Operation and Maintenance, Army Reserve	8.6
Operation and Maintenance, Army National Guard	7.9
<u>Procurement:</u>	
Aircraft	9.4
Missiles	38.1
Weapons & Tracked Combat Vehicles	109.2
Ammunition	103.4
Other Procurement	72.2
Total Procurement	332.3
Research, Development, Test & Evaluation	<u>1.5</u>
 Total Unobligated	 487.3

3. DOD POSITION: The Assistant Secretary of Defense, Comptroller, directed on 20 November 1976 that a monthly flash report on obligation status be started immediately. This report will show within 12 working days after each month the obligation status in each account. Status is not now available until about 30 days after the month ends. More timely data will be a valuable tool in monitoring obligation status.

B-12

4. CURRENT STATUS:

a. Reserve Personnel, Army. Major cause of slippage was shortfall in paid drill strength as follows:

	<u>Budgeted Average Strength</u>	<u>Actual Average Strength</u>	<u>Shortfall</u>
FY 76	218,575	213,527	5,048
FY 77	212,400	193,324	19,076

The All Volunteer Army has had a direct impact on reserve enlistment. The shortfall reflects in part the end of draft motivated enlistments.

b. Operation and Maintenance, Army. Funds of \$115 million were not obligated. Some of the reasons are:

(1) Phasedown or out of specific programs or functions; i.e., SAFEGUARD phaseout.

(2) Slowness in reporting systems which does not facilitate timely management decisions.

(3) The holding of larger than normal reserves because of concern for RS 3679 violations. Analysis of shortfalls cannot be completed until revised accounting reports are submitted on 9 December.

c. Procurement Appropriations. The unobligated balance of \$332.3 million for these accounts is large. An analysis is being made to identify which balances may be required for future adjustments and which unobligated balances were excessive to future needs.

0-7

POSSIBLE VIOLATIONS OF THE ANTI-DEFICIENCY ACT

1. SUBJECT/ISSUE: Ongoing R.S. 3679 Investigation for Procurement Overallocations.

2. BACKGROUND:

a. The Anti-Deficiency Act, Section 3679 of the Revised Statutes (R.S. 3679), as amended (31 U.S.C. 665), provides that no officer or employee make or authorize an expenditure from, or create or authorize an obligation under, any appropriation exceeding the amount therein.

b. In November 1975, the Office of The Inspector General (OTIG) was tasked to investigate apparent R.S. 3679 violations in the management of FY 1971 and Prior Procurement of Equipment and Missiles, Army (PEMA 71 and Prior) and FY 1972 Other Procurement, Army (OPA 72) appropriations. The OTIG Report of Investigation (ROI), submitted in February 1976, documented overallocation, overobligation, and overexpenditure violations in both appropriations. The report of R.S. 3679 violation concerning these two appropriations was submitted to the Congress in April 1976.

c. In December 1975, OTIG investigated apparent deficiencies in the management of the FY 73 Ammunition Procurement Appropriation pertaining to the Congressionally imposed Military Assistance Service Funded (MASF) limitation. This investigation also revealed R.S. 3679 violations. In April 1976, another R.S. 3679 report was submitted to the Congress.

d. By October 1976, the OTIG investigative effort had been expanded to encompass all 26 procurement appropriations (through FY 76) for which the Army is responsible and the ASA(FM) had issued guidance and directions for the completion of these investigations.

3. DOD POSITION: In accordance with DOD Directive 7200.1, reports of R.S. 3679 violations are submitted to the Assistant Secretary of Defense (Comptroller) for review and forwarding to the President and the Congress.

4. CURRENT STATUS: The OTIG investigation continues at HQDA and HQ DARCOM to identify responsible individuals. Subsequent legal review, notification of respondents, consideration of respondents' replies, and final adjudication of persons to be held responsible must follow prior to preparation and submission by ASA(FM) of the R.S. 3679 reports of violation through DOD to the President and the Congress. Target for submission is May 1977.

10/2

POTENTIAL DEFICIT IN CERTAIN PROCUREMENT APPROPRIATIONS

1. SUBJECT/ISSUE: Potential Deficit in Certain Procurement Appropriations Requiring Congressional Relief.

2. BACKGROUND:

a. In FY 72, Congress split the single Army procurement appropriation into five separate appropriations. Each appropriation is available for three years for obligation purposes.

b. This change from a single "no year" procurement appropriation to five limited life appropriations generated significant problems. This new system removed much of the flexibility which previously was available to handle upward obligation adjustments during the life of procurement contracts. Also, the probability of overobligations was significantly increased.

c. Four overobligations in violation of the Anti-Deficiency Act (Revised Statutes 3679) did occur and were discovered during calendar year 1975.

d. The Army reported the status of these overobligations to the Congress.

e. In June 1976, Congress authorized transfer of funds into two of the problem accounts -- FY 1972 Other Procurement, Army and Prior Year PEMA. Intensive management of the other two procurement accounts has continued.

3. CURRENT STATUS:

a. FY 73 Other Procurement, Army

- In December 1975, this account went into an overobligated status by \$3.7 million.

- The overobligation in this account increased from \$3.7 to \$5.9 million at the end of September 1976.

- Army placed the account under centralized disbursement and obligation control effective 8 October 1976.

b. FY 73 Weapons Procurement

- Since June 1975, this account, on occasion, has shifted into an overobligated status. The range has been between \$2 million over-obligated to \$.8 million unobligated balance as of 30 September 1976.

B-?

- The FY 73 Weapons account was one of the appropriations reported to Congress. The Army took action to restore the appropriation to solvency.

- Army placed the appropriation under centralized obligation and disbursement control on 14 May 1976.

c. In summary, the actions in progress on these two problem accounts have been to review existing contracts for cancellations to restore the accounts to an unobligated balance. For FY 1973 Other Procurement Army, the emphasis is upon insuring continued ability to meet contractor payment requirements until funds can be transferred into this account.

4. DOD POSITION: Assuming the problem cannot be solved with transfer of funds, it will be necessary to ask the Congress for this authority.

Army: ASA(FM) 16 December 1976

3-11

TRANSFER OF FOREIGN MILITARY SALES (FMS)
FINANCIAL FUNCTIONS UNDER JOINT FINANCIAL
MANAGEMENT OFFICE CONCEPT

1. SUBJECT/ISSUE: Centralization of Services FMS Financial Management Functions at the Air Force Accounting and Finance Center.

2. BACKGROUND:

a. By memorandum dated 9 September 1976, Deputy Secretary of Defense Clements directed that the Air Force assume centralized Foreign Military Sales accounting for all the Services in conjunction with the Defense Security Assistance Agency. Accounting functions assumed by the Air Force are FMS billing, cash collection, trust fund accounting and administrative fee management.

b. The Air Force, DOD executive agent, located in Denver, Colorado, established the Security Assistance Accounting Center (SAAC) to accomplish the above described functions. The Defense Security Assistance Agency (DSAA) physically collocated its Joint Financial Management Office (JFMO) as a field operating activity at the SAAC to authenticate and issue FMS bills, and to evaluate the accuracy of financial input from the Military Departments to the SAAC.

c. The financial management functions described in paragraph 2a are currently performed by the US Army International Logistics Command, New Cumberland Army Depot (USAILCOM-NCAD). USAILCOM is a command of the US Army Materiel Development and Readiness Command. A total of 55 Spaces were added to the Air Force staffing to accomplish these functions.

DOD POSITION: Efficient management of Foreign Military Sales Financial transactions requires greater standardization, which can best be accomplished through centralization.

CURRENT STATUS: Attached at Tab A is DOD milestones for the centralization of FMS financial management functions. Army has transferred FMS case files and trust fund cash for Iran, Israel and Saudi Arabia to the Security Assistance Accounting Center.

Incl

Directorate of Finance & Accounting
Comptroller of the Army 29 Nov 76

Page 1 of 1

B-10

DOD TAKEOVER OF OVERSEAS MILITARY BANKING FACILITIES

1. SUBJECT/ISSUE: Transfer of the management and funding of the overseas military banking facility program from the Department of the Treasury to the Department of Defense (DOD).

2. BACKGROUND:

a. In 1975 both the General Accounting Office and Congress reviewed the overseas banking operation and concluded that changes in management policy and funding needed to be considered.

b. In the fall of 1975, a joint Treasury/Defense task force was formed to review the overseas military banking program. The review was completed in May 1976 and included recommendations dealing with management and funding, however task force members disagreed as to which functions should be transferred to DOD.

c. The Secretary of the Treasury proposed that Treasury Department involvement in both these areas be transferred to DOD; the Office of Management and Budget concurred.

3. DOD POSITION: On 21 September 1976, Deputy Secretary of Defense Clements in a letter to the Secretary of the Treasury agreed to accept responsibility for management and funding of the overseas military banking program.

4. CURRENT STATUS:

a. The Office of the Assistant Secretary of Defense (Comptroller) is currently working with the Treasury Department to accomplish the transfer of responsibility. The Treasury Department has agreed to fund FY 1977 program costs and will reimburse DOD for FY 1977 costs of 6 transferred personnel spaces. Detailed reviews of completed studies relating to military banking operations in Korea and Japan/Okinawa are underway.

b. The administrative management function of the overseas banking program may be transferred to one of the Military Departments or Defense Agencies.

212

CENTRALIZATION OF FOREIGN MILITARY SALES
BILLING, CASH COLLECTION, TRUST FUND
ACCOUNTING, AND ADMINISTRATIVE FEE MANAGEMENT

MILESTONES

<u>Action</u>	<u>Responsible Activities</u>	<u>Date</u>
Convene a joint DSAA/Army/Navy/Air Force committee to implement centralization	DSAA	13 Sep 76
Initiate audits to verify accuracy of Army and Navy FMS accounting records to be transferred to SAAC	ASD(C)/Army and Navy Audit Agencies	15 Sep 76
Publish initial implementation instructions	Centralization Committee	15 Oct 76
Revise existing operating instructions, directives, and regulations	Centralization Committee	15 Nov 76
Transfer to SAAC the Army and Navy responsibility and related records pertaining to FMS trust fund accounting, billing, cash collection, and administrative fee management for Israel, Iran, and Saudi Arabia	Army, Navy SAAC, JFMO	20 Nov 76
Transfer for all remaining cases	Army, Navy SAAC, JFMO	20 Jan 77

DOD POLICY ON TUITION PRICING VERSUS CONGRESSIONAL DISSENTION

1. SUBJECT/ISSUE: DOD Policy on Tuition Pricing versus Congressional Dissention.

2. BACKGROUND:

a. The Foreign Military Sales Act requires foreign countries and international organizations to reimburse the US Government for the cost of training provided to foreign students.

b. The pricing problems arose because the Department of Defense had not provided guidance for standard pricing of training cases to the Military Services. Each Military Service developed pricing procedures based on its own interpretation of the law. Army's policy was to collect "out of pocket" or "incremental" costs only for foreign student training.

c. On November 1975, the Department of Defense reacting to Congressional and GAO concern over the pricing of foreign training specified to the Military Services the cost elements to be included when establishing prices for training courses. These pricing guidelines required a charge to the foreign student of a share of all cost at the training base, including such costs as salaries of instructors and training staff; supplies and materials, aircraft PCL and maintenance; a share of base overhead; and a charge for the use of base assets, including aircraft. This pricing policy was made effective 1 January 1976 and resulted in substantial increases in most Air Force and Army courses, for both pilot and technical training.

d. On 12 August 1976, the Department of Defense notified the Chairman of the House and Senate Committees on Appropriations that because the sudden and substantial increase in prices resulting from the 5 November 1975 guidelines have had a drastic impact on foreign training, the Department will make substantial reductions in total base prices. The change involves the removal of military and civilian salaries and the change will exclude the acceleration of pay for leave, training and re-assignment from the computation of operating direct and indirect base personnel costs. The second change eliminates the utilization of the base use charge in existing direct and indirect base personnel costs. The third change eliminates the inclusion of the base use charge for all other direct and indirect base personnel costs. In their place the Department will rate the total cost

TR-14

of training will now be applied. These charges which were effective 28 September 1976 will result in a 20-30 percent reduction in tuition prices established by the 5 November 1975 policy.

a. Both Chairmen informed the Department that they objected to the reduction in tuition.]

3. DOD POSITION: DOD position is outlined in the 28 September 1976 amendment to DOD Instruction 2140.1 which directs the reduction in tuition rates as noted above. DOD has indicated that these rates will establish a fair price and recoup full costs and not require any subsidy from DOD appropriations nor adversely impact the training of US students.

4. CURRENT STATUS: The DA is utilizing the costing guidelines outlined in DODI 2140.1 as amended by the 28 September 1976 change to the DODI.

B-14

of training will now be applied. These charges which were effective 28 September 1976 will result in a 20-30 percent reduction in tuition prices established by the 5 November 1973 policy.

a. Both Chairmen informed the Department that they objected to the reduction in tuition.

3. DOD POSITION: DOD position is outlined in the 28 September 1976 amendment to DOD Instruction 2140.1 which directs the reduction in tuition rates as noted above. DOD has indicated that these rates will establish a fair price and recoup full costs and not require any subsidy from DOD appropriations nor adversely impact the training of US students.

4. CURRENT STATUS: The DA is utilizing the costing guidelines outlined in DODI 2140.1 as amended by the 28 September 1976 change to the DODI.

c-1

PROCUREMENT IRREGULARITIES IN KOREA

1. SUBJECT/ISSUE: Improve procedures for procurement in support of US Forces Korea

2. BACKGROUND: A Department of the Army procurement management review of the US Army Korea Procurement Agency (KPA) conducted in November 1975, a Criminal Investigation Command (CICD) survey completed in November 1975, and a letter dated 15 June 1975 from LTG John Murphy, United States Representative of the Status of Forces Agreement (SOFA) Committee to his counterpart Republic of Korea (ROK) representative on the SOFA Committee highlighted the fact that a collusive rather than a free competitive atmosphere exists in Korea.

3. ROD POSITION: The Director of Procurement and Production, DARCOM, recommended to the Secretary of the Army, on 3 September 1976, that a study be conducted with a view towards devising acceptable procedures to cope with the existing procurement environment in Korea. The Secretary approved the study plan and also provided specific alternatives to be studied.

4. CURRENT STATUS: A study has been conducted of the various alternatives for improved procedures in support of the US Forces Korea. A specific course of action has been proposed by DARCOM and OASA(I&L) is currently evaluating the plan and concept implementation. If the ASA(I&L) approves the concept plan, the Secretary of the Army will be briefed in early December 1976.

C-2

COMMERCIAL AND INDUSTRIAL-TYPE ACTIVITIES (CITA) PROGRAM

1. SUBJECT/ISSUE: Contracting out of functions at

2. BACKGROUND:

a. CMB Circular A-76 states the National policy for acquiring commercial or industrial products or services for Government use is to rely on the private enterprise system to supply its needs. The Circular states that products and services must be contracted for unless performance by Government employees (civilian or military) is essential for mission performance; mobilization, training or less costly.



c. The proposed action to attempt to contract-out those functions has been concurred in by HQ DA and submitted to OSD for coordination.

3. DDP POSITION: The DA proposed action was submitted during October 76 to OSD who generally concur in the plan. Formal coordination has been held at OSD.

4. CURRENT STATUS: Awaiting OSD coordination.

e-13

FUNDING OF MUNITIONS PRODUCTION BASE
MODERNIZATION AND EXPANSION

1. SUBJECT/ISSUE: Need to modernize and expand munitions production base and to incrementally finance major investment projects for a \$700 million RDX/RMX facility and new \$397 million ammunition plant called the Mississippi Army Ammunition Plant.

2. BACKGROUND:

a. The munitions production base has supported three wars with the result that much of the equipment and facilities are obsolete and deteriorated and do not meet OSHA and pollution abatement requirements. In 1970, a twenty-year, \$6.5 billion (FY75 dollars) program was initiated to modernize and expand the base, where required. Through FY77, the Congress had appropriated \$1.5 billion for the program.

b. The construction portion of the mod/exp program constitutes approximately 40% of the total program and must be authorized in the MCA account starting FY77 but appropriated in the ammunition procurement account.

c. The basic principle used in financing individual projects is the full-funding principle; however, the Army desires an exception to this principle to finance its two high-dollar projects. The Congress will be advised of the total value of the project when the first year of funding is requested. The Congress has approved multi-year or incremental projects in prior budget submissions. The incremental funding of projects permits only the requesting of funds to be obligated in that year with no large carry-over of funds. More importantly, because the projects take four-five years to construct, the expiration of procurement funds in three years and the subsequent loss of funds is a real danger (MCA funds do not expire).

3. DOD POSITION: DOD recognizes the need to modernize the munitions production base and, within dollar constraints, to expand the base to produce new munitions. DOD has placed emphasis on industrial preparedness and responsiveness of the base to influence a conflict of short duration. No definitive DOD position has been established on the incremental funding of the two high dollar projects in the munitions production base.

3. DOD POSITION: Establish long lead time binary chemical production facility while deferring production decision.

4. CURRENT STATUS:

The facility will manufacture one of the two binary chemical components, load the component into a canister, and insert the canister into the projectile. Facility would be completed in May, CY78.

~~new construction of facilities is required.~~

c. Site Restrictions. Congress appropriated \$45.2 million in FY76 for the manufacturing complex but Section 752 of the DOD Appropriations Act restricted use of the funds for construction of new ammunition facilities to existing plant locations thus precluding siting complex in Mississippi.

3. DOD POSITION:

Maximum conversion of existing facilities has been considered with most of the existing capability being retained to meet mobilization requirements for current types of munitions.

Final EIS was filed in Oct 76. A \$4.2 million contract for systems integrator/operating contractor was awarded to Mason-Hanger and Chamberlain in Aug 76. Non-site specific design for three major facilities of complex is underway (projectile metal parts, cargo metal parts, and load, assemble, pack).

26

LONE STAR AAP 105MM MANUFACTURING FACILITY

1. SUBJECT/ISSUE: Construction of a new 105mm projectile metal parts facility at the Lone Star Army Ammunition Plant (AAP), Tarkenton, Texas.

2. BACKGROUND:

a. The Army made a decision in 1969 to build a new 105mm facility at Lone Star AAP rather than modernize the existing St. Louis AAP. Because the Lone Star plant has an existing load, assemble, pack (LAP) capability, the addition of a projectile manufacturing facility would establish an integrated facility for the manufacture of a complete round. The construction of a new facility at Lone Star was more cost effective because of the avoidance of transportation, double handling, and packaging costs and lower utility and labor rates at the Lone Star plant than at the St. Louis plant.

b. The Congress appropriated \$110.4 million in FY76/77 for the Lone Star facility, but required the following actions in the FY76 DOD Appropriation Act: (1) a new study on 105mm mobilization requirements; (2) Secretary of the Army certification of the need to obligate the funds; (3) approval by the Big Four Congressional committees.

c. President Ford, in signing the FY76 DOD Appropriations Act, indicated that the requirement to obtain approval of the Big Four Congressional committees was unconstitutional and was to be considered a "nullity".

d. The Missouri delegation considered the impending decision as an either/or situation between Lone Star AAP and St. Louis AAP and has exerted considerable pressure for the St. Louis plant.

3. DOD POSITION: The new Lone Star facility and the existing St. Louis AAP and National Presto commercial facilities are needed to meet mobilization requirements. The construction of a new 105mm facility at Lone Star AAP is more cost effective than the full modernization of the St. Louis plant.

4. CURRENT STATUS: The Army engaged Lockwood-Greene, an architect-engineer, to conduct a detailed engineering study to update the costs to modernize the St. Louis plant. The study is now complete. Booz-Allen was engaged to conduct a detailed economic analysis and to prepare a final, comprehensive report on the Lone Star/St. Louis issue.

RDX/HEX EXPLOSIVE MANUFACTURING FACILITY

1. SUBJECT/ISSUE: Site selection decision, initial investment decision, and the incremental financing of the construction of a \$700 million RDX/HEX facility.

2. BACKGROUND:

a. RDX and HEX are the key ingredients of explosives and propellants utilized by the Services.

b. Need. Current sole DOD production capability for RDX/HEX is Holston Army Ammunition Plant, TN with no alternative in event of strikes, sabotage, natural disasters, or accident. Holston's capability of 18-21 million pounds per month of RDX/HEX is not sufficient to meet current mobilization requirements. An additional facility is needed to meet mobilization shortfall.

c. Site Selection. Candidate sites for RDX/HEX facility are Newport Army Ammunition Plant (AAP); IN; McAlester Navy Ammunition Depot, OK; and Milan AAP, TN.

d. Prior Congressional Action. Congress appropriated \$7.4 million in FY76 and \$8.3 million in FY77 in the ammunition appropriation as part of three year design effort for RDX/HEX facility.

3. DOD POSITION:

The site selection decision will be made after filing of the Final Environmental Impact Statement (EIS).

4. CURRENT STATUS: Non-site specific design is being conducted. Draft EIS will be filed in Dec 76 with final EIS in Feb 77. Final site selection decision in Mar 77.

(13)

AMMUNITION PROCUREMENT

1. SUBJECT/ISSUE: High Dollar Value of the Budget Request for Ammunition Hardware

2. BACKGROUND:

a. The objective of the ammunition hardware procurement program is to modernize the inventory, improve the war reserve asset position, and support worldwide annual training requirements. This objective is designed to improve the Army's readiness posture in order to respond to contingency situations.

b. The entire FY 1977 budget request of \$655.1M was approved by Congress. It provides \$95.7M for training ammunition which includes \$67.6M for tank ammunition. The majority of the program, \$496.3M, is in support of buildup of war reserves. Of this amount, \$354.6M will be used for modernization items to include improved conventional munitions (ICM), artillery scatterable mines, long range projectiles, new fuzes, and new propelling charges.

c. [REDACTED]

The [REDACTED] involves training ammunition and modernization items. The funding request for training ammunition, [REDACTED] is a result of [REDACTED] tank training requirements and implementation of the new training concepts, Army Training and Evaluation Program (ARTEP) and Realistic Training (REALTRAIN). The [REDACTED] funding of modernization items is due to production buildup of items recently introduced and to the introduction of additional items, such as ammunition for the 60mm Light Weight Company Mortar System and the Projectile, 155mm, Artillery Delivered Anti-Tank Mine (ADATM).

3. DOD POSITION: Essentially, the Army budget request is based on OSD guidance to improve the readiness posture by buildup of war reserve assets.

4. CURRENT STATUS: The FY 1977 program provides an asset posture of only 47% against the authorized acquisition objective (AAO). [REDACTED]

AMMUNITION PROCUREMENT

1. SUBJECT/ISSUE: Problems with 105mm Tank Ammunition

2. BACKGROUND:

a. Cartridge, 105mm APDS. The Army has experienced erratic flight problems with this round, especially when fired from worn gun tubes. This results from escaping gases improperly influencing the projectile; a gas seal plug has been developed as a correction. Renovation of the inventory has begun and will be completed in November 1977. During the renovation, the Army will install new delrin centering bands on the APDS rounds, replacing older nylon bands that absorb moisture, swell, and can prevent chambering the round. Also, the Army is developing new tank gun tube condemnation criteria to replace worn gun tubes earlier.

b. Cartridge, 105mm HEP; and cartridge, 105mm HEAT. Problems have developed from premature bursts in or just in front of the gun tube. The investigation to determine causes and recommend corrective action is to be completed approximately 1 January; reports are due approximately 1 April 1977. Future action will be based on report data.

c. The US has sold quantities of the above three rounds to allies. Most significant is the APDS rounds sold to Israel. The Army is cooperating with the IDF in the renovation of Israeli-owned APDS ammunition.

3. DOD POSITION: DOD has directed the Army to assist in the Israeli renovation by providing material and leasing equipment.

4. CURRENT STATUS: APDS fix is underway for US ammunition; plans are being made to assist the Israelis. Malfunction investigations regarding the HEP and HEAT are in progress.

C-10

M113 ARMORED PERSONNEL CARRIER OVERHAUL

1. SUBJECT/ISSUE: M113A1 Armored Personnel Carrier Family Overhaul Backlog.
2. BACKGROUND:
 - a. M113A1 Armored Personnel Carrier Family of Vehicles Overhaul Program for FY 76 through FY 78 is as follows:

	<u>FY 76 & Prior</u>		<u>FY 77</u>		<u>FY 77</u>		<u>FY 78</u>
	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	<u>Qty</u>	<u>Cost</u>	
<u>CONUS</u>		(1)					
M113A1	280	3.787	53	1.948	50	1.838	
Other	57	1.365			75	3.208	
Unfunded					208		
<u>Europe</u>							
M113A1	119	2.119	60	.988	208	3.424	
Other	68	1.341	5	.093	54	1.060	
Unfunded Backlog						1,225	

- Notes: (1) Quantity includes 230 Sagami IROAN; balance is actual overhaul program.
- (2) Included are 228 each for initial production year of dieselization program.

b. The unfunded backlog in CONUS results from a need to overhaul 199 personnel carriers originally scheduled for commercial overhaul; contract has been terminated and a new depot program must be established. The remaining 9 vehicles are newly generated Code F M106A1 mortar carriers programmed for FY 78 overhaul.

c. A large backlog of combat vehicles exists in USAREUR consisting of vehicles which currently qualify or are projected to qualify for depot overhaul within the next two years. This backlog is increasing with each year as the USAREUR fleet ages. Mainz has only limited capacity (2.1 million manhours) to accommodate all combat vehicle overhaul. Part of this backlog is M113 family of vehicles, projected to be 1,225 by end FY 77 increasing to 1668 by end FY 78. This backlog is based on 5,000 miles available...

C-11

accommodate this backlog would require more than \$36 million if sufficient capacity existed. The backlog problem arose because insufficient quantities of carriers were scheduled for overhaul in the past two years. Because this backlog has been built up over time and the need was not forecasted, only through extraordinary actions can the backlog be reduced beginning in FY 78.

3. DOD POSITION:

4. CURRENT STATUS: Actions being taken to resolve the combat vehicle backlog include review of a possible commercial overhaul contract, ongoing discussion with the German Government leading to a possible contract with selected German firms, possibly revising the cyclic overhaul criteria, and possibly changing to a reliability-centered maintenance concept to control generation of new overhaul candidates. Implicit in all courses of action is the necessity to make further adjustments in DS/GS repair program, if possible, so as to reduce the impact on limited depot capacity and to reduce cost.

e-12

1

THE ARMY TANK PROGRAM

1. (U) SUBJECT/ISSUE: Army posture on combat tanks subsequent to '73 mid-East War requires concerted effort to improve quantity, quality of fleet.

2. BACKGROUND:

a. The goal of the Army Tank Program is to provide sufficient "prime" (105mm or greater gun, diesel engine) tanks for our active and reserve components. The sufficient number for the Program Objective Memorandum (POM) period of five years into the future is defined as the Authorized Acquisition Objective (AAO). The AAO is computer calculated based upon force structure requirement (Initial Issue Quantity - IIQ) and postulated war loss rates (Combat Consumption).

b. (U) The key models of tanks are as follows:

- M48A1 - 90mm gun, gasoline engine.
- M48A3 - 90mm gun, diesel engine.
- M48A5 - 105mm gun, diesel engine.
- M60 - 105mm gun, diesel engine.
- M60A1 - M60 w/improved turret, more ammo.
- M60A2 - 152mm gun/Shillelagh missile launcher in new turret on M60 chassis.
- M60A3 - M60A1 w/laser rangefinder, new computer, and thermal night sight.
- XM1 - Completely new tank.

As of 30 June 1976 the Army had 5,988 "prime" tanks, or 40% of the AAO (see Tab A). This does not include obsolescent M48 series 90mm tanks in National Guard units and in depots awaiting conversion.

c. (U) To improve the Army's tank posture two major programs were established by Congressional reprogramming action in FY 1974; the tank production acceleration program and the M48A5 conversion program. Tank (M60A1) production had been about 30 per month for several years and over three thousand obsolescent M48 series tanks were in the inventory. A special task force was established to increase tank production on a priority basis and a program was developed and funded to up-gun and fit diesel engines to the M48 family to make them virtually the same as an M60 tank. A key hurdle which was overcome in accelerating production was to develop a second

c-1

d. (U) A product improvement program for M60A1 tanks is well underway. Of the ten Phase I improvements seven (stabilization, reliability improved engine and electrical system components (3 items) better air cleaners, new track, and passive night sights) are now in production. Improved suspension systems are still undergoing competitive testing. The last two improvements, a laser rangefinder and a full-solution, solid state ballistic computer, so increase the combat capability of the M60A1 tank (particularly in conjunction with the night sights) that it will be re-designated the M60A3.

e. (U) Deployment of the M60A2 to USAREUR (providing a protected, long range - 3,000 meter-kill capability) has been proceeding for over one year. Five of the six battalions have been equipped; the last finishes in February 1977. Problems were encountered in providing sufficient trained turret mechanics to keep pace with the deployment but they have been overcome. Repair parts support of M60A2 units has not been as responsive as desired due to two key problems: low (about 50%) correlation between test failures and actual failures (different parts) and slowness of the established repair parts supply system to respond to the specialized needs of a low-density item. These problems are understood and being resolved.

f. (U) The XM1 program transitioned into full-scale engineering development with the November 1976 selection of Chrysler Corporation as the contractor. The tank will have a 1,500 hp turbine engine, be capable of mounting either a 105mm or 120mm gun, and features significant improvements in fire control (particularly shoot-on-the-move) and protection. The inclusion of special armor dramatically improves survivability, defeating current anti-tank weapons. Delivery of first production vehicles will be in February 1980.

3. (U) DOD POSITION: Continue increase in tank production rate, M48A5 conversion program, XM1 transition to production, and product improvement of M60A1 fleet.

4. (U) CURRENT STATUS: Tank production is presently at 75 per month, will increase to 103 per month in February 1977 and to 120 per month in January 1978. The M60A1 PIP is progressing well; passive image intensification sights are now in production vehicles and the initial contract has been signed for the laser rangefinder and solid state computer. They will appear on new production tanks in February 1978.

C-14

M48A5 TANK

1. (U) SUBJECT/ISSUE: Why does the Army need to continue M48 combat program in view of M60A1 production capacity? What are FMS plans? How many sales cases are on record and identify total number committed to.

2. (U) BACKGROUND:

a. To achieve rapid improvement in the Army tank posture a means overcoming production acceleration problems caused by heavy casting requirements was sought. A cost-effective answer which was implemented through a FY 1975 reprogramming action was to convert obsolete tanks to prime tanks (105mm main gun and diesel engine). Obsolete 90mm main gun gasoline-powered M48 series tanks are being converted into M60 look-alike (and fight-alike) prime tanks called the M48A5. By stripping old and battle-damaged M48 tanks to bare metal and rebuilding them with 105mm guns and diesel engines, Anniston Army Depot in Alabama is presently adding some 40 prime tanks a month to the Army inventory. Shipping the tanks to our Army National Guard units is rapidly modernizing the Army tank fleet.

b. 1209 M48A5 conversions were approved in the FY 75 and FY 76 programs. The FY 76 Congressional Committee suggested the Army consider conversion of 1000 more M48A5 tanks beyond the 1209. The Army FY 77 program of 514 conversions was approved but the SASC stated displeasure with the drawdown of M60A1's for foreign military sales (when M48's were "readily available." Following is extracted from FY SASC Report 94-878, dated 14 May 1976;

"The committee is not pleased to see continuous drawdown or deferral from U.S. inventory or production of the M60 series tank to satisfy foreign sales when these M48A5 tanks are readily available to meet such commitments. The committee is advised that the Army and Defense Department policy is to offer the older M48A5 tank to meet foreign commitments prior to issuing the M60A1 or M60A3 tanks from the Army inventory. This policy does not appear to have been applied in a recent foreign sale of tanks.

The committee, therefore, requests that the Secretary of Defense make every effort to use the M48A5 tank to meet foreign sales commitments prior to any deferral of M60A1 or M60A3 tanks from Army inventory assets to meet foreign commitments. The Secretary of Defense is further requested to review the commitment to modification of M48A5 tanks in view of the continued use of M60A1 tanks to meet foreign commitments and the apparent break-down in policy of offering the M48A5 tanks for this purpose.

and determine if the Army tank asset posture is now sufficiently satisfied to reconsider the cost-effectiveness of the program. The committee will consider this review in its analysis of any future requests for modification of M48A5 tanks."

c. Upon completion of the FY 78 program a total of 1894 M48A5 tanks will be converted leaving 650 M48 assets still available for subsequent conversion to M48A5 or for use in other Army programs or FMS

d. Following shows total M48 asset inventory:

Nomeclature	Qty
M48 (non-ballistic hull) *	21
M48A1	2449
M48A2C	160
M48A3	798
M67A1 (flamethrower tank)	60
M103 (heavy tank, 120mm gun on M48 chassis) *	162
Total	3650

*Not convertible.

3. (U) DOD POSITION: The Army urgently requires sufficient prime tank assets to meet the total tank acquisition objective at the earliest possible date. The M48A5 conversion program is providing significant numbers of prime tanks to the Army inventory in a very cost effective manner. DOD strongly suggests the Army continue conversion of all available M48 assets. Foreign military sales will be evaluated on a case by case basis and will be approved only after careful evaluation of US prime tank requirements.

4. CURRENT STATUS:

a. (U) M48A5 conversion program is providing approximately 40 prime tanks to the Army inventory each month. As of the end of November 1976 some 456 M48A5's will have been converted.

b. (U) Following is M48 asset utilization:

Conversion to M48A5 through FY 78 FDP	1894
Conversion to M48 AVLB through FY 78 FDP	222
Subsequent conversion or other Army programs	650
Foreign Military Sales	791
Disposal (not convertible)	183
Total	3650

c-16

d. (U) Following is prime tank asset posture with FY 77 and FY 78 programs:

<u>AAO1/</u>	<u>Qty</u>	<u>% Fill</u>	<u>Qty M48A5</u>
Assets end FY 78 FDP	14982	74	1894
Assets end FY 77 FDP	11022	67	1723

1/ M48A5 is substitute prime tank asset included in M50A1 AAO data.

M60A1/A3 TANK

1. SUBJECT/ISSUES:

a. As we approach our AAO on tanks, do we have sufficient strategic lift capability to move replacement tanks to a war zone?

b. Since we have quadrupled our production capacity, why are we not fully using it in FY 78 and FY 79?

c. What are the impacts of foreign military sales (FMS)?

2. BACKGROUND:

a. In the early 1970's tank production averaged about 30 per month. The Arab-Israeli War of 1973 resulted in a draw-down of US tank assets and analysis of the war caused drastic upward revision in estimates of tanks required on hand to offset expected war losses. These two factors combined revealed the US to be in a precarious asset posture vis a vis the total acquisition objective. The M48A5 conversion program and the production acceleration program were responses to this problem.

b. A further thrust, to improve our qualitative tank posture, is the M60A1 Product Improvement Program (PIP) which seeks to improve the combat effectiveness, durability, and RAM (reliability, availability, and maintainability) of the current main battle tank. Ten product improvements were approved for development in 1970 and seven (stabilization, reliability improved engine and two electrical components (3 items), better air cleaner, new track, and passive night sights) are currently fitted on production tanks and being applied on tanks at overhaul. Improved suspension systems are still under competitive test. The last two improvements, a laser rangefinder (LRF) and solid-state, full solution ballistic computer (SSC), improve the tank's combat capability sufficiently that it will be redesignated the M60.

c. Congress required convincing on investing money for a second source of heavy castings to initiate the production acceleration program but has been firm in support of the FY 76 and FY 77 budget submissions. There was Congressional resistance to the expensive LRF/SSC but the whole PI program seems to have general support at this time.

3. DOD POSITION: The M60A1/A3 series will be the main battle tank until the entry of significant quantities of M1's beginning in 1981, after which it will constitute a major (over 2/3) part of the fleet into the late 1980's. Continued production, until M1 is in production, and continued Product Improvement of the M60A1/A3 tank fleet is of the highest priority in the land combat areas.

c-13

4. CURRENT STATUS:

a. The Army signed an initial contract for production of the LRF/SSC in September 1976 and Production Validation Testing of the M60A3 tank is due to begin in April 1978. An additional improvement, now read for low rate initial procurement, is the Tank Thermal Sight, a passive sight which images the heat emitted by an object. This device will significantly increase target acquisition ranges and night/poor visibility accuracy. Current asset posture is shown below.

	<u>QTY</u>	<u>%Fill</u>
AAO (M60A1/A3 only)	11082	
Assets FY 78 FDP	7034	63.5
Assets FY 77 FDP	6175	55.7
Assets now on hand	3917	35.3

(Assets do not include 1554 M60, 540 M60A2 tank assets on hand nor substitute M48A5 assets.)

b. Programs have been developed and presented to insure sufficient strategic lift is available to deploy both units and replacement equipment. Additionally, OSD is conducting a major study to determine baseline strategic mobilization requirements and the optimum mix of strategic lift resources to accomplish the task.

c. The Army's objective in increasing M60 series tank production was twofold: (1) To immediately produce more tanks for the US inventory; and (2) develop the capacity to satisfy future unprogrammed requirements. The Army's immediate objective has been realized permitting production to return to 80 per month. This level of effort will sustain the tank production base for a longer period of time than if assembly were continued at 120 per month and will contribute to keeping the base warm by operating at minimum economic sustaining level.

2-11

TACTICAL AND SUPPORT VEHICLES

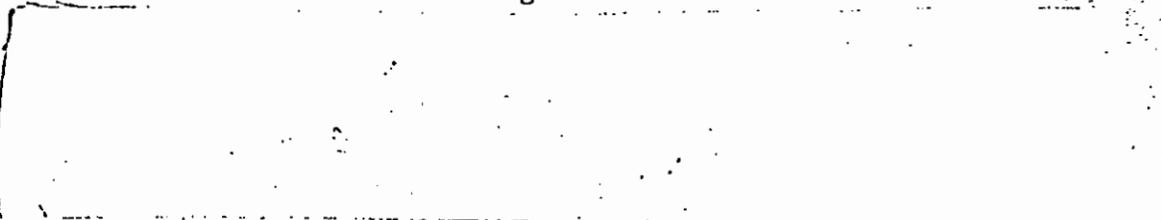
1. SUBJECT/ISSUE: Commercialization of wheeled vehicle fleet.
2. BACKGROUND: The Army's tactical and support vehicle fleet consists of two elements. The tactical vehicle fleet is used principally by soldiers in military organizations and the support vehicle fleet is used in administrative roles at worldwide posts, camps and stations. This administrative fleet is composed of all commercial vehicles procured principally by the General Services Administration. The tactical vehicle fleet consists primarily of vehicles designed, built and tested to military specifications. However, in 1973 the Army decided that commercial vehicles could be used in certain non-combat roles and missions and formulated a procurement plan which would maximize the use of commercial vehicles wherever possible. This decision was presented to Congress who enthusiastically supported the concept.
3. DOD POSITION: Procure commercial vehicles or vehicles with commercial components such as engines, transmissions, axles, etc. wherever possible.
4. CURRENT STATUS: The Army's principal wheeled vehicle fleet consists of the following items, most of which have accompanying trailers or semitrailers:
 - a. 1/4 Ton Utility Truck. 66,000 military design jeeps are required for command, control, and support purposes. 13,000 are being procured. The Army plans for commercialization of a portion of this fleet.
 - b. 1-1/4 Ton Cargo Truck. 33,000 commercial Dodge pickup trucks were procured in FY 76 and FY 77.
 - c. 2-1/2 Ton Cargo Truck. 74,000 military design vehicles are in service. An improved vehicle with commercial diesel engine and automatic transmission is planned for introduction.
 - d. 5 Ton Truck. 40,000 military design vehicles are required. An improved truck with commercial diesel engine and automatic transmission will be introduced. The Army is critically short of the cargo version of this truck. Currently only 10% of required trucks are on hand.

All Exemptions 2, 10, 11

e. Truck Tractors. Approximately 9700 truck tractors of various sizes are required to perform support missions. Commercial truck tractors are being bought to fill these requirements.

f. Hi-mobility Vehicles. 13,000 1-1/4 ton CAMA COATs were procured in the FY 71-73 time period and 1300 8 ton GOEPs were procured in the FY 74-76 period. Both of these vehicles are operating satisfactorily in the field and most users are happy with their performance.

No dollar requirements are included in the FY 78 budget for either of these vehicles.



g. Administrative Use and Maintenance and Service Vehicles. 68,000 commercial sedans, buses, telephone maintenance trucks, pickup trucks, fuel trucks, garbage trucks, etc. support post, camp and station operators.

h. In summary, the Army is commercializing its tactical wheeled vehicle fleet. All vehicles currently being procured, except the 1/4 ton truck, are either commercial vehicles or have principally commercial components. Studies are continuing to determine where additional commercial vehicles can be used.



10-21

JORDAN AIR DEFENSE SITUATION (U)

1. (U) SUBJECT/ISSUE: Current status of the Jordan Air Defense Program.

2. BACKGROUND:

a. During an early 1975 White House visit, King Hussein of Jordan requested Letters of Offer and Acceptance (LOA) for 14 Batteries of Improved HAWK Missiles, 100 VULCAN Air Defense System Firing Units, and REDEYE Missiles. On 15 April 1975, the White House committed in principle to sell the Air Defense System to Jordan.

b.) LOA's for I-HAWK and VULCAN were released to Congress on 10 July 1975. The LOA for REDEYE did not require Congressional approval and was released to Jordan. The case was accepted and funded on 14 August 1975, and the REDEYE Missiles delivered

c. (U) The VULCAN LOA was released to Jordan and accepted on 30 August 1975. The I-HAWK LOA was resubmitted to Congress on 23 July, 15 August and 3 September 1975. The LOA was finally released to Jordan on 26 September 1975 with the Congressional stipulation that the I-HAWK Launchers would be at fixed sites and used for defensive purposes only. Jordan accepted the offer on December 1975.

d.) Due to financial difficulties, Jordan could not deposit the required \$63.5 million until agreed to fund the Air Defense Package in August 1976, and the I-HAWK and VULCAN LOA's and associated cases for training, technical assistance, replenishment spares, program management, etc., were implemented September 1976.

3. (U) DOD POSITION: Maximum effort to ensure that adequate numbers of Jordanian personnel are trained and that equipment is delivered on schedule with minimum impact on U.S. Forces.

4.) CURRENT STATUS:

a. First VULCAN's will be delivered in December 1976 and an additional in March 1977 from U.S. stocks. Remaining VULCAN's will be delivered from procurement in 1979.

b. The first I-HAWK Battery Sets will be air shipped in 1977. The remaining Battery Sets will be shipped at 60-day intervals during the period 1978 - 1980. Although initially the first Battery Sets were to come from rehabilitated assets from U.S. Forces, the Jordanians agreed to a 30-day slippage on each Battery Set in order to receive all new equipment. The I-HAWK program is being managed at the U.S. Army Missile Command under the Army Project Manager Concept.

GRANT AID TO TURKEY

C-73

1. (U) STATUS/STATUS AND APPROVAL OF GRANTS OF ARMY
MATERIAL TO TURKEY.

2. BACKGROUND:

a. One of the original recipients of Military Grant Aid, Turkey has received Army material valued at approximately \$1 billion through January 1975. Additionally, commencing in 1968, Turkey purchased from the Army, via the Foreign Military Sales Program, material valued at approximately \$55 million.

b. As a result of Turkey's invasion of Cyprus, Military Grant Aid and new sales to Turkey were suspended by Congress effective 5 February 1975. On 10 October 1975, Congress authorized a partial lifting of the embargo, which allowed the reinstatement of non previous Army sales cases valued at \$6 million and authorized under credit an additional 21 Army sales cases valued at approximately \$21 million for Fiscal Year 1977. Turkey can continue to receive material against existing sales cases and purchase material through commercial channels; however, new Army sales to Turkey are subject to dollar controls established by Congress, require a Presidential Determination and State/CSS approval. Shipment of Grant Aid material to Turkey, however, continues to be suspended under Congressional embargo. * *

c. The current undelivered balance of the Army Grant Aid Program for Turkey is \$79.2 million. Undelivered major items of equipment include excess wheels of vehicles, FOX Missiles, OH-58A helicopters, Recoillies Rifles, LAW rockets, and communication equipment. Additionally, 14,000 spare sets of stored repair parts are available for shipment to Turkey. These items are held at manufacturer's plants, Army depots, post and other Military Service facilities.

d. The Army will report appropriate information for storage and maintenance of the above equipment from the Military Aeronautics Division. The exact dollar amount cannot be determined at this time.

3. (U) CONCLUSIONS: Although status of the

C-24

material being held for Turkey is not authorized, JCS will consider diversion of these assets on a case by case basis.

4. (U) CURRENT STATUS: The Army is presently drafting a memorandum to the Defense Security Assistance Agency, recommending a change in policy, authorizing diversion of these assets being held for Turkey, to satisfy other urgent International Logistics customers requirements, as required.

P. 25

REPUBLIC OF KONTA (ROK) TANK PROGRAM

1. (U) SUBJECT/ISSUE: To Upgrade ROK Tank Assets

2. BACKGROUND:

a.

b. The ROK Tank Upgrade Program provides for the replacement of the M47 Tanks with M48 Tanks purchased from the U.S. These tanks, which are gasoline engine, 90mm Gun, will be modernized/converted to the M48A3 configuration. This conversion entails rebuild, installation of diesel engine, and improved optical and fire control instruments. The 90mm Gun is retained.

c. The upgrade program provides for maximum work to be done in ROK. This includes the conversion of the tanks, and as the ROK capability is developed, to produce components of the conversion kits. This approach will allow the upgrade to be accomplished at the lowest possible cost to the ROK, while simultaneously developing ROK industry.

d. The concept for implementing the upgrade program entails the initial conversion of five tanks to be used as prototypes. From the experience gained from these conversions, ROK will determine capital equipment and facility required and determine what items can be produced in ROK.

e. The M48 Tanks being provided to ROK are priced at \$66,160 for serviceable, \$76,329 for unserviceable. These tanks are being sold in "As-is, Where-is" condition and represent assets in excess of U.S. requirements for conversion.

f. Total value of this program will approximate \$240 million.

3. (U) DDO POSITION: The provisions of this program are supported by DoD.

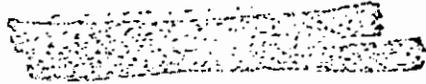
4. (U) CURRENT STATUS:

a. The ROK has signed an agreement for purchase of an initial increment of 190 tanks. Shipment of these tanks will commence in early 1977.

b. The firm of Hyundai Shipyard has been named as contractor for the conversions by ROK. Engineering representatives of this firm, and of the ROK Armed Forces, have visited the U.S. Army Tank Automotive Readiness Command and the U.S. Tank Conversion Program at Anniston Army Depot to gain familiarity with the U.S. program and the related management required. C-213

c. Although ROK production plans are still in the formative state, estimates are that conversion will start in mid-1975, with program completion approximately 3 years later.

e-37



INDUSTRIAL BASE

1. SUBJECT/ISSUE: Role of the Industrial Base in support of current defense strategy

PROCUREMENT (GENERAL)

1. (U) SUBJECT/ISSUE: Justification of increase in procurement budget request, FY 77 vs. FY 78. (U)

2. BACKGROUND:

a. Army is short of equipment and ammunition to equip the 24 Division force and to sustain that force for a non-nuclear NATO scenario.

b. Army studies of probable NATO war scenarios, newly established equipment wartime loss (replacement) factors and revised ammunition expenditure rates indicate the Army needs (constant FY 77 \$) to acquire sufficient modern equipment to fight a short conventional war in Europe.

c. FY 77 Congressionally approved procurement program was \$4466.0 million. The President's Budget request was \$4584.5 million.

d. /

3. ARMY POSITION:

a. Army needs to reduce the continuing material shortfall.

b. /

c. /

4. CURRENT STATUS: The on-going PED/major issue cycle in addressing Army position and impacts.

29

BASE REALIGNMENTS

1. Subject/issue. Closure or reduction of installations to achieve greater efficiency.

2. Background.

a. The Army has had continuing programs of reorganizations and management improvements which resulted in base reductions even during the Vietnam War. Between 1964 and the present, bases have been reduced almost 40% through disposal sub-posting or permitting to other agencies. During the same period, military and civilian strengths have been reduced approximately 20%.

b. Since 1973 the Army has made widespread reorganizations within CONUS to streamline the support structure, reduce headquarters and conserve resources. Some resulting actions from these past Army initiatives have not yet been completed (closure of Frankford Arsenal, reduction of Lexington-Bluegrass Army Depot to activity status, realignment of electronics research activities, formation of an aviation development center and associated support command).

c. On 1 April 1976 the Army announced 18 possible realignments for study which, along with other ongoing actions, could improve operating efficiency without endangering mission accomplishment. Anticipated savings from these realignment studies were deleted from the Army's FY 77 and FY 78 budgets. As studies have proceeded a number of the possible actions have proved to be uneconomical and the anticipated reductions in manpower and costs consequently decreased.

3. Current status. The current status of specific Army realignment actions is indicated at the attachment.

Attachment
As Stated

Army: ASA(I&L) 29 November 1976

Page 1 of 1 Page

U N C L A S S I F I E D

5-37

ARMY REALIGNMENT ACTIONS

CIVILIAN SPACE REDUCTION
ESTIMATED 1 APRIL 1976 ACHIEVED

1. Army decision made - approved
by OSD - announced.

ACTION.

AVSCOM/TROSCOM - Disestablish and form TSARCOM and AVRADCOM.	313	414 (FY 78)
Jefferson Proving Ground, IN - Status quo.	71	0
Savanna Army Depot, IL, Status quo.	114	0
Schilling Manor, KA - Terminate Army use, return to USAF (preferred alternative).	53	57 (FY 77)
Selfridge ANGB, MI - Convert BASOPS to contract.	234	167 (FY 77)
Stewart Sub-Post, NY - Convert BASOPS to contract.	148	71 (FY 77)

2. Realignment credits - No
further action required.

ACTION.

ARRADCOM/ARRCOM - Formation through realignment of DARCOM activities.	550	550 (FY 77)
Bayonne MOT, NJ.	215	47 (FY 77)
Headquarters, DARCOM (no credit allowed).	314	0
MASSTER - Reduction of TRADOC activities.	140	140 (FY 77)

3. Still under study or
decision pending - savings
estimated.

ACTION.

Aberdeen Proving Ground, MD.	279	
------------------------------	-----	--

C-31

CIVILIAN SPACE REDUCTION
ESTIMATED 1 APRIL 1976 ACHIEVED

Arlington Hall Station, VA.	87	-
ERADCOM - Realign Electronics R&D.	455	-
Fort Buchanan, P.R.	433	-
Fort Detrick, MD.	86	-
Fort Devens, MA.	402	-
Forts Hamilton/Totten, NY	552	-
Fort Indiantown Gap, PA.	315	-
Fort MacArthur, CA.	49	-
Fort Story, VA.	36	-
New Cumberland Army Depot, PA.	637	-
Rock Island Arsenal, IL.	80	-
Vint Hill Farms Station, VA.	16	-

LAND ACQUISITION - FORTS HOOD AND CARSON

1. SUBJECT/ISSUE: Congress has deferred/denied requests by the Army to acquire additional training/maneuver areas at Fort Carson and Hood.

2. BACKGROUND:

a. Fort Carson, CO. The FY 1975 and FY 1976 MCA requests included a project to acquire additional training/maneuver areas adjacent to Fort Carson, Colorado, at about \$7 million each year. In each case the request was for a portion of the total requirement established by Fort Carson of about 75,000 additional acres at an estimated cost of \$69 million. In each case the request was deferred in authorization.

(1) FY 1975 MCA request. The House Armed Services Committee (HASC) deferred the request, questioning the appraised value and incomplete draft environmental impact statement. The Senate Armed Services Committee (SASC) recognized that some additional land was required at Fort Carson; however, the Committee authorized the acquisition of a different area than originally requested by the Army. This was due to their concern for the objections of the local citizenry to the original Army proposal. In conference, the HASC and SASC agreed to delete authorization without prejudice.

(2) FY 1976 MCA request. The FY 1976 project was to acquire the area recommended by the SASC the previous year. Both the HASC and SASC recognized the need for additional land at Fort Carson, however, they deferred the request due to the unacceptably high cost per acre.

(3) A land acquisition project for Fort Carson was not included in FY 1977 MCA request as the total problem was being reevaluated.

b. Fort Hood, TX. The FY 1977 MCA request included a project to acquire additional training/maneuver area adjacent to Fort Hood, Texas, at about \$36 million. This would have provided the total requirement of about 60,000 acres identified by Fort Hood. There was local opposition to this project led by a group called "War Land, Our Lives: A Coalition for Human Rights." The request was deferred/denied in authorization. The HASC deferred the request stating, "The Committee does not deny that the Army may require more land; however, the Committee believes the Army failed to make a complete study, exploring all possible alternatives, to document and substantiate any

such need for the proposed land acquisition." The BASC denied the request stating the Committee was "not satisfied that the Army is managing its current real estate holdings at Fort Hood in the best possible manner" and "not convinced the Army has justified the need."

c./

The studies requested by the Congress have not been completed. The FY 1979 MCA program includes projects for land acquisition at both Fort Carson and Fort Hood.

3. DOD POSITION: OSD

of the Army studies to determine the total requirement for additional real estate.

4. CURRENT STATUS:

a./

b. The studies of both Forts Hood and Carson will consider various alternatives for providing adequate training/warehouse areas and, if required, determine the additional land areas necessary to adequately maintain our forces. DCSOPS, the proponent for these projects, has directed TRADOC to provide backup data for these studies and has given FORSCOM additional guidance to pursue possibility of reducing training area requirements for various units, more sharing of training areas, restationing of units, rearranging impact areas, etc. With this validation the Army should be well prepared for Congressional testimony.

C-34

PROPOSED ANNEXATION OF FORT BRAGG AND
POPE AIR FORCE BASE, NORTH CAROLINA

1. SUBJECT/ISSUE: The Town of Spring Lake and the City of Fayetteville, North Carolina, have initiated unilateral actions under Section 160A-24, North Carolina General Statutes (NCGS), to annex portions of Fort Bragg and Pope Air Force Base.

2. BACKGROUND: On 18 November 1975, the City of Fayetteville, North Carolina asked the Commander at Fort Bragg to petition for annexation of that installation under Section 160A-31, NCGS, which authorizes the annexation by petition of the property owners on land contiguous to a city's boundaries. Pursuant to that request, the U. S. Army District Engineer in Savannah was asked to prepare an Annexation Assembly and Evaluation Report (AAER) as required by AR 405-25. On 8 December 1975 the Town of Spring Lake adopted a resolution protesting the proposed annexation by the City of Fayetteville. On 5 January 1976 Hoke County, which is also contiguous to Fort Bragg, adopted a resolution protesting the proposed annexation by Fayetteville, Spring Lake, or any other political subdivision. On 12 January 1976 Spring Lake nullified its earlier resolution and adopted a new resolution stating its opposition to the annexation of Fort Bragg and Pope Air Force Base by the City of Fayetteville. It is Department of the Army policy not to approve an annexation proposal if it is opposed by another political subdivision in the State. On Monday, 13 September 1976, at 6:30 P.M., the Town of Spring Lake adopted a resolution initiating proposed annexation and that same Monday evening at 8:00 P.M. the City of Fayetteville passed a resolution initiating its proposed annexation under the same nonconsensual procedure. Pursuant to that procedure a public hearing on Spring Lake's proposal was scheduled for 14 October 1976; Fayetteville's public hearing for 8 October 1976. Neither municipality would agree to delay its action. At that time Cumberland County, also a political subdivision contiguous to Fort Bragg, informally stated its opposition to the proposed annexations and is presently studying the matter. The municipalities have admitted that the sole purpose of the Fort Bragg annexation is to increase revenue. Neither intends to provide services to either installation but by including the military and civilian residents on these installations in their municipal populations the cities would qualify for increased shares of Federal and State monies. Fort Bragg is concerned with maintaining harmonious community relations with all surrounding political subdivisions. If the

annexation actions had continued in September, the increased friction between Spring Lake and Fayetteville would have involved Fort Bragg before the Department of the Army position was determined. So, upon request of the Commander, Fort Bragg, FORSCOM and ASA(I&L), the Secretary of the Army authorized the filing of an interim protest pending the compiling of an AAER for presentation to the Secretary of the Army for his determination as to whether the proposed annexations would interfere with the Army mission and would be in the best interest of the Government in accordance with AR 405-25.

3. DOD POSITION: Pursuant to the requests of the Secretary of the Army and the Secretary of the Air Force, the Department of Justice secured a temporary restraining order on 11 August 1976, in the United States District Court, Eastern District of North Carolina, enjoining Spring Lake and Fayetteville from taking any further steps in the annexation of Fort Bragg and Pope Air Force Base pending further orders of the Court.

4. CURRENT STATUS: AAER is being prepared by the U. S. Army District Engineer in Savannah and will be submitted through the Division and command channels to OCE by the end of December 1976. Army staff will review and forward with comments and recommendations to the ASA(I&L) and be prepared to present a briefing to the Secretary of the Army before the last week of January 1977. Army position on annexation will be determined and Secretarial decision transmitted to Army staff by the end of January 1977 for continuation of action.

C-36

FAIR MARKET RENTAL

1. SUBJECT/ISSUE: Should the government rent housing to service members? If so, what should be the basis for the rent?

2. BACKGROUND:

a. Traditionally, military compensation has included basic pay, quarters allowance (BAQ), subsistence allowance (BAS), and a tax differential.

b. Although BAQ was adjusted in the last two pay adjustments, housing costs still exceed BAQ. Apparent inequity exists between the service member who is provided government quarters, forfeiting his BAQ, and the service member who must rely on the civilian economy for housing.

c. OSD/OMB and the services have been extensively studying various methodologies to change the framework within which service members are provided government housing.

d. The thrust behind the housing activity is twofold: reduce costs to the government; correct the purported inequity that accrues to service members who occupy government housing versus those who do not.

e. Two separate studies have evolved, both of which are still under development and refinement. (1) Fair Market Rental (FMR) is a joint OSD/OMB effort and essentially drives toward service members paying rent for government housing based on rent of comparable housing in the civilian community. (2) The III Quadrennial Review of Military Compensation (QRMC) study group is studying total military compensation of which housing is considered an important element. The QRMC approach would provide housing based on government cost.

The Services have reviewed both FMR and QRMC proposals /

Agency: ASA(184) 30 Nov 76

Page: 2 of 2

Unclassified

~~CONFIDENTIAL SOURCE~~ FBI will submit new special risk insurance legislation as part of 1977 Housing and Urban Development Act.

Agency: ASA(184) 29 Nov 76

Unclassified

Page: 1 of 1 page

100

OMA BACKLOG OF MAINTENANCE AND REPAIR - REAL PROPERTY

1. SUBJECT/ISSUE: Reduction of OMA Backlog of Maintenance and Repair (BMAR)

2. BACKGROUND:

a. Backlog of Maintenance and Repair (BMAR) is the measurement of unfinanced maintenance and repair work remaining as a firm requirement at the end of a fiscal year. BMAR thus represents deferred funding requirements for correction of facility deficiencies.

b. BMAR levels have increased significantly during recent years. This rise is attributable to historically-inadequate funding for repair of real property; and to extraordinary efforts applied throughout the Army to identify the total maintenance and repair requirement.

c. Today's BMAR program is intensively managed at all levels of command. Facilities Engineers continually inspect installation facilities to update BMAR listings; Major Commands and Department of the Army then validate these listings by statistical sampling to insure both accuracy and uniform application of repair standards.

3. DOD POSITION: Consistent with planning, programming, and budgeting policies, BMAR is to be reduced to a manageable level of \$100M by the end of FY 82; thereafter, Real Property Maintenance Activities (RPMA) are to be programmed to balance yearly requirements.

4. CURRENT STATUS: The dollar value of the Army's OMA BMAR as of 30 Sep 76 is \$1.19B. Of this amount, \$891M is located in Europe. Current Army programming provides for adequate resources to reach manageable BMAR levels in CONUS and the Far East by the end of FY 82. The magnitude of BMAR in Europe, however, coupled with construction-capability constraints, will not allow Europe BMAR to be reduced to manageable levels until FY 91.

MILITARY CONSTRUCTION, ARMY (MCA) BACKLOG

1. SUBJECT/ISSUE: Facility Deficiencies (Backlog) of MCA Projects.

2. BACKGROUND:

a. Major Commanders are requested on a yearly basis to re-validate and resubmit their construction requirements. The backlog is developed in Department of Army (DA) from these Command submissions and includes projects from the budget year through long range. Any project which appears on an approved installation master plan is considered a candidate for the backlog.

b. During the Vietnam era priority for MCA funds was given to Southeast Asia construction and training facilities in support of the war effort to the detriment of other MCA requirements. This has caused the CONUS backlog to increase.

c. Since the cessation of the war the Army has made an effort to accelerate the program for eliminating this backlog of facility deficiencies. Much of these efforts has in turn been diluted by the continued escalation of construction costs.

3. DOD POSITION: Progress in overcoming this facility deficiency depends to a considerable degree on a marked reduction in inflationary trends in the nation's economy and substantial increases in the MCA budget. The goal is to develop a level of funding which would keep pace with new mission assignments and at the same time liquidate current deficiencies in a reasonable period.

4. CURRENT STATUS: Based on major commands construction requirements submitted on 1 June 1976, the present total estimated construction (MCA) backlog is \$9.0 billion worldwide. CONUS construction backlog is estimated at \$7.8 billion; overseas backlog estimated at \$964 million with \$360 million being in support of NATO Infrastructure; and the design and planning backlog is estimated at \$300 million. The inclosure provides a breakout of the MCA backlog by construction facility class. Projects included in the current backlog are being reviewed and a revised backlog will be prepared for the FY 1978 President's Budget Submission.

Incl
as

2-41

WETEYE BOMBS

1. SUBJECT/ISSUE: Retention and Movement of WETEYE Bombs as a Part of the Deterrent Stockpile.

2. BACKGROUND:

a. The stocks of Navy WETEYE bombs retained in storage at Rocky Mountain Arsenal (RMA), Colorado were originally a part of the nation's deterrent stockpile of chemical warfare agents. In 1972 the Sec Def declared that all stocks located at RMA were excess to requirements. The Army in its proposed plan for demilitarization and detoxification of chemical warfare agents at RMA included the demil of the WETEYE bombs. In 1976 the JCS requested the Sec Def to declare that the retention of the WETEYE bombs was in the interest of national security and that they be moved to another storage location.

b. The Army's plan for the demil of all chemical materials at RMA was predicated on a completion date of 31 December '77. This plan included the demil of all toxic materials including the WETEYES. Congress has been advised that all such materials will be removed from RMA by the December '77 date.

3. DOD POSITION: OSD concurs with the intent of the Navy's request that the WETEYES be retained but have advised that an environmental impact statement and movement plan must be submitted prior to a request for Sec Def declaration. Since this is a Navy/JCS action the Army has taken no initiatives except to delay the demilitarization of the bombs pending Sec Def decision.

4. CURRENT STATUS: DA has requested ARMCOM to prepare an environmental impact statement for the movement of the Navy WETEYE bombs to another site, probably Tooele Army Depot, Utah. It can be expected that the movement of the WETEYES and the attendant administrative problems may cause an overrun of the December '77 date for the removal of all toxics from Rocky Mountain Arsenal.

C-11

CHEMICAL IDENTIFICATION KITS

1. SUBJECT/ISSUE: Relocation, Consolidation and Demilitarization of Chemical Identification Kits.

2. BACKGROUND:

The Military Services currently maintain a total of over 20,000 chemical training and identification kits throughout the world. Some of these stocks are located in politically sensitive areas. With an intent of disposing of the kits, it has been determined from an economic standpoint that the relocation to a central demilitarization facility is the most prudent. Two sites were selected: Rocky Mountain Arsenal (RMA), Colorado and Tooele Army Depot, Utah. Because of its past experience and current capability and the fact that it could be readily activated to perform such demil, RMA was selected as the site.

3. DOD POSITION:

4. CURRENT STATUS:

a. The Army has submitted a request for Sec Def declaration. An environmental impact statement is being prepared for submission to the DA Staff.

b. Under the provisions of PL 91-441 the Army is authorized to move small amounts of toxic chemicals for the purposes of research and development. Army is developing a plan to move sufficient quantities of ID kits to RMA to establish a pilot line for the demil of the balance of the stocks. An environmental impact statement is required for the pilot program. Kits required to conduct pilot operations will be withdrawn from selected overseas locations and the balance from installations within CONUS.

c. No action has been taken by the Army to move the initial portion of ID kits to RMA. |

MOVEMENT AND CONSOLIDATION OF CHEMICALS

1. SUBJECT/ISSUE: Movement and Consolidation of Chemical Materials from Tooele Army Depot (North), Utah and Dugway Proving Ground, Utah to Tooele Army Depot (South)

2. BACKGROUND:

The Army has initiated a significant effort to consolidate chemical materials to reduce the cost of surveillance, physical security and maintenance of the sensitive items. One such move and consolidation, e.g., Fort McClellan, Alabama to Anniston, Alabama is planned for December 1976. The next actions to be conducted under this program are two moves involving Tooele Army Depot: Tooele Army Depot (North) to Tooele Army Depot (South) and Dugway Proving Ground to Tooele Army Depot (South).

3. DOD POSITION:

4. CURRENT STATUS: Because the internal Tooele move crosses a public highway and the Dugway move must be made on public roads, environmental impact assessments and movement plan are required to conduct this action. A Secretary of Defense declaration that such a move is in the interests of national security is also required. An environmental impact statement has been developed and is currently being staffed at DA. It is expected that the request for Sec Def declarations, and environmental impact statements, and movement plans will be forwarded to OSD in early December '76.

2-44

CARBONYL CHLORIDE (PHOSGENE)

1. SUBJECT/ISSUE: Commercial Sale of Excess Carbonyl Chloride (Phosgene)
2. BACKGROUND:

The Army maintains in storage at Rocky Mountain Arsenal (RMA), Colorado approximately 2 million pounds of carbonyl chloride. The agent was originally a part of the deterrent stockpile. The Secretary of Defense has declared those stocks of chemical warfare agents located at RMA to be excess to requirements. The Army has proceeded to detoxify and demilitarize all chemical materials located at RMA on site. Since carbonyl chloride is an industrial chemical used in large quantities in the manufacture of vinyl plastics, it appeared that the prudent and economic course of action is to sell the phosgene at RMA to a commercial user. In order that this might be accomplished, legislation was obtained to declare carbonyl chloride an industrial chemical and hence not within the purview of chemical warfare agents per se.

3. DOD POSITION: Commercial sale of the carbonyl chloride located at RMA be sold to a commercial consumer.
4. CURRENT STATUS: All administrative action to promote the sale and movement of the chemical including environmental impact statement and movement plan has been concluded. A contract has been awarded for the sale and sufficient phosgene to conduct a pilot test program is being transported to a contractor's facility in Texas. Upon completion of the pilot program, a determination will be made on the effectiveness of the process and its application to the excess stocks. If the test program is successful anticipate removal of the phosgene from RMA by December 1977, which was the target date submitted to Congress by the Secretary of the Army.

e-45

DOD INSTALLATION RESTORATION PROGRAM

1. SUBJECT/ISSUE: The identification of military installations which have dangerous chemical or radiological contamination; the determination of the exact nature and extent of the contamination; and, when required, the control or elimination of the contamination.

2. BACKGROUND: The Secretary of the Army approved the charter for the Project Manager, Chemical Demilitarization and Installation Restoration on 22 August 1975. Three installations were identified for initial action:

a. Rocky Mountain Arsenal, CO: In May 1974, diisopropylmethylphosphonate (DIMP) and dicyclopentadiene (DCPE), resulting respectively from the manufacture of GB (nerve gas) and pesticides were detected in surface water draining from a marshy bog on the northern boundary of RMA. In December 1974, the Colorado Department of Health detected DIMP in a well near the city of Brighton, north of RMA and in April 1975, issued three Cease and Desist Orders (to stop the off-post discharges of DIMP and DCPD) against RMA and Shell Chemical Company.

b. Weldon Spring Chemical Plant (WSCP): An inactive Army facility located approximately 25 miles west of St. Louis, MO, the facility was used by the Atomic Energy Commission during the period 1955-1966 for uranium ore processing. The Army reacquired WSCP in 1967 on an "as is" basis. The installation has high levels of residual radioactivity and explosive contamination from TNT and DNT production (1943-1945). Contaminants in the surface water exiting WSCP are currently within the maximum permissible concentrations allowed by Title 10, Code of Federal Regulations, Part 20, for uncontrolled areas.

c. Pine Bluff Arsenal (PBA), AR: The arsenal has produced and stored chemicals, biological agents, and pyrotechnics. In FY 74 a program was initiated to determine the profile of surface contamination. This involved the survey of 33 contaminated areas. This survey was completed in June 1976. As a result of this effort DDT was found to be migrating by surface routes into the Arkansas River in quantities in excess of EPA standards.

3. DOD POSITION: The Army is the DOD lead service for installation restoration. DOD guidance is to concentrate on real migration problems, which should have first priority; actual restoration should be considered only where plans to reuse or excess the land are firm. The goal is abatement of pollution which has an immediate impact on public health and welfare.

4. CURRENT STATUS: The research effort is concerned with the establishment of environmental standards for contaminants, analytical techniques and instrumentation for identification and quantification of contaminants

c-46

and development of cost effective methods for decontamination. The operational effort is in sampling, analysis for data management, ecology surveys and monitoring conduct of actual operations.

a. RMA. Work is directed toward determining the nature, location and scope of contamination sources on the installation. This will be followed by an interim system to contain and treat migrating water by end FY 77, a final system by end FY 79 and a system to eliminate the source of contamination by FY 82.

b. WSCP: A contract is being let to make a detailed radiological survey of the installation and to determine disposition alternatives. ERDA retained ownership of the pit areas (approximately 26 acres) west of the Army buildings and real estate. ERDA wrote Senator Eagleton that these pits would be covered. As of November 1976 this has not happened. The Missouri Congressional Delegation monitors the progress toward final disposition closely.

c. PBA: Surface deposits of DDT are being collected and buried in clay pits. Surveys are being made to determine whether other contaminants are migrating off the arsenal.

d. Other Installations: Work is being initiated to determine the presence and extent of contamination at 57 Army installations. Priority of examination is based on known potential. A records search will be followed by a preliminary field survey where a high probability of contamination is indicated.

e-47

CHEMICAL SECURITY UPGRADE PROGRAM

1. SUBJECT/ISSUE: Increase security for chemical munitions.
2. BACKGROUND: Army initiated program in 1975 in view of growing terrorist/criminal threat. DA Physical Security Review Board Report on Chemical Agents and Munitions Security provided basis for standards. Basic objective: Chemical security standards which parallel standards for nuclear weapon security.
3. DOD POSITION: Fully supports Army position in principle. Current P&Ds, if approved, would deny \$4.9M for two CONUS sites in FY 79 and \$26.7M for an overseas location during FY 79.
4. CURRENT STATUS:
 - a. FY 77 Approved Programs, \$17.1M (OMA \$8.2M - MCA \$8.9M)
 - Provides for igloo door barricade, fencing lighting, intrusion detection systems (IDS)
 - Provides for security guards, inventory, and rewarehousing of chemicals into more secure storage structures.
 - b. FY 78 Budget Request:
 - Provides for construction of chemical storage structures, site security control centers, back-up power sources and communication systems.
 - Rewarehousing, inventory and security guards.
 - Intrusion Detection Systems.
 - c. Consolidation plans underway.
 - Ft. McClellan, AL to Anniston Army Depot, AL, on 14 Dec 76.
 - Toole Army Depot (North), UT, to Toole Army Depot (South), UT and Dugway Proving Grounds, UT to Toole Army Depot (South) UT, being staffed.
 - d. More stringent chemical security standards regulation which parallels nuclear standards to be published effective 1 January 1977.

C-112

PACIFIC SUPPORT REALIGNMENT PLAN

1. SUBJECT/ISSUE: Implementation of OSD decision (PBD 253R) the primary purpose of which is to reduce the Army's presence and logistics support functions in Japan and Okinawa.
2. BACKGROUND: Program Budget Decision 2800R, 3 January 1975, directed, among other things, a major reduction in U.S. Army presence in Japan/Okinawa by the end of FY 1977. The manpower reductions were:
 - End FY 76/77 - 1000 Military and 4000 Indirect Hire Civilians
 - End FY 77 - 1750 Military and 2100 Indirect Hire Civilians

The PBD further reduced Army funds approximately \$30M for FY 76/77 and directed the Army to incrementally phase down its logistics complex and to transfer residual support functions, including hospitals, to another Service. Service plans, except AF, required by the PBD were submitted to OSD. By PBD 253R on 10 December 1975, OSD directed implementation of essentially the Army proposed plan. A listing of the initial missions and functions to be transferred and their respective dates is attached. Continued delays in decisions to implement PBD 253R seriously eroded significant savings and caused unnecessary adjustments in the budgets of all services.

3. DOD POSITION: On 16 August 1976, the DEPSECDEF(C) issued a memorandum that directed implementation of the realignment plan. This was followed by a series of counter submissions by the services. On 15 October 1976, CASD(L) by memorandum to the services, reaffirmed the DOD position - the 16 August memorandum was a final decision.
4. CURRENT STATUS: By message, 24 November 1976, OSD announced the procedure for transfer rights of Army indirect hire civilian personnel. This announcement was intended to overcome the last known major obstacle to transfer of missions and functions. The transfer date for each mission/function is shown on the next page.

C-114

FUNCTION/MISSION TRANSFERS

Facility engineering support - Yasedaka, Tengen and Kubasaki School (Okinawa) - AF (28 Feb 77)

Civilian personnel functions (Okinawa) - AF (31 Mar 77)

Tri-Service Laundry (Okinawa) - AF (28 Feb 77)

Hospital (Okinawa) - Navy (28 Feb 77)

Camp Kawaii facility engineering support (Okinawa) - MC (28 Feb 77)

PACOM central funding (Okinawa) - AF (28 Feb 77)

Mortuary (Honshu) - AF (28 Feb 77)

Mortuary (Okinawa) - AF (28 Feb 77)

Zukeran telephone exchange (Okinawa) - AF (28 Feb 77)

Makiminato dial center office (Okinawa) - AF (28 Feb 77)

Hospital dial central office/TV maintenance (Okinawa) - MC (28 Feb 77)

White Beach dial central office (Okinawa) - Navy (28 Feb 77)

Wholesale subsistence (Okinawa) - AF/DSA (30 Apr 77)

Wholesale subsistence (Honshu) - AF/Navy/DSA (30 Apr 77)

Zukeran fire station (Okinawa) - MC (completed)

Taiwan sub-post (Taiwan) - Navy (8 Jan 77)

Preventive medicine (Okinawa) - Navy (28 Feb 77)

Dental clinic (Okinawa) - Navy (28 Feb 77)

Commissaries (Okinawa) - AF (28 Feb 77)

Food service support Zukeran (Okinawa) - MC (completed)

Medical lab (honshu) - Navy (28 Feb 77)

Family housing management (Okinawa) - AF (28 Feb 77)

Zukeran base support (Okinawa) - MC (28 Feb 77)

Base support, Kadena (Okinawa) - AF (28 Feb 77)

Incl

c-50

SECURITY OF SMALL ARMS, AMMUNITION, AND EXPLOSIVES

1. SUBJECT/ISSUE: Develop and implement a program that provides physical security of small arms, ammunition and explosives to include intransit security.
2. BACKGROUND: The House Armed Services Investigating Subcommittee (IASIS) conducted hearings and issued a report on 14 April 1976 which expressed concern over weapon losses during the period 1971-1975. The DOD and each of the services established a Physical Security Review Board which made recommendations to improve the security accorded arms, ammunition and explosives. Fundamentally the measures proposed developed security standards for the items while in storage and transit as well as accountability at all times.
3. DOD POSITION: Coincides with Army position. The TANKERSLY (DASD(DARA)) Committee's report, issued on 6 October 1976, provides a summary of actions taken and to be taken by each of the services.
4. CURRENT STATUS:
 - a. FY 77 Approved Program: \$23M (OMA \$16M - MCA \$7M)
 - Upgrade arms room construction worldwide.
 - Install/maintain intrusion detection systems (IDS) on arms rooms.
 - Upgrade/construct basic load sites; upgrade storage facilities in USAREUR.
 - b. FY 78 Budget Request:
 - Arms/ammunition facilities upgrade;
 - Install and maintain IDS.
 - Improve selected ammunition storage sites.
 - c. Out year program FY 79-82 - [redacted]
 - d. New intransit security regulation published Sep 76. DOD to establish standard procedures for all services by March 1977 for all DOD shipments.
 - e. Based on Army initiative, DOD has requested joint DOD/NSA group review and improve non-DOD intransit shipment standards (commercial sector) for arms, ammunition and explosives.
 - f. Army weapon losses reduced: 3039 in 1971; 1719 in 1972; 1618 in 1973; 899 in 1974; 670 in 1975; 443 through September 1976.
 - g. Separate programs for nuclear and chemical weapons are well advanced.

OMA - P78

1. SUBJECT/ISSUE: Program/Budget Decision (PBD) Impact on OMA - P78.

2. BACKGROUND:

The FY 1978 Program/Budget Decision for OMA - P78 reflects reduction in OMA and reduction in MPA. Specific functions/programs affected are:

(1) Industrial Preparedness Operations were reduced by 41% or essentially the FY 77 level as adjusted for inflation. The effects of this reduction are: 1) consideration must be given to

2) curtailment of work in assessing, condition coding, and upgrading plane equipment packages; and 3) the abandonment of promising new initiatives in the planning areas concerning stockpiling and mobilization planning. The entire reduction is being appealed.

(2) Modernization of Logistics, Europe (MODLOG) program was reduced by 1742 indirect hire foreign nationals and 705 military personnel by end of FY 78. Although those personnel were identified as potential "savings" in one program area, they were to be transferred to other functional areas, principally to expand the below-depot support capability.

The entire reduction is being appealed.

(3) Second Destination Transportation was reduced by submission Reductions were for rate stabilization (which will not be appealed) and Military Airlift Command (MAC) workload (to be partially appealed). MAC reductions will adversely affect the Army's ability to improve support to forces in the Middle East, the Direct Support System, and the ongoing redistribution of Army forces in the Pacific.

(4) The repositioning of DSA stocks program was reduced by civilian personnel requested for processing of DSA stocks in the same manner as Army stocks. This reduction would result in diversion of personnel or the utilization of double standards. This reduction is being appealed.

(5) The Army directed inventory and rewarehousing of table stocks and ammunition was reduced by This reduction will preclude completion of the program in FY 78 and will adversely affect the rewarehousing procedures utilized. This reduction is being appealed in total.

(6) The procurement of plane support has been eliminated for OMA with the recommendation that this action take place in the procurement appropriation. Contact with procurement indicates some difficulty during the procurement process.

2-52

not all are suitable for procurement. All improvements planned are consistent with elimination of transferred and that action is being appealed.

(7) The Direct Support System (DSS) "barrier" items are eliminated by a reduction taken in the DSS. Elimination will be of all both maintenance visits and all scheduled follow-up visits. This elimination is being appealed in court.

(8) Civilian manpower has been further reduced by these reductions, in Supply Management, Control Movement, and Logistic Support activities, primarily DSSOM activities, with women an already unacceptable personnel/workload problem in DSSOM. These reductions are being appealed.

(9) Reductions in base/operations activities, particularly in bachelor housing, furniture, installation restoration, chemical security, and manpower pricing, will adversely delay/affect those programs/areas. Specifically, the delays in procuring bachelor furniture and in installation restoration would not be cost effective, whereas, the reduction in chemical security would preclude necessary physical security improvements required in this sensitive program. These reductions are being appealed.

3. DOD POSITION: As established in the DSO.

4. CURRENT STATUS: Reductions are being appealed as stated.

-53

CMA - P7M

1. SUBJECT: CMA - P7M Funding (P732207 Nowe Only)

2. BACKGROUND:

a. A track of Depot Maintenance activities (P732207) funding levels is shown at Incl 1.

b. In FY 74 the budget submission was \$600.5M. The OSD PDB reduced this by \$125.3M. A reclama for \$55.3M netted \$11.0M for a President's budget of \$486.2M. A supplemental of \$44.0M was approved by Congress, however, a COA reduction of \$31.7 was received. \$498.5M was the final FY 74 Budget figure.

c. In FY 75 \$409.1M was requested. After the OSD PDB cut of \$135.9M was appealed a reduction of \$43.6M was received. Congress additionally cut \$7.4M and COA an additional \$15.0M leaving a FY 75 budget of \$343.1M.

d. In FY 76, \$505.9M was requested. After a PDB reduction of \$29.5M the DA reclama retained \$13.6M for a net OSD reduction of \$15.9M for a total FY 76 budget of \$478.6M.

e. In FY 77 \$135.0M was requested. A DoD reduction of \$3.1M and supplemental request of \$9.4M less \$1.2M Congressional reduction netted the Army \$141.1M for FY 77.

f. In FY 77 \$731.2M was requested. The PDB reduced this by \$187.2M of which a reclama for \$166.3M was approved. The net \$710.3M was further reduced \$27.5M by Congress and \$751.8M by COA, leaving a total of \$607.0M for FY 77. The COA reduction transferred \$50.0M to P7S. \$16.0M for recruiting, \$2.5M Stock Fund Surcharge Reduction, \$6.3M excess pay raise redistributed. \$2.0M for executive flight detachment to Navy, \$1.0M of miscellaneous changes made the COA reduction \$75.8M.

3. CURRENT STATUS:

5. If the PDB reduction occurs, the hardware overhaul program will be reduced by over 1/3. The unfunded backlog will be increased.

a. The DoD directed Maintenance Management Level was originally scheduled to be reached in FY 78.

If the PDB cut is enforced, it

2.5

284

	1977	1978	1979	1980	1981
OSD Budget	404.5	411.1	407.0	411.1	411.1
DBD	-125.1	-122.0	-129.9	-122.0	-127.7
Appoint	(+55.3)	(+100.0)	(+19.1)	(+11.0)	(+111.0)
Restored	+11.0	+92.3	+13.4	+3.5	+100.0
Pres. Budget	486.2	561.2	496.1	501.6	510.7
Supp. Request	+88.3	-	-	+2.7	-
Comp. Reduction	+64.0	-1.7	-11.4	-1.7	-21.9
30A Army Reduction	-31.7	-13.7	-	-	-17.7
Annual Total	498.0	561.2	483.0	497.1	502.0

2-55

EUROPEAN CAPABILITIES ENHANCEMENT

1. SUBJECT/ISSUE: ECAP - Logistics Impact

2. BACKGROUND: By direction of CSA, LTC Hollingsworth made a readiness assessment of Europe. The final recommendations list total 106 which included those issues concerning the VCSA, General Blanchard (CINCUSAREUR) and LTC Cooper (DEPCINCUSAREUR). Being heavily resource oriented, the Program Guidance Review Committee (PGRC) was tasked to develop and monitor resolution of each issue. Conceptually the issues are being addressed in three ways: (1) quick fix with existing resources; (2) solutions which can be accomplished thru the FY 78 budget; (3) those longer range issues best developed in the FY 79-83 Program Objectives Memorandum (POM).

3. DOD POSITION: Accept/agree in Principle based on budget constraints.

4. CURRENT STATUS:

a. Of original 106 issues, 34 had primary logistics impact.

b. Scorecard of original Log issues:

- (1) resolved 3
- (2) dropped 1
- (3) active 24 (PGRC decisions required)
- (4) monitor 8 (Decisions made - being implemented)

c. Budget Scorecard (original issues):

- (1) FY 77 3
- (2) FY 78 1 ~~Subtotal~~ final figures pending
- (3) FY 79-83 12 (POM) Budget Approval
- (4) No resource implication 8
- (5) Requires further definition 4

d. Most significant dollar and operational logistics impact is in ammunition and POMCUS/War Reserve related issues.

e. Other significant Logistics issues considered:

- (1) Air drop capability.
- (2) Intra-Theater Airlift requirements.

- 56
- (3) HAWK Support Rebuild Facility.
 - (4) Repair Parts Shortages.
 - (5) Logistics Drawdown.
 - (6) Labor Service Organizations
 - (7) Use of NAFSA

d. Currently underway is the reorganization of ECAP staffing procedures from a workgroup orientation to alignment of issues by normal responsible primary staff Agency.

e. A number of the original ECAP recommendations were purely operations oriented yet had significant logistics impacts. Action is currently underway to include those essential logistics considerations necessary to maintain an appropriate combat and combat service support balance.

C-57

TOTAL ARMY EQUIPMENT DISTRIBUTION PLAN (TAEDP)

1. SUBJECT/ISSUE: Equipment Distribution System for Major Items.

2. BACKGROUND:

a. Vice Chief of Staff Memorandum of 28 Nov 1975 directed that a Chief of Staff Memorandum (CSM) be prepared for the final development of a Total Army Equipment Distribution Plan (TAEDP). As a result CSM 76-701-40, 6 August 1976 was published to delineate Army Staff responsibilities for actions required to complete the Total Army Equipment Distribution Program (TAEDP). Also to provide information and guidance to the system, DA Circular 700-27 was published on 23 July 1976.

b. The primary objectives of the TAEDP are:

(1) Provide an Equipment Distribution Program (EDP) to support the total force for the Program Objective Memorandum (POM) and the current and budget years.

(2) Provide a Management Information System (MIS) to assess the impact of various distribution alternatives, examine the adequacy of procurement programs and provide equipment details for specified units.

3. CURRENT STATUS: The TAEDP consists of Phase I and Phase II. Phase I is the EDP to support the FY 73-82 POM. This phase is limited to the display of Reportable Item Control Code (RICC) 1 items which are the primary high dollar Army procured items. Phase I also displays 130 Supply Significant Items (SSI) to assess distribution impacts for projected force structure alternatives. Phase I was completed in August and the resultant information has contributed immeasurably in the planning and execution of equipping the total Army. Phase II will expand the limited data areas to include all major reportable items displayed at unit and procurement level with claimant stratification dictated by the Programmed Priority List. Implementation of Phase II will enable the Army to display and manage the total equipment distribution system.

C-58

PROPOSITIONED MATERIAL CONFIGURED TO UNIT SETS (POMCUS)

1. SUBJECT ISSUE: 2. M. M. Qualification Program

2. BACKGROUND:

a. POMCUS is material configured to re-equip specific TOE type units upon initial deployment to the theater in which the material is stored or to an alternate theater at the direction of DA or JCS. POMCUS is not an additive component to the Authorized Acquisition Objective (AAO) hence equipment needed is taken from existing inventory.

b. The Army's current POMCUS program consists of the packages or "sub sets" as shown at Inclosure 1.

c. Since late 1973, Foreign Military Sales (FMS) withdrawals, as well as unit activations for the 16 Division Forces have :

3. DCD POSITION: Supports the Army's POMCUS program.

4. CURRENT STATUS:

a. Based on dollar values of requirements versus quantities on hand

b. Although POMCUS stockage is degraded; intensive management by DA, DARCOM and USAREUR directed at the entire POMCUS program, to include equipment shortages, will insure its recovery. The current projection is that

c. The Army's capability to accelerate the reconstitution of POMCUS will depend upon the balanced needs of the active force, reserve modernization and any future unprogrammed FMS requirements.

d. Of the major TOE equipment that comprises POMCUS, the Army considers the items listed at Inclosure 2, to be key critical indicators to the effective reconstitution of POMCUS.

e. In addition to TOE equipment, the POMCUS concept requires repair parts Authorized Stockage Items Prescribed Load Lists (ASIS/PLLS) and ammunition (Basic Loads) to be available for issue to POMCUS units upon arrival in Theater.

e-59

(1) ...
have been submitted for the remainder. All ASLs will be filled by 31 March 77.

(2) PLL's: All
PLLs are being updated based on new POMCUS authorizations. All PLLs will be available by 31 March 1977.

(3) Basic Loads: Basic loads of ammunition are required for all POMCUS units. All have been recently recomputed and shortages are being satisfied from in theater assets or by requisition from CONUS sources. Basic loads for POMCUS are included in overall Theater ammunition war reserves computations. Basic loads are stored at selected ammunition depots where they are administratively earmarked and protected for POMCUS. In accord with prescribed procedures, POMCUS unit basic loads are assembled and issued to units upon their arrival in theater.

2 Incls

210

RECOGNIZED ARMY REQUIREMENTS FOR EUROPE FORCES

E-61

<u>DATE</u>	<u>C/H</u>	<u>PERCENT</u> <u>FILL</u>	<u>NET WELL</u> <u>DATE</u>	<u>LAYER IS</u>
-------------	------------	-------------------------------	--------------------------------	-----------------

C-62

US WAR RESERVES - CONUS

1. SUBJECT/ISSUE: Assessment of US War Reserve Stocks - Other than Europe.

2. BACKGROUND:

a. US War Reserve Stocks for Other than Europe consist of stocks

b. The stockpiles which are prepositioned outside CONUS are considered the minimum essential levels to sustain military operations until CONUS resupply can be effected.

c. Requirements for these stockpiles represents approximately \$13.3 billion for major items, ammunition and other combat essential consumables.

3. DOD POSITION: The filling of these War Reserve requirements is essential to successful combat operations in either a NATO or North East Asian conflict. However, priority, within funding constraints, must continue to go to the prepositioned War Reserves in Europe.

4. CURRENT STATUS:

C-63

US WAR RESERVES - UNIDENTIFIED EUROPE

1. SUBJECT/ISSUE: Assessment of US War Reserve Stocks - Europe.
2. BACKGROUND:

3. POB POSITION: The filling of War Reserve requirements for US Army, Europe has the highest priority of all War Reserve requirements (less POMCUS).
4. CURRENT STATUS:

ARMY: ASA (IGL) 29 Nov 1976

C-64

WAR RESERVE STOCKS FOR ALLIES - KONRA

1. (U) SUBJECT/ISSUE: Status of War Reserve Stocks for Allies.

2. BACKGROUND:

a. The objective of the War Reserve Stocks for Allies program is to support the National policy of assisting selected allies to defend themselves and minimizing the need for assistance by US Combat Forces. Specifically, the program recognizes the fact that certain allies are not economically capable of developing and maintaining the required war materiel stockpiles.

b. The War Reserve Stocks for Allies program is currently designed to support

Program requirements are developed through a systematic review of the and validation of Combat Essential requirements which cannot be supported. The current program requirement exceeds 1.

c. The 1974 enactment of Section 514 to the Foreign Assistance Act precluded the use of service funds to stockpile materiel for allies. In 1976 Section 514 was amended removing the proscription against the use of service funds; however, annual ceilings were established beyond which the stockpiles located in foreign countries cannot be increased.

3. DOD POSITION: The War Reserve Stocks for Allies program is an essential element of National strategy.

4. CURRENT STATUS: Materiel requirements to support the War Reserve Stocks for Allies program continue to be updated and maintained.

10-65



80

Section 514, Foreign Assistance Act

1. (U) Section 514, Foreign Assistance Act was amended in June 1976. This amendment removed the proscription against the use of Service Funds to establish war reserve stockpiles for allies and established annual ceilings beyond which the stockpiles could not increase.
2. (C) The ceiling for FY 76/77 was established at \$93.75 million.

C-66

WAR RESERVE STOCKS FOR ALLIES - NAID

1. (U) SUBJECT/ISSUE: Logistical capability of our NATO Allies to carry on a sustained war.
2. (S) BACKGROUND:

e-15

MATERIEL READINESS

1. (U) SUBJECT/ISSUE: An assessment of the Army's materiel readiness.
2. (C) BACKGROUND: In assessing the materiel readiness of the Army, the Total Force package must be considered. This includes the Active Component, the Reserve Components and War Reserve/Operational Projects stocks.

Breaking the package out into its three primary subsets assists in highlighting problem areas for resolution and in identifying our strengths and weaknesses.

3. (U) BOB POSITION:

4. (C) CURRENT STATUS:

The Active Component is capable of accomplishing its wartime missions.

Some improvement has been made in the number of units achieving their readiness goals in equipment on hand and in equipment status.

The major gains have been in equipping those Reserve Component units which are affiliated with or roundout Active Army units. The priority of equipping these units first is unquestioned, however, if the Reserve Components are to provide the reinforcing and sustaining capability necessary, then across the board gains must be achieved rapidly.

ع-167



This position is attributed to the impact of the recomputation of War Reserve requirements worldwide and to the fact that some War Reserve assets are being transferred to POMCUS in an effort to speed up its reconstitution.

In general, operational readiness rates of reportable items of equipment for the Total Army have either remained constant or improved slightly over the past year. The overall trend is toward improvement.

Construction equipment, tactical vehicles and combat vehicles, other than tanks, have improved consistently during the past two years. The M60 tank has had constant improvement in readiness during the past year. Air defense and surface to surface missile systems have improved steadily during the past year. Artillery weapons and radio equipment have had consistently high OR rates during the past year. Aviation items, in general, have maintained an OR rate above the DA established standard.

3. ARMY POSITION:

a. The Navy has included in their Program Objective Memorandum (POM) provision for the establishment of a Ready Reserve Force (RRF) within the NDRF. The Army fully supports the establishment of this force.

4. CURRENT STATUS:

a. A valuable asset currently available in the NDRF and recommended for inclusion in the RRF is the group of Seatrains vessels. Of the Seatrains currently available, nine have been assessed as the most suitable ships within the NDRF for the carriage of heavy and outsized unit equipment. To emphasize the Army's recommended ship mix

key Army combat and support commanders toured the National Defense Reserve Fleet site in James River, VA, in October 1976.

b. MTMC continues to evaluate potential ship candidates for inclusion in the NDRF. Currently, MTMC is monitoring MARAD/industry contracts which could potentially release more modern sealift assets for the use in the NDRF.

UNCLASSIFIED

2-71

RAILROADS FOR NATIONAL DEFENSE

1. SUBJECT/ISSUE: Railroads for National Defense Project

2. BACKGROUND:

a. The objective of the Railroads for National Defense Project is to develop a program similar to the successful Highways for National Defense Program. The purpose of the proposed Program is to ensure consideration of national defense requirements in plans and programs to improve the adequacy and efficiency of the rail system in the United States.

b. The Railroad Reorganization Act of 1973 resulted in the reorganization of seven bankrupt rail carriers in the Northeast and Midwest U.S. Under the Act, 17,000 track line miles were selected for the new Consolidated Rail Corporation (CONRAIL) and 8,000 miles of light traffic density lines were identified as being available for rail continuation, sublease, or abandonment. Of the regions' 111 defense installations potentially affected by civil plans for light density lines, lines serving 82 were identified as important to the Nation's defense. Despite MTMC protests to responsible civil agencies, final plans continued to exclude CONRAIL service to these defense installations with mobilization missions requiring rail service. Federal/State subsidized rail service has been assured in the short-term, but long-term service is dependent upon future economic viability of the lines. Additional defense concerns included the industry's deferred track maintenance, bad track conditions, "slow orders" on train speeds, shipment delays, derailments, and the continued problem of proposals to shut off rail service to defense installations. Also, the Railroad Revitalization and Regulatory Reform Act of 1976 extended the defense problem of rail service in the region to one which will potentially affect any of the fifty States.

c. The lack of established procedures to assure rail service, led MTMC to conclude that DOD should have a Railroads for National Defense program similar to the successful Highways for National Defense Program which is founded on certain sections of Title 28 United States Code.

3. DOD POSITION: National defense requirements should be integrated into the Nation's civil transportation programs for railroads. Legislation is required to insure that the Department of Transportation gives a high priority to defense needs.

UNCLASSIFIED

C-77

4. CURRENT STATUS: The Deputy Secretary of Defense designated the Commander MTMC to serve as his representative in discussions with the Department of Transportation concerning the development of the Railroads for National Defense program. Several actions have been taken to establish the Railroads for National Defense Program. MTMC has cooperated with the Federal Railroad Administration in their analyses of railroad systems so as to assure consideration of defense requirements. The Military Trail Management Command has identified a railroad corridor network considered important to the Nation's defense. This corridor approach, rather than specific route identification, allows the railroads and the Federal Railroad Administration maximum latitude in the consolidation of rail networks and in the selection of lines to satisfy defense requirements. The Military Services and the Defense Supply Agency have provided lists of their installations that require rail service. MTMC is validating these requirements and will recommend that the Federal Railroad Administration identify those lines important to national defense. Additionally, a proposed DOD Directive covering the Railroads for National Defense Program was forwarded by MTMC on 14 October 1976 through ASA (I&L) to ASD (I&L). ASD (I&L) is currently reviewing the proposed directive. The Program will be implemented by a Joint Service Regulation which MTMC is currently preparing. A legislative proposal to provide for the proper relationship between DOD and DOE and ability for DOD to fund for subsidy and acquisition is currently being studied by ASD (I&L).

c-73

IMPROVED AMMUNITION OUTLOADING CAPABILITY

1. (U) SUBJECT/ISSUE: Ammunition Ocean Terminal Requirements/ Capabilities-1980.

2. BACKGROUND:

a. In response to a Commander in Chief-Europe (USCINCEUR) request for the scheme for shipping ammunition.

the Joint Chiefs of Staff (JCS) sponsored a study to determine the most efficient surface lift method by ship type to support a major contingency (NATO vs Warsaw Pact) in the 1976-1980 time frame. The resultant study, the USEUCOM Surface Lift Movement Analysis concluded that by optimizing the containerization percentage of ammunition and resupply, sealift utilization could be maximized, and, except for losses due to attrition, virtually all tonnage requirements could be delivered. Dependent upon sealift resources available and attrition rates/convoy policies, the analysis concluded that optimum ammunition containerization ranged from to percent, averaged over the scenario time frame. It was recommended that the Services should pursue, on a coordinated basis, the development of sufficient container-handling facilities at the CONUS ammunition seaports to meet the containerized ammunition movements identified. A follow-on study by the Joint Conventional Ammunition Program (JCAP) Coordinating Group of containerized ammunition concluded that existing ammunition ocean terminals

b. The Military Traffic Management Command (MTMC) conducted subject study, the objective of which was to provide a thorough systems analysis of all potential East and Gulf Coast ammunition outloading terminals, measuring their ability to support requirements as presented in the USEUCOM analysis by the OJCS and, where necessary, develop optimum port modernization programs to satisfy the demands.

c. The study scope is directed to an investigation of operating concepts, support facilities, and equipment at all former, existing, and potential ammunition ocean terminals on the East and Gulf Coasts. Break-bulk freighter, containership, and barge-ship systems are

1
examined at all ports, including each subsystem required to provide for sustained outloading of a ship. A systems analysis of existing ammunition ocean terminals is conducted to determine the most efficient alternative operating procedures, and to identify those elements which limit total port throughput in each vessel support system. Construction and modernization potential at existing terminals is evaluated. Optimum port development and modernization programs necessary to meet projected ammunition requirements are determined and include an estimate of the major costs associated with required facility improvements.

d. The major study conclusion is that existing East Coast ammunition ocean terminals (Military Ocean Terminal Sunny Point, Military Ocean Terminal Kings Bay, and Naval Weapons Station Earle) are ^{in the 1950} ammunition requirements as stated in the NSWCOR Surface Load Movement Analysis. The NWC study recommends a facility improvement program totaling in FY 75 dollars.

3. DDP POSITION. The Army supports the NWC study findings and has included projects totaling approximately in the FY 75 military construction budget. Further, the Army Staff has recommended that the Department of the Navy provide necessary FY 75 funding for projects at Naval Weapons Station Earle.

e-75

AMMUNITION - SINGLE MANAGER

1. SUBJECT/ISSUE: Single Manager for Conventional Ammunition

2. BACKGROUND: On 26 Nov 75 the Deputy Secretary of Defense approved DOD Directive 5160.65, subject as above. The directive assigns the Secretary of the Army as Single Manager for procurement, production, supply and maintenance/renovation of conventional ammunition within the Department of Defense.

3. DOD POSITION:

a. Integrate conventional ammunition logistics functions of the Military Departments to the maximum extent practicable thereby eliminating unwarranted overlap and duplication.

b. Achieve the highest possible degree of efficiency and effectiveness in the DOD operations required to provide top quality conventional ammunition to U.S. forces during practice and mobilization.

4. CURRENT STATUS: The Services were given the directive to develop and forward an implementing plan to DOD. ARMCOM (who is the Single Manager) developed the Army plan with the other Services. The plan was forwarded to OSD on 4 Aug 76. On 7 Sep 76 the Deputy Secretary of Defense approved the plan indicating he would like a two-phased implementation plan:

a. Phase I (FY 77-78) The first phase began on 1 Oct 76 with phased transition of procurement, production, maintenance/renovation, storage and inventory/transportation management functions to the Single Manager (SM).

b. Phase II (FY 79-80) The responsibilities of the SM are to be expanded with a schedule of:

(1) FY 77 - OSD, in coordination with the Services, will finalize and provide guidance on the responsibilities to be included under the concept of "Full" Single Manager for Conventional Ammunition.

c-76

(2) FY 78 - The Single Manager, in coordination with the Services, is to develop a detailed plan in accordance with the OSD guidance.

(3) FY 79 - Review and approval by OSD of the implementation plan for a "full" Single Manager, with "full" approved funding profile for FY 80 implementation.

(4) FY 80 - The approved plans for "full" SM for Conventional Ammunition will be implemented by the Single Manager and the Services.

c. DARCOM was provided a letter expanding the OSD guidance with a progress report to be submitted in Jan 77.

C-11

ARMY INDUSTRIAL FUND

1. SUBJECT/ISSUE: Army Industrial Fund Management Data

2. BACKGROUND:

a. The industrial fund is a non-appropriated, working capital (revolving) fund designed to provide a more effective means for controlling costs of goods and services required to be produced or furnished by an industrial or commercial type facility. The fund provides a flexible means for financing, budgeting and accounting for such costs.

b. Customer appropriations (Army, other DOD and Federal Agencies) place orders upon the industrial fund for maintenance, overhaul, supply operations and transportation. All are billed according to a stabilized rate developed for use prior to start of each fiscal year.

c. The Army Industrial Fund organization encompasses Depot Operations (maintenance and supply), Missile Command, Armament Command, Research and Development, and Military Traffic Management Command (MTMC).

d. DA staff proponent for the Army Industrial Fund is the Director of the Army Budget, Comptroller of the Army.

3. DOD POSITION: Not applicable.

4. CURRENT STATUS: Fiscal year 1977 operating budget revenues for the Army Industrial Fund are as follows (dollars in millions):

Depot Activities	\$920.0
Maintenance	(570.4)
Supply	(320.0)
Other	(27.6)
Missile Command	217.3
Armament Command	884.1
Research & Development	227.9
MTMC	133.8
Total Army Industrial Fund	\$2,053.1

ARMY STOCK FUND

1. SUBJECT/ISSUE: Army Stock Fund management data.

2. BACKGROUND:

a. The stock fund is a nonappropriated, working capital (revolving) fund designed to provide interim financing for, and holding in suspense, costs of consumable type materiel for inventory purposes. These materiel procurement costs are held in suspense in the stock fund account from the time they are incurred for materiel procurement until the items of materiel are issued on a reimbursable basis to final users for consumption, and the costs recovered to the credit of the stock fund, through a reimbursable sale, and become expenses chargeable to operating appropriations provided for that purpose.

b. The Army Stock Fund is organized and structured to operate in both a wholesale and retail mode. The wholesale activity is patterned on a major item (commodity category) or weapons system basis, while the retail operation is structured, primarily, along major command lines.

3. DOD POSITION: None.

4. CURRENT STATUS: FY 1977 obligation authority (peacetime stock fund procurement) programs are as follows (dollars in millions):

Wholesale

ARMCOM (Weapons)	\$ 207.3
AVSCOM (Aviation)	137.6
ECOM (Electronics)	101.2
MICOM (Missiles)	43.0
TACOM (Tank-Automotive)	307.7
TROSCOM (Troop Support)	77.2

Retail

USAREUR (Europe)	592.8
USAEIGHT (Korea)	127.3
USARJ (Japan)	56.8
TRADOC (Training/Doctrine Command)	532.7
FORSCOM (Forces Command)	558.0
AMCID (Installations Division)	276.4
DSS-W (Defense Supply Services-Wash)	5.2
CORDASF (Commissary Resale Division)	875.2
MAP/NOB (Military Aid/Mob Reserve)	11.0

UNCLASSIFIED

C-79

FURTHER EXTENSION OVERSEAS OF MTMC

1. SUBJECT/ISSUE: Further Extension of MTMC into Europe and the Pacific.

2. BACKGROUND:

a. Under provisions of AR 55-78/AFR 75-69, MTMC provides overseas terminal services in support of the Air Force and other agencies at six Transportation Terminal Units (TTUs) located at Cadiz, Izmir, Istanbul, Iskenderun, Piraeus, and the Azores. On 24 November 1975, DOD Deputy Assistant Secretary (Supply, Maintenance and Services) requested that MTMC prepare a concept plan on the further extension of MTMC in Europe. Subsequent MTMC on site survey recommended MTMC assume responsibility for water terminal operation in Northern and Central Europe and the United Kingdom "as is where is" on 1 July 1976 and in Leghorn, Italy on 1 October 1976. Commander in Chief, US Army Europe and Seventh Army (CINCUSAREUR) concurred in this recommendation and on 17 June 1976, DA directed execution. MTMC assumed command of US Army Transportation Terminal Group, Europe (USATTGE) from USAREUR on 1 July 1976.

b. Headquarters, USATTGE is located at Rotterdam, the Netherlands and exercises command and control over military water terminals in Northern and Central Europe. Its missions include the receipt, handling, documentation and port clearance of DOD sponsored cargo. Manned terminals under the group are located at Rotterdam, the Netherlands; Bremerhaven, Germany; Liverpool and Felixstowe, United Kingdom; Lisbon, Portugal; the Rhine River Terminal at Mannheim, Germany; and Antwerp, Belgium. Unmanned locations are at London, Oranmouthe, Greenock, Barry and Southampton, United Kingdom; Amsterdam, the Netherlands; Zeebrugge, Belgium; and Eingen, Nordenhof, Hasburg, Bremen, Mainz and Gernersheim, Germany. All of the facilities are operated on a contract basis with the exception of some resources at Bremerhaven. Approximately 348 military and civilian personnel joined the MTMC rolls as a result of the assumption of command.

UNCLASSIFIED

C-80

c. Deputy Secretary of Defense memo of 16 August 1976 directed the reduction of the Army's presence, logistic, and community support functions in Japan/Okinawa. Assistant Secretary of Defense (Installations and Logistics) memo of 10 September 1976 directed MTRC to assume responsibility for the Okinawa port complex and common-user land transportation operations in Okinawa. MTRC and Service representative, conducted an on site survey to resolve issues involved in transfer of resources. US Army, Japan (USAJ) recommended 31 January 1977 as mission transfer date to MTRC.

3. MTRC POSITION: Benefits to be accrued from the new acquisitions include more centralized management of port operations; enhancement of the movement of DOD cargo; more useful audit trail of DOD shipments; a closer interface with European and Pacific consignees; and an increased capability to respond to queries as a result of better documentation.

4. CURRENT STATUS:

a. Europe. Lessons learned from REFORGER 76 and planning relationships with JCS and DA staff dictate a change in command relationships. Accordingly, a decision has been made to transfer command of USATTCE from MTRC Eastern Area Command to Headquarters, MTRC on 1 January 1977. By the same rationale, the six TTUs currently under MTRC Eastern Area Command will be transferred to USATTCE on 1 January 1977. This realignment places all MTRC European/UK activities under one headquarters--USATTCE.

b. Okinawa. Commander, USAJ changed his recommended date for turnover to MTRC from 31 January 1977 to 28 February 1977 to coincide with the earliest date Air Force could assume base operations support responsibilities.

STRATEGIC MOBILITY NEEDS

1. SUBJECT/ISSUE: Review of Strategic Mobility
2. BACKGROUND: The DOD and the Services have proposed to Congress several programs for enhancing our strategic airlift and sealift capability. To date these proposals have not met with mixed success. Recently, the DOD, JCS, and the Services underwent a major study (Strategic Mobility Requirements and Programs) for the purpose of presenting to Congress a comprehensive mobility enhancement package with the FY 1978 budget submission.

3. MEMO POSITION:

- a. It is essential that the ongoing Strategic Mobility Requirements and Programs Study reflect the "total systems" approach; that is, the movement of forces and supplies must be analyzed from home and mobilization stations in CONUS to final destination in the theater of operations. The objective must be to optimize total deployment capabilities, not just airlift or sealift in isolation. To achieve this objective, a two step process is required:
 - (1) The movement requirements of each of the Services must be completely scrubbed and validated with the objective of eliminating non-essential units, equipment, supplies, and personnel. This effort must be accomplished completely independent of airlift or sealift capabilities.

(2) Movement requirements are translated into specific lift requirements by mode of transportation (airlift and sealift) based on required delivery dates, optimum utilization of unique capabilities of both airlift and sealift, CONUS movement and theater reception capabilities, and a careful examination of potential end-users.

b. In the execution of this mission, MEMO has developed an extraordinary reservoir of experience and considerable expertise in planning for the optimal utilization of all transportation modes. MEMO is, therefore, in a unique position to objectively assess

C-82

proposals regarding the optimization of strategic lift (airlift and sealift), weighing the merits of such proposals in the context of the capabilities of the total transportation system.

4. CURRENT STATUS: NTMC is promoting the "total systems" approach through the following:

a. Participation in the SECDEF Directed Strategic Mobility Requirements and Programs Study. NTMC is preparing a gross analysis of CONUS support capabilities and reviewing the results of the JCS simulations of intertheater movements. The study has been briefed to the three Service Secretaries.

b. Detail Analysis of the Movement Requirements. This analysis will establish real-world mobilization work loads for OPLAN execution. We have asked the Services and JCOS by letter for maximum effort in developing accurate requirements. The Secretary of the Army has been advised of this action.

c. Analyses of Simulated Deployment of Key Army Units.

Our objective is optimum division of labor between airlift and sealift.

d. Recommendations regarding strategic airlift and sealift enhancement. We have analyzed ship candidates for the Navy Ready Reserve Force (RRF) within the National Defense Reserve Fleet (NDRF). These ships would be upgraded to a readiness status permitting activation within 5-10 days.

we are monitoring Maritime Administration/ Industry contracts which could potentially release more modern sealift assets for inclusion in the NDRF.

e. Input to the Posture Statement. The objective is a jointly agreed to mobility package for all Posture Statements.

f. Familiarization of key commanders with airlift/sealift capabilities. Representatives from FORSCOM, 101st Airborne Division, XVIII Airborne Corps, REPCOM, TRACG and the Navy were briefed and guided through the Seatrains on the James River on 27 October 1976.

UNCLASSIFIED

C-83

COMPETITIVE RATE FILING

1. SUBJECT: Competitive Rate Filing Procedures for DOD-Sponsored International Household Goods (IHG) Shipments

2. BACKGROUND:

a. The Department of Defense (DOD) has expanded the use of competitive rate filing procedures for DOD-sponsored international IHG shipments. These procedures were developed in 1974 by the Military Traffic Management Command (MTMC), with the assistance and support of the Military Services, and tested during 1975 for IHG traffic moving between COMUS and Okinawa in what is commonly known as the "Okinawa Trial."

b. The "Okinawa Trial" which involved more than 5,000 shipments was a major success. It resulted in an average rate reduction of 18.45%, an annual cost avoidance of \$1.5 million, and significantly improved service to DOD personnel (97% on-time delivery rate, average of 8 days less transit time, only a 4% rate of loss and damage claims).

c. The freight forwarders participating in DOD international IHG traffic opposed competitive rate filing procedures (which they view as a threat to their profits) and induced sympathetic members of Congress to sponsor legislation to block DOD from employing competitive rate filing procedures. Senate Bill S. 2023 was passed by voice vote without benefit of hearings. The companion House Bill, H.R. 8349, was considered and defeated in the Merchant Marine Subcommittee of the House's Merchant Marine and Fisheries Committee.

d. The Competitive Rate Program became effective to and from Germany and to and from Okinawa on 1 November 1976. Although there have been no problems associated with Okinawa movements, some have developed with the Germany traffic. These problems relate to the high magnitude of IHG traffic being concentrated with a relatively small number of participating carriers; an insufficient number of carrier-owned IHG containers in Germany; some initial problems with IHG carriers obtaining agents, and the increased valuation of IHG carriers' performance bonds by ocean carriers.

e. DOD obtains contractual support for the international shipment of DOD-sponsored IHG from freight forwarders. Each freight forwarder is essentially a "middleman," making arrangements through agents for the various services which will be required in order to accomplish the packing, pickup, transport, delivery and unpacking of the IHG shipments. Currently, there are about 100 freight forwarders regularly participating in the accomplishment of international shipments, although not all of these offer service to every destination during every rate filing period. Now

UNCLASSIFIED

C-84

rates are accepted by MTMC, as voluntary offerings from the freight forwarders, every six months. Inasmuch as freight forwarders do not normally perform any of the carriage themselves, their investment in fixed assets is usually relatively small. Although some forwarders do own stocks of HHG containers, many rely on obtaining containers, as required, by lease arrangements. Household goods containers used by freight forwarders are constructed of plywood or fiberboard, and are usually reusable for several moves before requiring replacement.

f. Historically, DOD has permitted freight forwarders participation in international HHG traffic under an "Equal Distribution" system which provides essentially "equal turns" to all participants choosing to meet ("Me-Too") the established low rate. This system has failed to provide sufficient competitive incentives, resulting in high rates and mediocre service.

g. The Government Accounting Office (GAO), taking cognizance of this shortcoming, has urged (most recently in GAO Report LCD 76-225) that DOD abandon the "Equal Distribution" system in favor of a competitive system which provides specific incentives to forwarders to reduce rates and improve service. In a review of international HHG rates conducted during the period of March through July 1974, GAO has noted that "The forwarder's profit was more than 10% of the estimated cost on 79% of the traffic channels reviewed and more than 15% on about 70% of the channels", concluding that these rates are too high and that "We (GAO) believe that action should be taken to bring these rates more in line with the reasonable cost of providing the services". In the GAO view, "This can best be done by introducing more competition into the rate setting procedures".

3. MTMC POSITION: The Competitive Rate Program abandons the "Equal Distribution" system in favor of a competitive system which provides specific incentives to forwarders to reduce rates and improve service on the movement of personal property of DOD members. The "Okinawa Trial" represented 6% of DOD international HHG traffic and produced substantive cost avoidance. The combined Okinawa/Germany Competitive Rate Program which involves 40% of DOD international HHG traffic is expected to produce significantly greater cost avoidance. MTMC will actively pursue this program and in cooperation with the HHG carrier industry develop procurement enhancements which will be incorporated into the next rate solicitation. These enhancements will increase carrier acceptance and participation. The Defense Audit Service will examine both the Okinawa and the German Competitive Rate Programs and provide an independent assessment of carrier cost data.

4. CURRENT STATUS:

a. There are no known or anticipated problems of any significance involving HHG shipments to and from Okinawa.

C-85

b. There have been no reported service failures to or from Okinawa or Germany to date.

c. Four participating MHG carriers have cancelled their rates from Germany, but routing options have been developed to handle their traffic from the overseas areas affected. The Direct Procurement Method (DPM) and carriers having higher noncompetitive Volume 33 rates will be used as options on traffic routes where remaining Competitive Rate Program carriers have inadequate capability.

D-1

ACTIVE OFFICER END STRENGTH

D-2

CIVILIAN MANPOWER PROGRAM

1. SUBJECT/ISSUE: Civilian Strength

2. BACKGROUND:

a. The Army seeks to achieve in the manpower determination process the best balance of military and civilian manning, compatible with effective mission accomplishment. The general policy is to employ civilians rather than military personnel, except where prohibited by law, or where military personnel are required for training, security, discipline, rotation base or combat effectiveness reasons. These determinations are a primary function of the mission to be accomplished at the installation level.

b. To best accomplish its mission, the Army must have a highly ready active component, a properly trained and equipped reserve force and a supporting base to maintain and sustain these forces. It is preponderantly in this latter category that civilian manpower is used. Army civilians are an indispensable part of the Total Army and cannot be viewed apart from the military programs in which they are integrated.

c. During the period FY 72 through FY 75, the Army's end strength decreased by 45,000 despite a civilianization program (conversion of military support spaces to civilian incumbency) of 14,000. Further, the Army's civilian manpower will decrease from an actual end FY 75 strength level of 401,000 to an approved end FY 77 level of approximately 376,000, a reduction of more than 24,000 civilians without a corresponding decrease in missions/functions.

3. DOD POSITION: Not Applicable.

RESERVE COMPONENT STRENGTH

1. SUBJECT/ISSUE: Efforts to improve Reserve Component personnel strengths.

2. BACKGROUND:

a. In the event of full mobilization, the Reserve Components will provide 56% of the Army's deployable strength. The Army relies on the "Total Force" concept to accomplish its mission of National Defense.

b. Since termination of the draft, and the advent of a volunteer force, there has been a decrease in the recruiting and retention accomplishments of the Reserve Components. Presumably, this results from removal of the inducement of draft motivation which caused some individuals during the Vietnam Era to seek the relatively safe-haven of service in the Reserves vs. Active Army.

c. Actions are underway to rejuvenate RC recruiting/retention; expansion/reinforcement of current recruiting structure; development of new initiatives; increase of program funds; attempts to enact enabling legislation; and provision of high level command support.

3. DOD POSITION: Recognizes the real problems of RC recruiting/retention. Supports Army efforts to obtain the most cost-effective means of turning around the downward trend.

a. Paid Drill Strength of the Reserve Components as of 30 Sep 76 is 558,750 (191,919 in US Army Reserve and 366,841 in the National Guard). The programmed goal end of FY 77 is 585,000 (205,000 in the USAR and 380,000 in the ARNG). The programmed goal end of FY 82 is 640,000 (240,000 in the USAR and 400,000 in the ARNG).

b. The FY 77 Army budget contains \$71.5M for RC (USAR - \$38.9M and ARNG - \$32.6M) recruiting/retention programs. This includes these new initiatives: USAR recruiting force expansion from 638 full-time military/civilian persons to 1,646, with an additional 686 spaces recommended; ARNG convert 440 career counselor spaces into full-time training duty spaces; and an increase in USAR advertisement funds.

c. The FY 78 budget request contains _____ for RC recruiting/retention programs (USAR funds of _____ and ARNG funds of _____). Included in this budget request are the following special programs: ARNG counselors funded at _____ and an enlistment/reenlistment bonus test of _____ for the USAR and _____ for the ARNG.

d. Initiatives requiring legislation which will be proffered include: tuition assistance, income tax exemption, enlistment/reenlistment bonus program, and recruiter out-of-pocket expenses.

REDUCTION OF HIGH GRADE CIVILIAN POSITIONS

1. SUBJECT/ISSUE: Provide a more effective workforce while reducing personnel costs.

2. BACKGROUND:

a. The President's memorandum of 27 May 1976 expressed serious concern over rising average grade and personnel costs and directed department and agency heads to assure that their position management and classification systems are operating effectively and in full compliance with applicable regulations. The Secretary of Defense, while emphasizing that effective position management programs are an essential element in the overall effort to control civilian grades, focused attention on the utilization of senior level civilian positions. All DOD components have been directed to achieve a leaner top management structure. Army's share of the DOD directed reduction in GS-13 and above positions for military functions is 869 through FY 78. One-half the reduction is programmed for FY 77 and the remainder for FY 78.

b. Historically, Army has made major efforts to vigorously stress the importance of high grade control and average grade programs. A record of successful grade distribution control has been achieved through these efforts. From June 1971 through June 1975, Army consistently met both Office of Management and Budget (OMB) and Office of the Secretary of Defense (OSD) requirements:

(1) <u>OMB/OSD objectives FY 71-75</u>	<u>Army Achievement</u>
(a) FY 71-FY 74--reduce average grade -.30	FY 74 -.38
(b) FY74-FY 75 assigned average grade GS-7.5872	FY 75 GS-7.3906
No. GS-13/15 not to exceed 23359	GS-13/15 21159
No. GS-16/18 not to exceed 241	GS-16/18 183
(2) <u>Voluntary Dept of the Army established goal FY 76 and FY 77:</u>	
(a) Average grade GS-7.5000	FY 76 GS-7.4933 FY 77 GS-7.5730
(b) No. of GS-13/15 not to exceed 23359 16/18 not to exceed 241	GS-13/15 21438 GS-16/18 185

Army's record compares favorably with overall Dept of Defense reductions:

	All DOD Reduction (30Jun71 - 30Jun75)	DA Reduction (30Jun71 - 30Jun75)
GS-13	- 1.8%	- 8.4%
GS-14	- 2.9	-11.0
GS-15	- 4.0	-12.2
GS-16	-19.0	-24.5
GS-17	-11.5	-25.0
GS-18	-0-	-11.1
Net change	- 2.5	- 9.6

(Percentages are changes in number of employees at each grade shown.)

c. The additional ceiling on high grade positions, established by Department of Defense, is considered excessive in light of the past history of achievements in grade reduction and high grade control within Army.

3. DOD POSITION: Each service is to intensify its classification and review efforts with the objective of controlling or reducing the numbers of higher level positions. DOD's directive requires that as part of its effort Army achieve an overall reduction of 869 GS-13's and above during FY 77 and FY 78.

4. CURRENT STATUS:

a. To meet the requirements placed upon Army, the Vice Chief of Staff has directed reductions in GS-13 and above positions in approximately 30 major commands during FY 77 and FY 78 to meet DOD requirements.

b. In addition, a series of steps were taken to further strengthen the DA Position Management Program. These included strengthening the Headquarters, Department of the Army on-site survey program of operating position management programs by providing survey teams with the authority to require position structure studies where poor job structures are found, and by adding a 1% random audit of all positions to the survey agenda. A new training package for supervisors was developed emphasizing the techniques of improving position structures. Position Management Officers, the Commanders' personal representatives who are charged with surveillance of civilian position structures, were charged with the added responsibility of reviewing and approving all proposals which would be inconsistent with the required reductions.

D-6

REPROGRAMMING OF RECRUITING RESOURCES FOR FY 77

1. SUBJECT/ISSUE: Reprogramming of resources to enhance active Army recruiting in FY 77.

2. BACKGROUND:

a. The original FY 77 President's Budget requested \$186.8 million for active Army recruiting. A reevaluation of the FY 77 requirements for quantity and quality of accessions determined that the original request was inadequate.

b. A FY 77 Budget Amendment for \$79.3 million was submitted. OMB reduced the supplemental to \$39.3 million.

c. SAC considered both the FY 77 request and the amendment. HAC did not consider a amendment. \$207.7 million was appropriated for FY 77 active Army recruiting.

d. Recognizing that the \$207.7 million was inadequate for FY 77, the Army submitted a reprogramming request for \$59.5 million in September 1976. Request included authority to add 670 military personnel to USAREC.

e. The 94th Congress did not act on the request prior to their adjournment on 2 October 1976.

3. DOD POSITION: OSD and OMB supported the Army FY 77 reprogramming request for active Army recruiting. However, the advanced draft PED on recruiting proposed a \$6.3 million reduction in the recruiter aides portion of the reprogramming request.

4. CURRENT STATUS:

a. Congress is expected to act on the Army reprogramming request by 1 April 1977.

b. Secretary of the Army has directed that maximum staff effort will be exerted in seeking Congressional approval of the reprogramming request.

c. Chief, Legislative Liaison has developed a game plan that will be used in seeking Congressional approval.

RECRUITING RESOURCES REQUIRED FOR FY 78

1. SUBJECT/ISSUE: Resources required in FY 78 to meet the Active Army quantitative and qualitative recruiting goals.

2. BACKGROUND:

a. Active Army recruiting for quality enlistees (non-prior service (NPS) male high school diploma graduates (HSDG)) was essentially on track until mid FY 76. Congressional resource reductions, to include strength of the recruiting force, contributed to a 12 percent quality decline in the last half of FY 76, which equated to an annual quality decline of 6 percent.

b. The NPS male HSDG achievement in FY 76 was 55.5 percent.

c. Recruiting resources for FY 77 would not permit achievement of the numerical requirement and the same level of quality achieved in FY 76. The Secretary of the Army decided to reduce the accession level and sustain the FY 76 quality level. This reduction in accessions could cause an end strength shortfall. The projected NPS male HSDG achievement for FY 77 is 56 percent.

d. The Army's long range recruiting goals are aimed at achieving a steady state condition (68% NPS male HSDG) at the earliest possible time, striving for end FY 83.

e. The Army's budget request for Active Army recruiting in FY 78 is \$317.1 million. This level of resources is needed to stay on the desired climb-path to the steady state condition.

f. It is projected that the Army can achieve 59 percent (97,000) NPS male HSDG in FY 78 at the budgeted level.

g. An audit trail of Active Army recruiting resources is listed below:

	(\$ in Millions)		(In FY 77 \$)		FY 77
	FY 74	FY 75	FY 76	FY 77	
Budget Request	276	265	269	74	226
Appropriation	276	265	233	57	208

3. DOD POSITION: Three advance PBD's on Active Army recruiting resources for FY 78 have been issued.

D-8

4. CURRENT STATUS: Through the PBD appeal procedures, the Army staff is continuing its justification for the budget request of

D-9

RESERVE COMPONENT READINESS PACKAGE

1. SUBJECT/ISSUE: Actions required to improve the Readiness of the US Army Reserve Components.

2. BACKGROUND:

a. Reserve Component preparedness is critical to Army mission accomplishment under the Total Force Policy. The Secretary of the Army expressed a desire to articulate in his FY 78 Posture Statement, resource implications to correct perceived RC deficiencies. To add impetus to the SA's statement, the ASA(MERA) directed assembly and costing of an initiatives package for FY 78 which addressed improvement of strength posture, enlargement of and assistance in the areas of training and training management, and logistical support commensurate with unit mobilization priorities.

b. The Army Staff began a detailed examination of those areas which could be corrected in the near term and follow-on years. Within available FY 78 budget flexibility, proposals were evaluated, prioritized, costed, and the entire package briefed to the VCSA, the Budget Review Committee (BRC) and the Select Committee (SELCOM). The initiatives package was developed into three elements for ease of action and identification. The first element consisted of seven initiatives which were considered the most critical to immediate improvement of RC deficiencies and were approved for funding in FY 78. The second element consisted of those career enhancement actions which required legislative approval before they could be programmed for in the Army budget. The third element consisted of those initiatives which contributed to readiness improvement and could be added to FY 79 POM and processed as follow-on actions insuring continued momentum in the Army's efforts to upgrade all aspects of the RC.

c. RC initiatives:

(1) Initiatives included in FY 78 budget:

- (a) USAR Recruiting
- (b) ARNG Career Counselors
- (c) USAR Advertising
- (d) ARNG Recruiting
- (e) USAR Training/Training Base
- (f) USAR and ARNG Training Readiness ECO's
- (g) USAR and ARNG Enlist/Reten Bonds (test)

(2) Initiatives Requiring Legislation:

- (a) USAR and ARNG Tuition Assistance Increase
- (b) USAR Retirement Point Credit

- D-19
- (c) ARNG Retirement Point Credit
 - (d) USAR and ARNG Income Tax Exemption
 - (e) USAR Servicemen's Group Life Insurance Coverage
 - (f) USAR and ARNG Male Civilian Acquired Skills Program
 - (g) USAR Out-of-pocket expenses

(3) Initiatives returned to appropriation directors for submission in 79 POM:

- (a) ARNG AFEEs Use
- (b) USAR EPMS/OPMS
- (c) Army Correspondence Course
- (d) Training Management Institute
- (e) Combat Service/Combat Service Support Training Board
- (f) Outside Continental United States Annual Training
- (g) Outside Continental United States Reconnaissance
- (h) ARNG Technician Increase (to ceiling)
- (i) 50,000 man callup
- (j) Battalion Level/USAR Schools Tng Asst (USAR/ARNG)
- (k) USAR Technician Increase
- (l) Officer Advance Course Correspondence Courses

3. DOD POSITION: DOD generally supports the initiatives represented by the RC Readiness Improvement Package. By PED, the Secretary approved a reduction in recruiting management structure spaces at the Continental US Armies, and Major US Army Commands; a phase-out of the current recruiter aide program; a more modest increase in advertising; elimination of administrative assistants for the RC guidance counselors at the AFEEs; and elimination of the new company level training NCO program. Army recommended restoration of _____ of the approved reduction in the FY 78 obligational authority.

4. CURRENT STATUS: The RC improvement package is presently in the office of the VCSA awaiting final approval. It is anticipated that the legislative portion of the package will be through the Army Staff, and DOD and presented as a single legislative proposal at approximately the same time the SA delivers his posture statement to the Congress.

D-11

ARMY MEDICAL DEPARTMENT MANPOWER SHORTAGE

2. BACKGROUND:

a. The mission of the Army Medical Department (AMEDD) is to maintain a physically and mentally fit military force and to ensure the availability of trained health resources required to provide support to approved combat, contingency and mobilization plans. Accomplishing this mission, economically and effectively, requires a responsive and deployable medical organization; established health standards; selection of medically fit military personnel; a medical research, development, test and evaluation program and an effective medical education and management system. Providing health services to dependents of active duty soldiers, retired members and their dependents is a beneficial by-product of preparedness.

b. Officer strengths form the critical base to the system, especially the pivotal skills of the physicians, dentists and veterinarians. They must be deployable and adequately supported to be efficient.

c. During the period FY 74 to FY 78, the Army active duty strength (manyears) decreased slightly from 787,200 to 785,000; the number of Divisions in the force increased from 13²/₃ to 16 and the total population entitled to Army health service increased from 3.37 million to 3.48 million. Also a wide range of organizational, procedural, policy and staffing adjustments have been made to provide adequate health services within the limited resources requested in the Army's FY 78-82 POM submission to the Department of Defense. Any further decreases in staffing will result in major reductions of medical treatment capability. Actions taken to improve efficiency have included: closing of Army hospitals in the United States and overseas locations; utilizing improved diagnostic and treatment techniques; emphasizing ambulatory patient care, employing physician extenders; assigning Medical Service Corps officers to selected staff and command positions; restricting physician and nurse staffing in TOE units during peacetime; contracting for civilian services and intensively reviewing AMEDD officer utilization on a worldwide position by position basis.

d. The December 1975 Report of the Military Health Care Study issued jointly by the Department of Defense, Department of Health,

Education and Welfare and the Office of Management and Budget contains the major finding that the Military Health Care System is relatively effective and efficient, has the unique capability to respond to military and civil emergencies and that some room exists for improvement. A specific finding of this study, using the most conservative aggregate cost model possible, indicates the costs of medical care provided in military medical treatment facilities are less than the costs of such care from the alternative sources.

e. Congress has directed the increased use of military treatment facilities to provide health care for entitled beneficiaries and the decreased use of the more expensive CHAMPDS alternative for such care in each of the 1974, 1975 and 1976 Appropriations Bills.

3. DOD POSITION:

(1) Today's Army is unlike that of 1964. Expected demands on junior leaders, technology, social and medical professional environments as well as the individual orientation in a volunteer force are much different, as is the force structure.

(2) The officer proportion of other service strengths differs from the Army as their mission, organization, structure and location of forces differ.

4. CURRENT STATUS:

D-13

Over 30 percent of Army trained physicians remain in service following initial commitments compared with less than one percent of Army physicians trained in civilian programs. The Army GME program is essential to assure the potential benefit to the government of the Health Professions Scholarship Program. GME includes internship (essential for each graduate to practice medicine) and specialty training. In addition, the GME program represents the Army's vital share of the limited national post-doctoral resource training capability.

A
broad spectrum of clinical services and medical research provide the indispensable basis for developing and maintaining medical skills essential to combat medical support.

D-14

ROTC

1. SUBJECT/ISSUE: Disestablishment of marginal units.

2. BACKGROUND:

a. During the FY 76 appropriations hearings, Congress expressed concern over the number of ROTC units with marginal production and cited that little had been done to disestablish nonproductive units. Congress considered including a limitation in the bill which would have precluded the expenditure of funds for schools with production lower than 15 for two consecutive years. Congress indicated that it would consider such limitation in the future after a more detailed analysis.

b. According to Department of Defense (DOD) criteria, marginal units are defined as those units that fail to have an enrollment in Military Science (MS) III (Junior Year) of 17-20 students. An enrollment of 17-20 in MS III should produce 15 officer graduates.

c. During school year (SY) 1975-1976, the Army developed and implemented an intensive management plan for the purpose of increasing ROTC enrollment to meet the DOD criteria. As part of this plan, 46 four year ROTC host institutions were placed in an evaluation status and two units were disestablished.

3. DOD POSITION: During the FY 1977 program budget decision (PBD) cycle, DOD issued a PBD directing that the Army disestablish 20 low producing ROTC units. After coordination with DOD, the Army disestablished two units.

4. CURRENT STATUS:

a. As part of intensive management plan, Army established 20 consortium groupings consisting of 47 ROTC units. The purpose of the consortia/consolidations is to conserve resources in areas where ROTC units are in close proximity. In most cases, the consortium groupings include marginal units.

b. Preliminary opening enrollment for SY 1976-1977 shows an increase of 12.8% (48,400 to 54,608). Also, individual ROTC units with less than 17 students in MS III have decreased to 19. Of 46 colleges on evaluation, 29 have achieved more than 17 students in MS III, 11 were organized into consortia, and the remaining six are meeting intermediate goals established by DOD.

13-15

c. Intensive management plan requires midyear enrollment analysis to arrive at decisions to disestablish units, continue evaluation status of units and/or to establish other consortia/consolidations.

D-1-

EROSION OF BENEFITS

1. SUBJECT/ISSUE: Moratorium on Further Benefit Cuts.

2. BACKGROUND:

a. The Army needs compensation sufficient to successfully compete in the marketplace - i.e., to attract and retain the quality and quantity of people required. A system of benefits is essential to counteract the adverse conditions of military service and create a two way commitment between the Army and the soldier.

b. Total compensation includes pay, allowances, and benefits. The worth of benefits varies widely with many assumptions so the figures are imprecise. While benefits represent about 25-30% of total compensation in the military, public sector and the private sector, the trend in the private sector is to increase benefits.

c. Military compensation was considered reasonably competitive in 1972. Subsequently, soldier's purchasing power has decreased 7% because of inflation. There are no long lines of quality people waiting at the recruiting stations. Commanders report between 50-90% of married lower ranking soldiers are having a tough time financially.

d. During the past four years military pay and benefits have been eroded by budget cutting actions. Soldiers see their losses coming from all directions, uncoordinated, and never-ending. They feel threatened by the "breach of faith" and see the quality of military life eroded.

e. Hard statistical indications of the impact of these losses show only after the fact. Long before statistics show up, commitment, loyalty and sense of military community are lost.

3. DOD POSITION: The DOD position on pay and benefits is uncertain at this time.

4. CURRENT STATUS: If pay and benefit cuts continue, greater difficulty can be expected in recruiting and reenlisting quality people. There will occur a gradual ebbing of commitment

D-18

JUNIOR ENLISTED TRAVEL ENTITLEMENTS

1. SUBJECT/ISSUE: Extend dependent travel and household transportation entitlements to our junior enlisted members (E-1, E-2, E-3, and E-4 with less than two years of service, except trainees).

2. BACKGROUND:

a. The objective of the junior enlisted travel is to authorize the entitlement on the basis of equity. It is unreasonable for the Army to recruit married members without providing travel and transportation to their dependents and household. Currently 15% of Army enlisted accessions are married. The number increases rapidly and dramatically after entry in the service. Currently 37.6% of our E-3s are married.

b. Funds for this program were eliminated by the Congress for FY 75 on the basis that it: increases the number of dependents overseas, raising support costs; unlikely to serve as a reenlistment inducement; and progress has been made toward achieving strengths in the all-volunteer force. Requests for funds in FY 76 and FY 77 budgets were eliminated in the Program Budget Decision process due to the high cost of the program and the increased dependent support requirements.

c. The Army is desirous of this program for five reasons:

- (1) Provides equity to junior enlisted;
- (2) Reduces career irritant and provides positive enlistment incentive;
- (3) Provides longer accompanied tours overseas for junior enlisted;
- (4) Alleviates service-imposed financial hardship on junior enlisted;
- (5) Reduces family separations with accompanying marital and morale problems.

d. If this program is not approved there is no other program of this magnitude under consideration which would reduce the financial plight of our junior enlisted.

3. DOD POSITION: The DOD directed all Services in the Amended Program Decision Memorandum to include in their FY 78 budgets the program to extend travel and transportation to junior enlisted.

4. CURRENT STATUS: The program is currently included in the Army's budget request and approved by the Secretary of Defense.

1. SUBJECT/ISSUE: Dependent Employment Policy.

2. BACKGROUND:

a. To increase overseas employment opportunities for dependents the Army obtained, in April 1971, a special appointment authority allowing preferential employment of dependents.

b. Congress expressed concern for dependent employment in September 1971. The dependent employment program was expanded to Department of Defense (DOD)-wide in February 1972.

c. Total Army employment of dependents in Appropriated Fund positions in September 1976 was about 8300.

d. In November 1975, the US Civil Service Commission (USCSC) asked DOD whether the special appointing authority was still needed. The DOD response, in January 1976, expressed strong support for the program.

e. In August 1976, the USCSC advised DOD of its decision to terminate dependent hire authority on 31 December 1976, citing as reasons DOD discrimination in employment against nondependents and possible violation of veteran preference statutes.

3. DOD POSITION: Office, Secretary of Defense (OSD) requested component input for a reclama.

4. CURRENT STATUS:

D-70

Atty: ASA(M&RA) 26 Nov 76

Page 2 of 2 pages

UNCLASSIFIED

D-21

PERSONNEL TURBULENCE AND PCS FUNDING

1. SUBJECT/ISSUE: Reduce personnel turbulence and attendant PCS costs.

2. BACKGROUND:

a. Personnel turbulence and turnover have steadily declined since the Vietnam conflict -- Army world-wide average tour in FY 1970 was 11.9 months as compared to 26.2 months in FY 1976.

b. Considerable attention has been directed to improve force effectiveness and reduce PCS costs -- Principal among these are:

- (1) DOD Ad Hoc Turbulence Study -- April 1974 to August 1975.
- (2) DCSPER PCS Study -- December 1974 to February 1975.
- (3) DA Personnel Turbulence/Unit Rotation Study -- June to September 1975.
- (4) OMB Military Travel System Study -- September 1975.

c. From these studies, OSD and the Services jointly developed comprehensive policies that address all aspects of turbulence with the best possible solutions -- Essentially these are as follows:

- (1) Increase the minimum initial term of service from two to three years -- Enlist 25% for four-or-more years.
- (2) Establish cumulative attrition goals for first-term personnel following completion of initial training -- Success depends upon provision of adequate recruiting resources.
- (3) Reduce reassignment of first-term personnel -- Generally limit three-year obligors to one assignment following initial training and obligors for four-or-more years to two assignments.
- (4) Improve compliance of career personnel with prescribed tours -- Establish a reporting system to monitor deviations.
- (5) Notify career personnel of their next CONUS assignment prior to departure for dependent-restricted short tours (i.e., Homebase/Advanced Assignments).
- (6) Career officers will attend service schools only after completing current tours of duty.
- (7) General officer assignments will normally be for a minimum of two years.

d. PCS costs. High rates of inflation resulted in a PCS funding shortage in FY 1975. The Army was forced to extend overseas tours (three months in long tour areas, one month in short tour areas) to preclude overexpenditure of funds. The FY 1977 budget request included \$60M to eliminate the extensions. Congress approved \$31M of that amount.

3. DOD POSITION: Improve policies and procedural matters that enhance force effectiveness and reduce PCS costs.

4. CURRENT STATUS:

a. DOD turbulence policies are being implemented in a phased and orderly manner to preclude adverse impacts on previous plans and decisions -- Period spans July 1975 to March 1977 -- Policies expected to significantly reduce turbulence were implemented FY 1975.

b. Policy refinements and improved management techniques are being developed through review and analysis of quarterly deviation reports.

c. PCS cost avoidances are being realized as a result of the attention to reduce turbulence. The Army has already identified sufficient funds to allow the elimination of the involuntary tour extensions during FY 1977.

d. The FY 1978 budget request reflects both reduced PCS moves and costs as a result of the actions taken. For example, aside from the 22,000 moves required to eliminate the involuntary tour extensions, total moves are reduced from 680,000 in FY 1977 to 645,363 in FY 1978. Additionally, comparison of PCS costs in FY 1977 (less \$50M to eliminate the extensions) with costs in FY 1978 for extension of travel entitlements to junior enlisted personnel) reveals a reduction from

e. Significant reductions to the Army's FY 1978 PCS budget request may require additional constraints on operational and unit moves. This would adversely impact upon personnel utilization, professional development, and operational readiness. Drastic reductions could require the resumption of involuntary tour extensions or the acceptance of strength shortfalls in overseas commands.

COST OF MANPOWER, INCLUDING COMPENSATION

1. SUBJECT/ISSUE: Standard Reference for Army Manpower Costs.

2. BACKGROUND:

a. Army manpower and manpower related costs have been interpreted, defined and displayed in various ways in the past. The Congress has repeatedly expressed its interest in such costs with the most recent being an informal request by the Senate Armed Service Committee for a report on the Army's total manpower costs.

b. The Army Staff has developed standard definitions which distinguish the Costs of People from Force Related Costs. These terms are defined as follows:

Cost of People. The Army's cost of paying for its people.
These costs take two distinct forms:

(1) Costs in the form of pay and allowances paid directly to all military and civilian personnel.

(2) Costs which are not paid directly to the individual military or civilian member. Included are:

(a) For military personnel - the Army's contribution to Federal Insurance Contribution Act (FICA), death gratuities, subsistence in kind and enlisted clothing issue.

(b) For civilian personnel - the Army's contribution to retirement, health insurance, life insurance, and Federal Employee Compensation Act.

Force Related Costs. Those operations and investment costs related to the support of the Army:

(1) Operations Costs. The costs of facilities, activities, and programs required to recruit, train, equip, move and maintain the Army and provide health, welfare and morale services to insure performance.

(2) Investment Costs. The costs of military construction equipment procurement and research and development.

(3) Specifically excluded from force-related costs are the costs of the people who work in the operations and investment cost areas. They appear in the "costs of people" category.

c. Two methods can be used to display such costs in accordance with these definitions. The difference is the cost base employed. Reference

D-24

to the Army's cost of people should clearly specify the base used to distinguish such costs.

- (1) One method distributes the Army budget dollar only for Army appropriations. The Army's FY 1977 budget request of \$26.7 billion Total Obligational Authority (TOA) is the base used to illustrate the costs of people in inclosure 1.
- (2) The second method adds to the Army budget base the Army's share of DoD-wide appropriations for military retired pay, family housing, homeowners assistance, Civilian Health and Medical Program for the Uniform Services (CHAMPUS) and Military Assistance Program. The cost distribution for the FY 1977 DoD budget request is shown at inclosure 2.

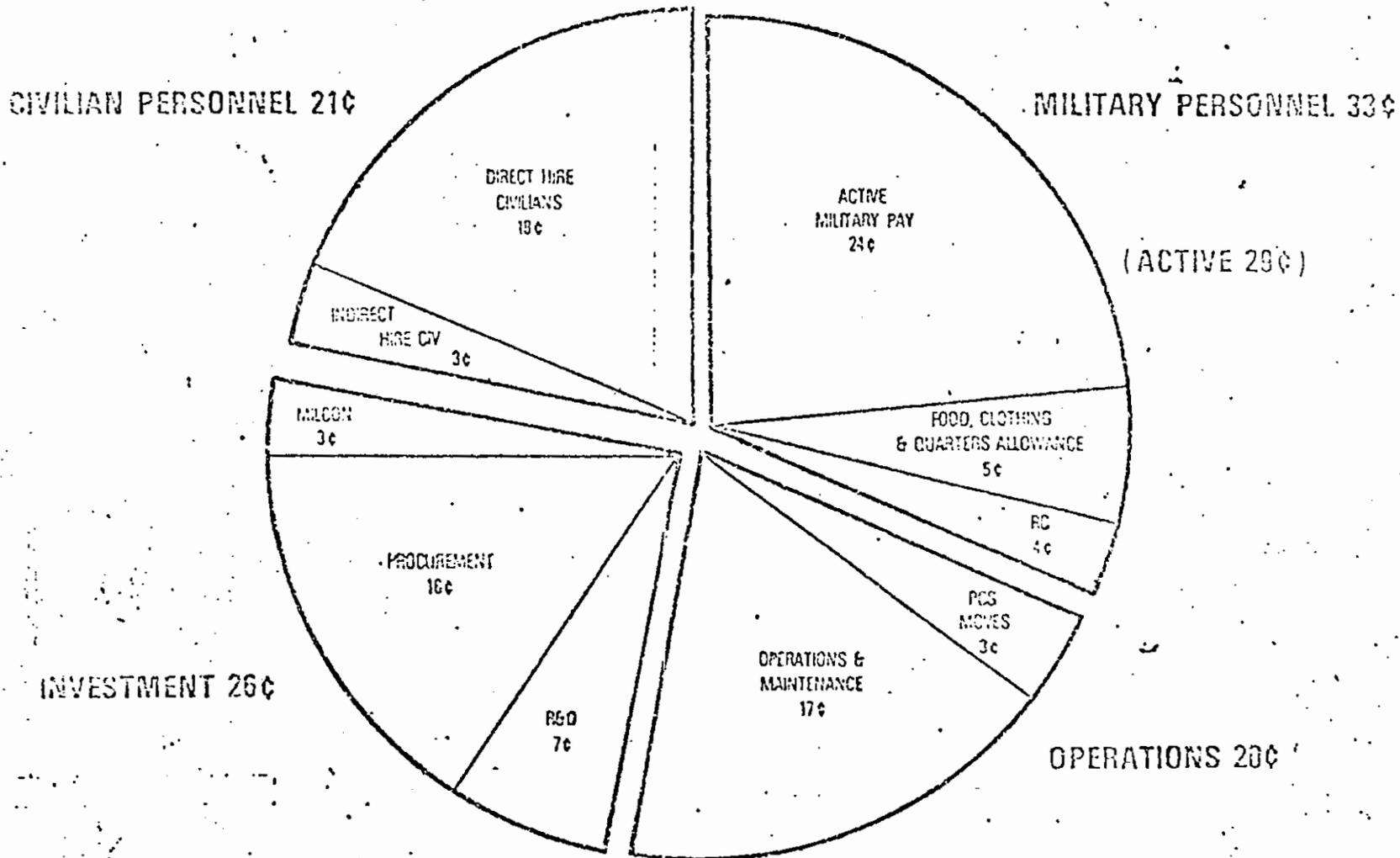
Significant is that these costs should now be described in terms of TOA rather than the customary procedure of using outlays.

- 3. DOD POSITION: Not applicable. This is an Army position on the definitions to be consistently applied when describing and displaying the Army's costs of Manpower.
- 4. CURRENT STATUS: Upon finalization of the FY 1978 President's Budget, the Comptroler of the Army will update the two attached charts to reflect revised data.

THE ARMY BUDGET DOLLAR

COSTS OF PEOPLE vs FORCE RELATED COSTS
(FISCAL YEAR 1977 TOA REQUEST)

COSTS OF PEOPLE - 54¢



1-23

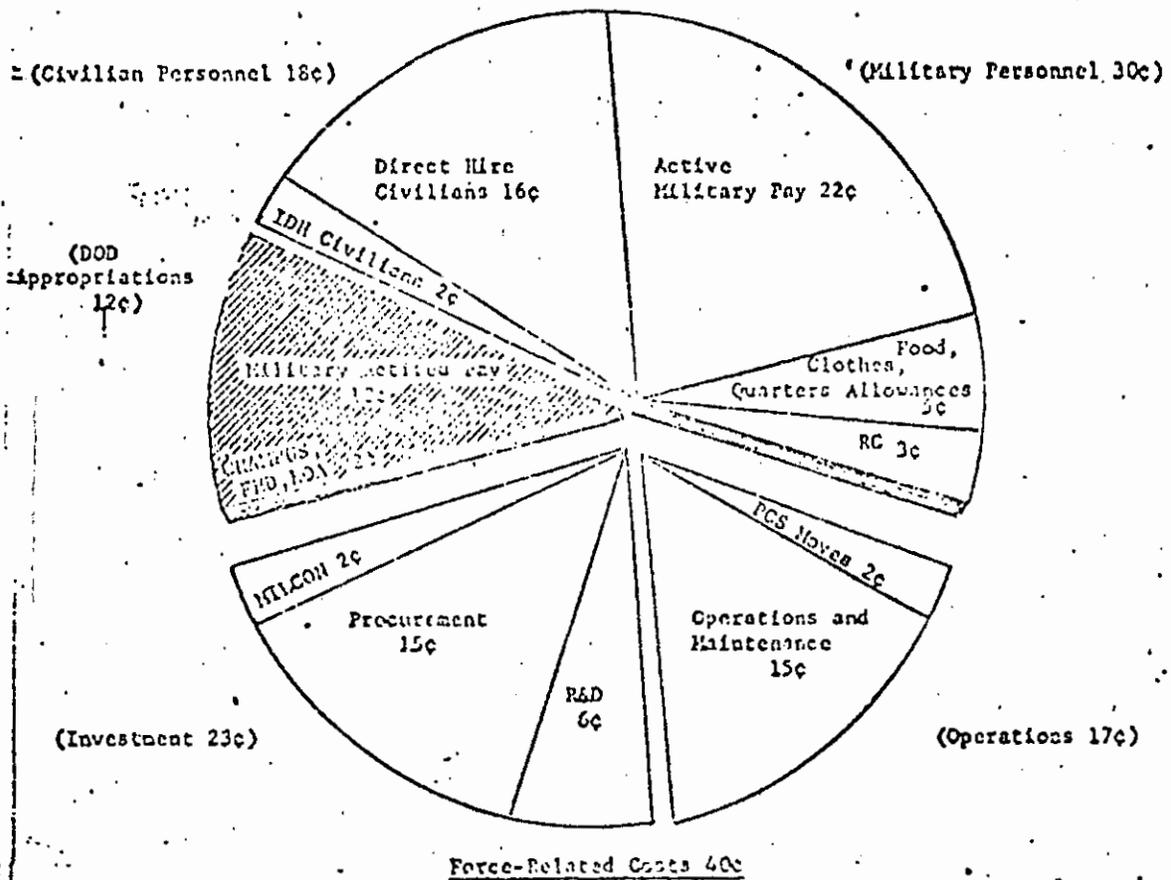
D-26

THE ARMY BUDGET

PLUS

DOD APPROPRIATIONS*
(FY 1977 TOA Request)

Costs of People 60c



INCL 2

D-27

CHAPLAIN SCHOOL CONSOLIDATION/RELOCATION

1. SUBJECT/ISSUE: Actions which may grow out of DA/DoD decision concerning the relocation of the US Army Chaplain Center and School (USACHCS) in response to Congressional initiatives.

2. BACKGROUND:

a. The FY 76 House Appropriations Committee (HAC) Budget Mark-up Report and subsequent conference report asked the SECDEF and the Chiefs of Chaplains of the Army, Navy and Air Force to select a site for a consolidated Chaplain School which could begin operations in FY 77.

b. The ASD(M&RA) requested the Interservice Training Review Organization (ITRO) and service Chiefs of Chaplains to assess training, consider both consolidation of the three services and the collocation of the Army School with other Army training.

c. The ITRO study results were sent to the ASD(M&RA) on 15 March 1976 recommending "That the Army relocate its Chaplain Center and School at one of the Army sites ~~costed~~, and the Navy and Air Force continue in their respective locations." Army supported the recommendation and listed its site preferences, by priority, as Forts Monmouth, Dix, Devens and McClellan.

d. FY 77 HAC mark-up directed OSD to submit a full report to the Committee by 30 October 1976, however, an extension was granted.

e. The report was not submitted because ASD(M&RA) desired to include a specific site selection in its report to Congress and the Army was unable to provide a specific site because of ASD(I&L) refusal to permit public disclosure of potential Fort Wadsworth realignment actions as required by the National Environmental Protection Act (NEPA). Movement of USACHCS from Fort Wadsworth, Staten Island, will raise the possibility of its closure.

3. DOD POSITION: No written position has been provided officially; however, from letters currently being staffed and action officer communication, it is apparent DoD concurs in the ITRO and services recommendation to relocate the Army Chaplain School internal to the Army and will defend this position before Congress.

4. CURRENT STATUS:

a. ASD(M&RA) is currently staffing letters to Congress which indicate their support of the ITRO recommendation and the movement of

D-28

the US Army Chaplain Center and School from Fort Wadsworth, Staten Island, New York, to Fort Monmouth, New Jersey.

b. Additional actions/decisions may be required following 20 January 1977 as a consequence of:

(1) Congressional rejection of USACHCS relocation internal to the Army, and its insistence on tri-service consolidation.

(2) Results of possible future Fort Wadsworth realignment studies which may require closure of Fort Wadsworth, or retention of Fort Wadsworth and the Chaplain School at that site.

D-28

ACTIVE AND RESERVE COMPONENT INTEGRATION (AFFILIATION)

1. SUBJECT/ISSUE: What actions have been taken to enhance the effectiveness of the Affiliation Program?

2. BACKGROUND:

a. The object of the Affiliation Program is to provide earlier additional combat power from Reserve Component (RC) battalions and brigades in support of a NATO contingency by integrating or associating them with Active Component units.

b. In August 1973, the Secretary of Defense, in the Amended Program Decision Memorandum (APDM) directed the Army to accomplish affiliation of RC battalions with Active Army divisions and early deploying RC brigades. The APDM provided for affiliation of as many as 65 battalions. The Army was given the flexibility to determine the scheduling and number of units to be affiliated.

c. The pilot program was implemented on 1 June 1974, with 18 RC maneuver battalions, 4 field artillery battalions, and 4 brigade support battalions affiliated with 6 Active Army divisions in the continental United States. In September 1974, IGRSCOM adjusted the program by adding the 25th Infantry Division and the 1st Cavalry Division. The number of affiliated RC battalions increased to 32 combat and 4 support. The number of units was increased to 89 in FY 75 and subsequently to the present 97 (Incl 1).

d. Reserve Component units are affiliated in three categories:

(1) Roundout: Units designated to raise understructured Active Army divisions to "standard" configuration. These units match the division in the Department of the Army Master Priority List (DAIPL), train with, and will deploy with it.

(2) Augmentation: Units which increase combat power of Active Army divisions up to 16 battalions in 4 brigades. Their DAIPL sequence is immediately following the Active Army divisions. They train with the division and are expected to deploy with or immediately following it.

(3) Deployment Improvement: RC units which neither roundout nor augment Active Army units, but which require dedicated Active Army assistance to improve their deployment capability.

1-23

3. DOD POSITION: Program has proven to be most effective means to increase KC readiness.

4. CURRENT STATUS:

a. At present 97 KC battalion-size units are participating. All FORSCOM active component divisions participate. The program includes 11 separate battalions and 4 brigades with 18 organic battalions which roundout understructured active component divisions.

b. The program is to be expanded by affiliating approximately 100 company/detachment-size combat support and combat service support units

41st Inf Bde
48th Inf Bde (H)
256th Inf Bde

HI ARNG
GA ARNG
CA ARNG
LA ARNG

25th Inf Div
7th Inf Div
24th Inf Div
5th Inf Div (H)

D-31

Reserve Battalions

2-14th Inf Bn (M)
1-149th Inf Bn (H)
1-101st AR Bn
1-123d AR Bn
2-123d AR Bn
3-117th Inf Bn (H)
2-129th Inf Bn (H)
2-252d AR Bn
1-273d AR Bn
6-40th AR Bn
100-662d Inf Bn

MI ARNG
KY ARNG
WA ARNG
NY ARNG
NY ARNG
TN ARNG
NC ARNG
NC ARNG
SC ARNG
AZ USAR
HI USAR

1st Inf Div (H)
2d Armd Div
9th Inf Div
2d Armd Div
2d Armd Div
4th Inf Div (H)
1st Cav Div
1st Cav Div
1st Cav Div
7th Inf Div
25th Inf Div

Augmentation Units

32d Inf Bde (H)
39th Inf Bde
67th Inf Bde (H)
61st Inf Bde (H)
1-108th Armd Cav Sqn
2-117th Inf Bn (H)
1-143d Inf Bn (Abn)
2-143d Inf Bn (Abn)

WI ARNG
AR ARNG
DE ARNG
VA ARNG
MS ARNG
TN ARNG
TX ARNG
TX ARNG

1st Inf Div (H)
101st Abn Div (AASLT)
4th Inf Div (H)
9th Inf Div
3d Armd Cav Regt
197th Inf Bde
82d Abn Div
62d Abn Div

Deployment Capability Improvement Units

4-17th FA Bn (8" SP)
3-75th FA Bn (155 SP)
3-83d FA Bn (155 SP)
4-113d FA Bn (8" SP)
5-113d FA Bn (8" SP)
1-114th FA Bn (155 SP)
4-114th FA Bn (155 SP)
1-124th FA Bn (155 SP)
1-127th FA Bn (155 SP)
1-147th FA Bn (155 SP)
2-157th FA Bn (8" SP)
1-158th FA Bn (8" SP)
3-174th FA Bn (8" SP)
4-174th FA Bn (155 SP)
1-174th FA Bn (155 SP)
1-201st FA Bn (155 SP)
2-222d FA Bn (155 SP)
1-623d FA Bn (8" SP)

NC USAR
ND USAR
MS USAR
NC ARNG
NC ARNG
MS ARNG
MS ARNG
KS ARNG
SD ARNG
CO ARNG
OK ARNG
SC ARNG
SC ARNG
AZ ARNG
WY ARNG
UT ARNG
KY ARNG

XVIII Abn Corps Arty
III Corps Arty
III Corps Arty
XVIII Abn Corps Arty
XVIII Abn Corps Arty
1st Cav Div
1st Cav Div
1st Inf Div (H)
1st Inf Div (H)
4th Inf Div (H)
4th Inf Div (H)
III Corps Arty
24th Inf Div
24th Inf Div
III Corps Arty
192nd Armd Bde
9th Inf Div
2d Armd Bde

127d Eng Bn (Cbt)
153d Eng Bn (Cbt)
201st Eng Bn (Cbt)
203d Eng Bn (Cbt Hvy)
223d Eng Bn (Cbt Hvy)
244th Eng Bn (Cbt Hvy)
321st Eng Bn (Cbt)
391st Eng Bn (Cbt)
411th Eng Bn (Cbt Hvy)
429th Eng Bn (Cbt Hvy)
467th Eng Bn (Cbt)
489th Eng Bn (Cbt)
529th Eng Bn (Cbt)
644th Eng Bn (Cbt Hvy)
877th Eng Bn (Cbt Hvy)
P27th Eng Bn (Cbt Hvy)
59th Eng Bn (Cbt Hvy)
1150th Eng Bn (Cbt)
1637th Eng Bn (Cbt)

SC ARNG
SD ARNG
KY ARNG
MO ARNG
MS ARNG
CO USAR
ID USAR
SC USAR
HI USAR
PA USAR
TN USAR
AR USAR
CA ARNG
TN USAR
AL ARNG
CA ARNG
NY USAR
MO ARNG
MO ARNG

27th Eng Bn (Cbt)
1st Inf Div (H)
101st Abn Div (AASLT)
34th Eng Bn (Cbt Hvy)
36th Eng Cp
52d Eng Bn (Cbt Hvy)
9th Inf Div
82d Abn Div
84th Eng Bn (Cbt Hvy)
76th Eng Bn (Cbt Hvy)
26th Eng Bn (Cbt)
2d Armd Div
14th Eng Bn (Cbt)
56th Eng Bn (Cbt Hvy)
6th Eng Bn (Cbt Hvy)
9th Eng Bn (Cbt Hvy)
27th Eng Bn (Cbt Hvy)
7th Eng Bn (Cbt)
4th Inf Div (H)

99th Sig Bn (Cbt)
31st Sig Bn (Cbt)
196th Sig Bn (Cbt)
191st Sig Bn (Cbt)
212 Sig Bn (Cbt Area)

NY USAR
AZ ARNG
FL ARNG
SC ARNG
AR ARNG

42nd Sig Bn (Cbt Area)
24th Sig Bn (Cbt)
101st Abn Div (AASLT)
67th Sig Bn (Cbt Area)
10th Sig Bn (Cbt Area)

1-11th Sig Bn

NY USAR

10th Spec Forces Cp

P

READINESS - MOBILIZATION MANPOWER

1. (U) SUBJECT/ISSUE: Total Army Force Manpower Readiness - Mobilization Manpower Base (Individual Ready Reserve)

2. BACKGROUND:

a. The Individual Ready Reserve (IRR) pool is used, upon mobilization, as an immediate source for:

(1) Fillers required to bring Active and Reserve Component units from peacetime to wartime strength.

(2) Battle loss replacements until the Selective Service System and CONUS Training Base can provide them.

b. Implementation of the All Volunteer Force concept has resulted in a significant decrease in the strength of the IRR pool. IRR strength in 1972 was 977K; at end FY 76 was 173K; projected to decline to 68K by end FY 82. Of these total strengths, only a 70% availability is assumed in planning.

c. The current IRR strength status is such that serious mobilization shortfalls exist.

d. The present status of the Selective Service System causes trained replacements from this source to be unavailable, in significant numbers, until M+210 days at the earliest. Therefore, an adequate IRR pool is an essential element of the Army's mobilization capability.

e. The Congress is aware of this problem and has previously requested, on 14 May 1976, the DOD to study it and report its findings. The resulting OSD Army IRR Study was forwarded to the House and Senate Armed Services Committees on 5 November 1976.

3. (U) DOD POSITION: Recognizes the increasing difficulty of maintaining an adequate peacetime reserve strength in the volunteer environment. Increased efforts to improve management of assets on hand and to attract volunteers are needed.

D-34

READINESS - HOLLINGSWORTH REPORT/EUROPEAN
CAPABILITIES ENHANCEMENT (ECAE)

1. SUBJECT/ISSUE: Hollingsworth Report (An Assessment of the Conventional War Fighting Capability and Potential of the U.S. Army in Central Europe) and Army European Capabilities Enhancement (ECAE) Effort.

2. BACKGROUND:

3. DOD POSITION: The DOD position on Hollingsworth recommendations will evolve from JCS study discussed above.

4. CURRENT STATUS:

a. The Army has folded the Hollingsworth recommendations into its overall European Capabilities Enhancement effort (which also includes recommendations by the Vice Chief of Staff, CINCUSAREUR, et. al.)

b. Army awaits guidance which should result from JCS consideration of issues discussed above (para 2d).

c. Concurrently, Army analyzing and where appropriate, acting upon other recommendations.

D-75

GAO REPORTS ON ARMY READINESS

1. SUBJECT/ISSUE Summarize GAO reports on readiness and provide status of Army action.

2. BACKGROUND:

a. GAO recently released three reports concerning the readiness of the Army. These reports are:

(1) "Readiness of First Line US-Combat Units in Europe" (June 76).

(2) "Another Look at the Readiness of Strategic Army Forces (STRAF)" (April 76).

(3) "Continuing Problems with US Military Equipment Prepositioned in Europe (POMCUS)" (July 76).

3. CURRENT STATUS:

a. "... First Line US Combat Units in Europe" - Data was collected from the 1st Armored Division and 2d Armored Cavalry Regiment during the period of December 74 thru March 75. The report is critical of the Army in the general areas of personnel shortages and the failure of the readiness reporting system to identify problem areas. The Army responded to GAO on 15 September 1976 and agreed that the report was reasonably accurate as of 18 months ago but that significant improvement had been made since that period.

b. "... Readiness of STRAF" - The inquiry was a follow-up to a 1972 GAO report on STRAF readiness. The report is generally critical of STRAF unit readiness and cites only three of nine major STRAF units fully ready at the time of the inquiry. The report also recommends that strategic forces be restructured to a size and level that can be adequately supported. The Army's reply to GAO is currently being staffed within OSD. It addresses improvements in STRAF readiness subsequent to the period of the report but disagrees with the recommendation to restructure STRAF forces.

c. "... Readiness of POMCUS" - The review of POMCUS status was conducted during the period July 75 thru February 76. It cited general improvements since a similar 1973 GAO review in three areas: equipment condition; storage facilities; accountability and physical control. It is critical of the overall POMCUS status however, and questions whether the Army could be fully effective in missions involving POMCUS stocks. The Army's response to GAO is currently being staffed within OSD. It generally concurs with GAO findings and recommendations and cites ongoing actions for POMCUS improvement.

ACTIVE ARMY MILITARY END STRENGTH

D-3^b

1. SUBJECT/ISSUE: The Army desires to retain a stable military end strength in FY 78.

2. BACKGROUND:

a. FY 78 request is based on Army prudent-risk force structure requirements; i.e., what Army must have.

b. Structure is established to meet the threat.

c. Army's goal is to man 16 combat ready active divisions, as well as provide for their support.

d. Army needs a 790,000 military end strength to adequately man the force and maintain a stable strength level.

e. Stability is necessary to provide for required force initiatives and avoid "yo-yo" effect of unit activations/inactivations at each budget cycle.

3. DOE POSITION: Has supported Army's requirement.

4. CURRENT STATUS:

a. Army may not meet end strength requirements in FY 77, primarily due to recruiting difficulties.

b. Army submitted \$60m reprogramming request to 94th Congress, including \$21m for enlistment bonuses, to meet FY 77 end strength. Request was not acted upon by 94th Congress.

c. Shortfall in FY 77 could carry over into FY 78, but assumption is that recruiting problem may be only temporary.

d. Army continues to evaluate all possible manpower alternatives to meet FY 77 ES without jeopardizing quality.

e. Impact if Army request for stable end strength is denied:

(1) Would jeopardize 16 active division readiness.

(2) Would destroy strength stability which Army has had and needs to plan/react to required initiatives and to provide for proper personnel acquisition and distribution.

(3) Would cause sizing of Army forces to be based on recruiting performance (which depends on resources) rather than threat analysis.

1

E-1

CHAPARRAL Missile System

1. SUBJECT/ISSUES:

a. (U) Jack Anderson Article, 6 Oct 76 "A Troubled Air Defense System."

b. (U) Development of an adverse weather CHAPARRAL for test and evaluation.

2. BACKGROUND:

a. (U) CHAPARRAL is a self-propelled, short range air defense missile system. The missile, which was adapted from the Navy Sidewinder 1C air-to-air missile, employs infrared homing guidance and proportional navigation.

b. (U) The purpose of CHAPARRAL is low altitude air defense for the division area and critical rear area facilities/installations.

c. The CHAPARRAL system was fielded in 1969 and had several recognized limitations. The most significant of these limitations were as follows: A daylight, fair weather capability only; tail chase characteristics;

visual target detection and identification; and a heavy smoke trail. The Jack Anderson Article of 6 Oct 76 criticized the Army for attempting to hide these mistakes under the secrecy label and for plans to buy additional CHAPARRAL missiles despite the above problems.

d. The Army recognized the limitations of CHAPARRAL at the time it was fielded and established a program for developing improvements. An improved missile which has an all-aspect engagement capability,

was classified standard in 1974. An Identification Friend or Foe (IFF) device and a Smokeless Missile Motor (SMM) are being developed. These developments will eliminate the major system deficiencies. The system remains a daylight, fair-weather system.

e. (U) During the FY 77 Budget Hearings Congress directed the Army not to spend any FY 77 RDTE funds for the all-weather US ROLAND until \$3.0M were identified and a firm plan formulated to develop an adverse-weather CHAPARRAL for test and evaluation.

3. DOD POSITION: (U) OSD supports development and procurement of the IFF devices and SMM. OSD has approved the adverse weather CHAPARRAL plan.

E-2

4. CURRENT STATUS:

a. (U) The development of the Smokeless Missile Motor and IFF are on schedule and within cost goals.

b. (U) The OSD approved adverse-weather CHAPARRAL plan is scheduled to be briefed to Mr. Thomas S. Hahn, HASC Professional Staffer, on 30 Nov 76. This 18 month program will require funding in FY 77 and FY 78.

c. (U) The approved RDTE program for FY 77 is \$6.0M, of which \$3.0M has been identified for adverse-weather CHAPARRAL.

d. The Improved CHAPARRAL missile is in production with IOC early in [redacted]. The approved procurement program for FY 77 is \$64.6M for 2000 improved missiles.

e. (U) The IFF and Smokeless Missile Motor developments should be essentially completed in FY 78.

f. The Army plans to procure [redacted] improved CHAPARRAL missiles in FY 78, plus some of the required IFF devices. With the FY 78 missile procurement, missile assets will be [redacted] of the authorized acquisition objective. [redacted]

HIGH ENERGY LASER

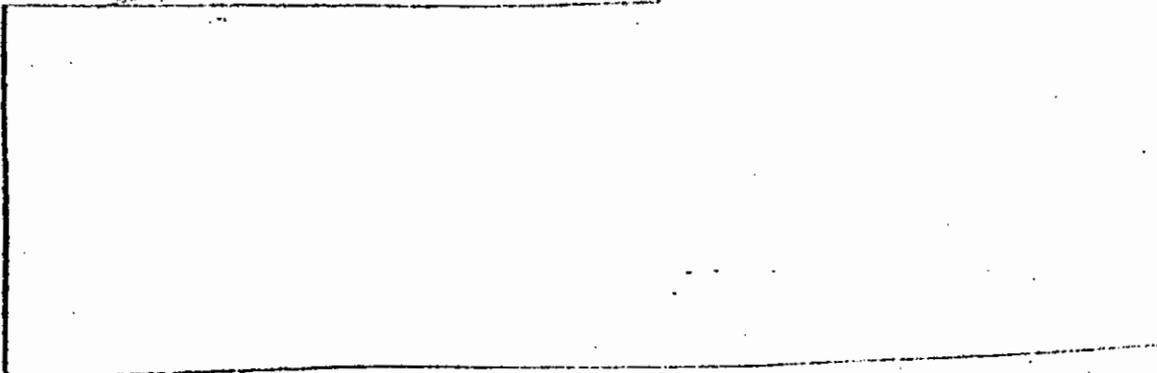
1. SUBJECT/ISSUE: High Energy Laser Weapon Systems (HELWS) !

2. BACKGROUND:

a. The objective of the Army's High Energy Laser program is to demonstrate the feasibility of the high energy laser as a weapon in a variety of Army roles, and, following demonstrated feasibility and cost effectiveness, pursue specific applications through the development cycle.



b. The Army's current program represents a modest investment, in the overall DOD HEL program, to take full advantage of this ~~potential~~ potential weapon capability.



c. The HASC has stated that the Army's work duplicates that being done by the Navy.



The laser device they are developing is substantially different from the Army's, and will not meet the Army's requirement.

d. HEL technology development also includes beam control (pointing & tracking) for directing the laser beam onto the target. A third area is propagation, damage effects, and vulnerability, which are the essential elements of the lethality of the HELWS. During congressional consideration of the FY 77 budget request, concern was expressed over duplication by the Army and Navy in these areas.

[Redacted]

e. While questioning certain items, Congress (FY 77 Conference report, Committee on Armed Services) has stated the need to strongly support the high energy laser program.

f. The [Redacted] Mobile Test Unit (MTU) [Redacted] feasibility demonstration is a laser mounted in a Marine Corps tracked vehicle. The MTU has provided a variety of data for the Army program, [Redacted]

[Redacted]

3. DOD POSITION: The present DOD program, with Army participation in the [Redacted] and a joint Army/Navy program in [Redacted] contains no duplication among the services. /

[Redacted]

4. CURRENT STATUS: The Army, as well as the other services, is in the technology development stage of HELWS development. /

[Redacted]

E-5

LOW ALTITUDE FORWARD AREA
AIR DEFENSE SYSTEM (LOFAADS GUN)

1. SUBJECT/ISSUE: (U)

a. (U) Caliber of gun. Why doesn't the Army designate a single caliber for its new air defense gun acquisition program?

b. (U) FY 77 Congressional - Joint Conference deleted Foreign System Evaluation Money.

c. (U) R&D Procurement Strategy

2. BACKGROUND:

a. The objective of the Low Altitude Forward Area Air Defense Gun program is to acquire a 30-40mm Air Defense gun with a high rate of fire, full solution radars, mounted on a track vehicle capable of moving with and providing air defense against pop-up helicopters and high speed low flying aircraft, for armored and mechanized maneuver forces.

b. Currently this role is filled by the VULCAN gun system in all divisions. The VULCAN has inherent limitations that cannot be overcome by improvement and make it ineffective against the majority of the threat. Therefore it is planned to replace this system with a new gun in the [] time frame.

c. The Army's requirement document states that the weapon needed is a medium caliber gun (30-40mm) with a range of [] km. In order to meet an early fielding date the Army has designed a program which will use mature subsystems (e.g. developed guns and/or radars) integrated into a total system. Both foreign and domestic subsystems will be considered.

d. Several NATO countries are in the process of fielding a similar gun system and an upgraded version of this system is also considered as an option for the program.

e. (U) Congress has shown considerable concern over the last three years that the Army has taken so long to formulate an air defense gun development program. Additionally in the FY 77 budget they deleted monies which would have been used to continue testing of the German built FLAKPANZER system. The general feeling was that enough testing had been done and that the Army should begin a program.

E-6

3. DOD POSITION: (U) OSD has supported the initiation of a gun development program in 1978 and has directed the Army to prepare for a DSARC in February 1977 which will address the type of program to be undertaken.

4. CURRENT STATUS: The Army is currently investigating designating a caliber for the weapon system and will designate an M48 or M60 chassis for the program. An RFP will be issued in late February with a full program start scheduled in early FY 1978 with two contractors. The program will be an engineering development effort stressing full competition. Each contractor will build 2 prototypes for evaluation to determine who is awarded the Low Rate Initial Production contract. This will be followed by a competitive second procurement. The program is designed to field the first battalion in CY 1978. All Air Defense Gun development efforts are managed by the US Army Armaments Command, Rock Island, Illinois.

8-7

I

IMPROVED HAWK

1. SUBJECT/ISSUE: Operational readiness (OR) rates, deficiencies and proposed corrective actions; justification of repair cycle float (RCF).

2. BACKGROUND:

a. Improved HAWK is a mobile all-weather day and night low-to-medium altitude air defense system deployed worldwide with the active Army units. It is also deployed with Marine Corps active and reserve units.

b. The Basic HAWK system was first deployed in 1960. To counter the advancing threat it became necessary to develop the Improved HAWK system. Improved HAWK development included a new missile and two new ground equipment major items, the Information Coordination Central (ICC) and the Improved Platoon Command Post (IPCP), as well as improvements to the Basic HAWK ground equipment. Initial operational capability date for Improved HAWK was November 1972.

c. The Army's current research and development (R&D) effort is contained in a Product Improvement (PI) program to upgrade Improved HAWK system effectiveness, maintainability, and survivability to meet the projected threat into the 1980's.

d. The system is required to be operational around the clock and has suffered from shortages of repair parts and trained maintenance personnel as well as deterioration due to age and lack of overhaul. Congress has shown an interest in the operational readiness rate of the Improved HAWK system and the desire of the Army to procure battery sets for repair cycle float. To overcome these operational readiness problems, the Army is training additional maintenance personnel, has undertaken an intensive management program for repair parts

4. CURRENT STATUS: tactical batteries of Improved HAWK will be deployed by 1980.

Training intensification begins in FY 77.

Repair parts management has been given priority by the HAWK Project Manager.

E-8

NIKE HERCULES

1. (U) SUBJECT/ISSUE: NIKE HERCULES Product Improvements.

2. BACKGROUND:

a. NIKE HERCULES is an all-weather day and night medium-to-high altitude air defense system. The system was first deployed in 1958, has both high explosive and nuclear warhead capability and has an additional capability of firing surface-to-surface missions.

b. The current US tactical deployment consists of [] batteries in Europe, [] in Korea, [] in Alaska and [] in Florida.

4. CURRENT STATUS:

a. The United States plan to replace NIKE HERCULES with PATRIOT

11-9

PATRIOT (SAM-D)

1. SUBJECT: PATRIOT, the Army's future medium and high altitude air defense system.

2. BACKGROUND: PATRIOT, an advanced surface-to-air missile system is being developed to provide an air defense for the Army in the field in the 1980's and beyond. The technology embodied in the PATRIOT multiple function radar, with high-speed computer control, and missile guidance concept will permit the Army to counter saturation tactics by engaging a significant number of targets simultaneously. Reliability, maintainability, and ease of operation are designed into PATRIOT to permit a significant manpower saving when compared to the present HERCULES and HAWK air defense systems. PATRIOT was approved for full engineering development in early 1976 as a result of highly successful Proof of Principle flight tests.

3. DOD POSITION: PATRIOT is approved for full engineering development.

4. CURRENT STATUS: A multi-year \$425 million contract has been negotiated with the Raytheon Company for the completion of the development program. The first of two tactical prototype Fire Platoons has been delivered to White Sands Missile Range with delivery of the second set scheduled for early 1977. PATRIOT missile flights will begin in December 1976 using prototype hardware and will continue throughout 1977. These flights will be conducted in the sophisticated electronic countermeasures environment projected for the future threat.

E-10

US ROLAND Program

1. SUBJECT/ISSUE: (U) Advisability of continuing the US ROLAND Program in view of growth in cost estimates.

2. DISCUSSION:

a. The US ROLAND will fill the Army's requirement for an All-Weather Short Range Air Defense (SHORAD) missile system

b. (U) To fill the all-weather SHORAD need recognized in 1973/1974, Department of Army surveyed competitive systems (Crotale, Rapier, ROLAND and All-Weather CHAPARRAL) and selected ROLAND. In Jan 75 the Army through Hughes Aircraft Co. initiated a Technology Transfer, Fabrication and Test (TTF&T) program which is to lead to the establishment of a US production base.

c. (U) US ROLAND is to be produced based on the European ROLAND II design. Certain changes have been made in the design to meet US operational and maintenance reliability needs. US ROLAND plays a key role in NATO weapons standardization since it is planned that the missiles and many subcomponents of the US and European systems will be interchangeable.

d. (U) At contract initiation the Army estimated the TTF&T program cost at \$237.6M. Because of Congressional/OSD pressure the program was altered and the estimate changed to \$177.3M. Today the program is estimated to cost \$265M. The reasons for the cost increases are many, but can be summarized as unexpected difficulty in the transfer of European technology to be used by US industry.

e. (U) Procurement costs have also experienced an increase in estimates. Since program initiation procurement cost for the Non-divisional buy [redacted] has been estimated as low as \$942M. It is now estimated to cost \$1572M and total procurement for both Divisional and Non-Divisional deployment would cost \$3.0 Billion. The increase in cost estimates for Non-divisional deployment stems primarily from an early lack of understanding of the system's complexity (and consequent cost) that was prevalent in the early stages of technology transfer.

E-11

f. (U) The Army is making an effort to insure against further cost growth. The Project Manager is conducting detailed analysis of contractor data to detect possible growth and cost control techniques such as "Not to exceed" Low Rate Production prices have been included in the TTF&T contract.

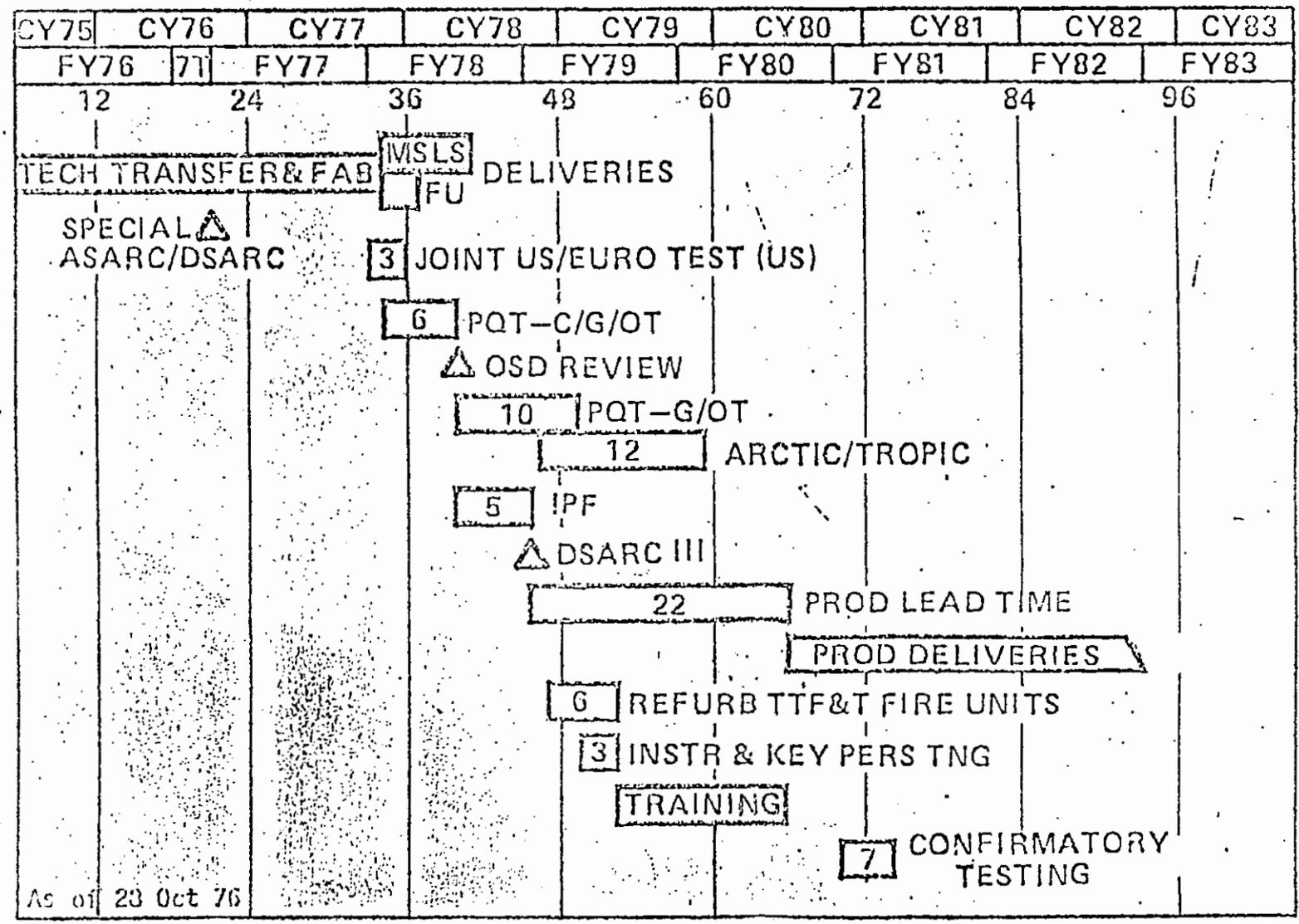
g. (U) US ROLAND has received Congressional scrutiny from the outset, particularly from the House Armed Services Committee (HASC). The HASC made stipulations to be met before expenditure of FY 1977 funds for US ROLAND. The most pertinent one requires the Army to meet a \$220M (total) TTF&T ceiling. The Army has indicated to Congress that the TTF&T cost will exceed \$220M (informal indication has been given that the cost will be \$265M). The Authorization and Appropriation committees have been informed that the TTF&T program will be continued on a monthly funding basis pending program approval by the DEPSECDEF and Congressional Review in early 1977.

3. DOD POSITION: (U) Special Defense Systems Acquisition Review Council (DSARC) review in Sep 76 resulted in a recommendation to DEPSECDEF that the program be continued. DEPSECDEF declined to make a decision on the program until the Army obtains freedom to solicit competitive bids for procurement.

4. CURRENT STATUS: (U) Technology Transfer is complete and fabrication is about 60% complete on the first prototype fire unit. The program is incrementally funded pending Congressional review. About \$109.3M has been spent as of 30 Nov 76. DEPSECDEF has not made a decision on the program pending the outcome of Hughes/Boeing (co-licensees) negotiations with Euromissile to obtain freedom for the Army to conduct competition for full scale production contracts.

US
Roland

US ROLAND RESTRUCTURED PROGRAM PROGRAM SCHEDULE



E-13

STINGER Missile System

1. SUBJECT/ISSUE: Additional test firings/simulations and plan for competitive procurement.

2. BACKGROUND:

a. (U) The STINGER missile system is being developed to replace the currently fielded REDEYE system. The objectives are to provide the ground forces an improved capability to engage higher speed maneuvering targets, an improved capability in infrared counter-measures environment, and to add an identification, friend or foe, system to assist the gunner in aircraft identification.

b. The REDEYE was a capable system when first fielded in 1966. It is, however, [redacted]. Its engagement capabilities are limited to tail chase only, is [redacted] is limited to engaging targets up to only [redacted] and has no identification, friend or foe, capability. STINGER will provide improvements in all of these areas.

c. Research and development for the basic STINGER system is essentially complete. Full scale development was begun in May 1972 and will end with the completion of independent government tests in March 1977. The system has progressed from component development through very exhaustive system tests which include the integration of a military gunner. Tests to date indicate STINGER will meet the overall requirements for which designed, [redacted]

To further increase the capability of the system to perform against these tactics, an advanced seeker is being developed. This new seeker is termed the Passive Optical Seeker Technique (POST), has shown remarkable potential and is scheduled to enter full scale development in FY 77. A three year development is envisioned with subsequent phase-in to STINGER production. The resultant STINGER missiles will be virtually [redacted]

d. (U) Congressional interest in STINGER centered on the test program. Before granting production funds, the House Appropriations Committee wishes to be assured that STINGER has been thoroughly tested. This concern caused the deletion of FY 77 production funds and the addition of \$8.8 million RDTE for the fabrication and testing of additional missiles. An additional eighteen missiles and 125 computer simulation studies were planned in response to this desire. These tests are scheduled to be completed prior to the Appropriations Bill passage in September 1977. In order to minimize the delay caused by this Congressional action, an aggressive procurement strategy was devised. Competitive procurement is planned [redacted]

E-14

with the immediate education of a second source in the first year and upon reaching parity with the developing contractor, both contractors will compete for a buyout of the missile inventory.

3. DOD POSITION: (U) If independent government tests warrant, STINGER production should be initiated in FY 78. Full scale development of the POST seeker is expected to be initiated in May 1977 if cost effectiveness studies support. This data will be presented at a Defense Systems Review Council scheduled for STINGER in April 1977.

4. CURRENT STATUS: (U) The STINGER design is complete. Government tests to determine how STINGER performs in all performance requirement categories are underway. Scheduled completion is March 1977. If approved for production, contract execution is planned for November 1977.

E-13

VULCAN (PI Program)

1. (U) SUBJECT/ISSUE:

- a. Product improvement justification.
- b. Jack Anderson Article, 6 Nov 76, "Antiaircraft Gun for Sitting Ducks".

2. BACKGROUND:

a. The objective of a VULCAN product improvement program is to increase its effectiveness in a benign environment from its presently unacceptable level.

b. The VULCAN was fielded in 1968 in two versions (self-propelled and towed) to provide close-in air defense for maneuvering units in the forward division area. A system was fielded with known limitations and was considered interim until the state-of-the-art would allow the production and fielding of a more efficient system.

c. Jack Anderson's Article stated / _____ The systems effectiveness is \ _____ against the present day threat. There are inherent limitations in the 20mm ammunition (range limited to _____ even if improved). The VULCAN, even if improved, cannot meet the Army required operational | _____ | capability for a division air defense gun.

d. The Army has investigated the feasibility of an effectiveness improvement package and initiated a prototype development program to support the indefinite requirement to maintain the system in the Airborne and Airmobile Divisions. The new Air Defense Gun will be too heavy for these divisions. VULCAN will be able to counter | _____ | in the environment the Airborne and Airmobile Divisions will be operating.

e. This system is planned to replace the Korean War vintage M42 (Duster) presently in the reserves.

f. Fielding of the new gun will not occur until < _____

h. Congress has shown repeated interest in improving this system. FY 77 hearings stated that the Army should get a program underway as soon as possible.

3. (U) DOD POSITION: ODR&E has approved the initiation of an 18 month validation program in FY 77 to investigate a minimum effectiveness improvement package.

4. (U) CURRENT STATUS: The Army is preparing to initiate a two contractor competitive validation effort in FY 77. Contracts should be let in the spring of 1977. Four improvements will be tested: a new sight; a new computer to replace the current analog computer; new drive motors for the turret; and ammunition improvements. If these improvements do increase the effectiveness and prove to be cost effective as anticipated, the Army will continue the program. These modifications will take place in 1979 and 1980. Total VULCAN expenditures to date are approximately \$230M. TK

E-17

HELIBORNE MISSILE - HELLFIRE

1. SUBJECT/ISSUE: Improvement of Anti-tank Capability.

2. BACKGROUND:

a. The objective of the HELLFIRE program is to provide the attack helicopter with a fire and forget missile which can be employed at maximum stand-off range and capable of defeating tanks and other hard point targets.

b. An improved, highly lethal, heliborne anti-tank missile system capable of operating during day/night and adverse weather conditions is required to counter the known and projected Warsaw Pact armor threat. Additionally, a fire and forget and maximum stand-off range missile capability are necessary to insure attack helicopter survivability. The current Tube-Launched Optically-Tracked Wire-Guided (TOW) missile requires the pilot to maintain the line of sight from the attack helicopter to the target. Currently, heliborne TOW has with a maximum range of 3750 meters.

c. HELLFIRE is being developed to employ a modular missile concept. The missile airframe will be capable of accepting various types of seekers. The laser terminal homing seeker is the first considered for HELLFIRE and is now entering engineering development. The feasibility of laser terminal homing has been clearly demonstrated during the successful advanced development program. However, laser homing seekers provide only limited fire and forget capability in that the target must be designated until missile impact. This designation may come from the attack helicopter, or scout helicopter, or from troops on the ground. The missile being developed will have a range of [] when the target is designated by the attack helicopter and up to [] when remotely designated by a scout or ground personnel.

d. Other potential candidate seekers will continue in exploratory and advanced development. Likely developments are seekers with the capability for suppression of air defense systems. These seekers would probably employ some combination of []. Also the feasibility of an [] seeker is being studied.

E-18

3. DOD POSITION: DOD supports the HELLFIRE terminally guided missile program and the follow-on efforts for air defense suppression

4. CURRENT STATUS: Advanced development of the laser HELLFIRE was completed and the Defense System Acquisition Review Council (DSARC) approved proceeding with Engineering Development (ED) in February 1976. North American Rockwell was selected over Hughes Aircraft following evaluation of competitive contractor proposals and the ED contract was awarded in October 1976. Initial testing of HELLFIRE will be on the Cobra Helicopter with Operational Test (OT II) scheduled for Subsequent test will be on Advanced Attack Helicopter during its OT II during

240

XML TANK

1. ISSUES:

- a. Is the money for site selection needed in 1978?
- b. Are we really ready for production?
- c. What is the status of the Leopard 2 evaluation?
- d. Will the Army make a decision on selection of a rifled or smooth bore 120mm gun on 15 Jan 77 as scheduled?
- e. What action has been taken to accommodate the intent of the Hillis Resolution?

2. BACKGROUND:

a. XML site selection. The Army selected Lima Army Modification Center, Lima, Ohio as the initial production site for the XML. The decision also stated the intent to establish the US Army Tank Plant, Warren, Michigan as a second production site concurrent with phase-down of M60 tank production requirements. Announcement of this decision was made to Congress on 6 August 1976.

b. Readiness for production. The competitive validation phase of the XML development program was completed on schedule and within cost. During this phase XML hardware demonstrated the ability to meet all established requirements for the new tank. On 12 November 1976 Chrysler Corporation was awarded the Full Scale Engineering Development contract.

c. Leopard 2 evaluation. In December 1974 the United States and Federal Republic of Germany (FRG) signed a Memorandum of Understanding on the harmonization of the US XML tank and the FRG Leopard 2 tank. The MOU provided for the US testing of a Leopard 2, modified to meet US requirements, against the same ground rules and constraints established for the XML. Although there is no commitment on the part of either country to adopt the other's tank the US has stated that if the Leopard 2 proves to be of a superior design and of comparable cost that the US would recommend adoption of the Leopard 2 design for completion of development and production in the US.

d. 120mm gun selection. In a continuing effort to achieve standardization of weapons systems the US has entered into separate agreements with the Federal Republic of Germany (FRG) and United

E-20

Kingdom (UK) to test each of the two countries 120mm tank guns. The UK gun has a rifled bore and the FRG candidate has a smooth bore. The tests will be conducted in the US during December 1976. In a separate Addendum 1 to the US/FRG 1974 Memorandum of Understanding the US and FRG agreed to make a decision on 120mm gun configuration (smooth or rifled bore) by 15 January 1977. An improved version of the UK 120mm gun will not be available for testing until late 1977.

e. Hillis Resolution provisions. On 28 September 1976 the House Armed Services Committee approved the Hillis Resolution. The resolution was the culmination of extended HASC hearings held as a result of the delay in the Full Scale Engineering Development (FSED) and source selection announcement which was originally scheduled for 20 July 1976. The resolution required the following:

(1) Enter Full Scale Engineering Development no later than 17 November 1976.

(2) Select the XM1 configuration which allows the fielding of the most cost effective tank at the earliest possible date.

(3) If consideration of a 120mm main gun continues, alternative 120mm systems must be comprehensively tested and evaluated before selecting a 120mm configuration. Adherence to this requirement will delay the FRG/US agreed upon date of 15 January 1977 until late 1977 when the improved 120mm gun of the UK can be tested.

3. DOD POSITION:

a. XM1 site selection. DOD concurs in the selection of Lima Army Modification Center as the initial production site and the follow-on plan to later establish the US Army Tank Plant as a second XM1 production facility.

b. Readiness for production. The Defense Systems Acquisition Review Council approved the program for Full Scale Engineering Development.

c. Leopard 2 evaluation. DOD concurs in the Memorandum of Understanding, the testing procedures and the evaluation process.

d. 120mm main gun selection. DOD concurs in the effort to achieve standardization of weapons systems.

e. Hillis Resolution provisions. DOD concurs with the intent of the Resolution.

4. CURRENT STATUS:

3-2

a. XML site selection. The architect-engineer design of the Lima facility as the initial production site is proceeding. A General Accounting Office investigation of the site selection decision is in process. The investigation was requested by several members of Congress representing the states of Michigan, Ohio and Louisiana.

b. Readiness for production. The program entered the 36-month Full Scale Engineering Development (FSED) phase on 12 November 1976 with award of a contract to Chrysler Corporation. The FSED contract has two production options for 462 vehicles. The first production vehicle is scheduled for delivery in February 1980.

c. Leopard 2 evaluation. Developmental and Operational Testing of the Leopard 2 is being conducted September-December 1976 at Aberdeen Proving Ground, Maryland. The final evaluation of the Leopard 2 will be made in March 1977.

e. Hillis Resolution provisions. To adhere to the requirement of the Resolution, the following actions have been taken:

- (1) Entry into FSED was initiated on 12 November 1976.
- (2) Selection of the vehicle configuration with a turbine engine and turret capable of mounting a 105mm 120mm gun will provide the most cost effective tank within the established cost and schedule constraints. This configuration is also compatible with the existing harmonization agreements between the US and FRG.

E-32

ADVANCED ATTACK HELICOPTER (AAH)

1. SUBJECT/ISSUE: Improvement of anti-tank capability.

2. BACKGROUND:

a. The objective of the Advanced Attack Helicopter Program is to provide the Army with a heliborne anti-tank weapon system capable of performing its mission under day/night and adverse weather conditions.

b. Until the recent deployment of the Cobra equipped with the TOW missile system, armed helicopters possessed very limited anti-armor capability. Although the COBRA/TOW is highly effective in the European environment, it has several shortcomings. Cobra performance decreases significantly at higher ambient temperatures and altitudes. In addition, the Cobra has very limited night/adverse weather capability and the wire guided TOW missile, lacks the range (3750 meters) and flexibility of employment needed on the mid-intensity battlefield.

c. The current AAH development program is to provide an effective attack helicopter for use through the 1990's. It is designed as a fully integrated anti-tank weapon system which includes visionics and night/adverse weather equipment. It will retain full mission performance at "hot day" conditions (4000 ft/95°F) and will be survivable in the projected air-defense threat environment. The highly lethal Hellfire anti-tank missile system provides the AAH with anti-tank capability to defeat any armor threat at the required standoff range. Other armament includes 2.75 inch rockets and a 30mm cannon.

d. Congress has supported the requirement for an Advanced Attack Helicopter but has expressed concern over the increasing development cost. Contractor cost overruns in FY 75 and 76 along with increased costs associated with Hellfire and the planned competitive development of the Target Acquisition Designation System and Pilot Night Vision System (TADS/PNVS) have been items of Congressional interest, particularly with the House Armed Services Committee.

4. CURRENT STATUS: The first phase of the program, a competitive airframe development with Bell Helicopter Textron and Hughes Helicopters, will be completed in December. Each contractor fabricated a ground test vehicle and two flyable prototype aircraft and an intensive government competitive test was conducted from July through

E-23

September. Following selection of the winning airframe design in December 1976, a contract for full scale engineering development to include fabrication of three additional prototype aircraft and development and integration of weapons and avionics subsystems will be awarded. Contracts for competitive development of TADS/PNVS are to be awarded in March 1977. AAH production is scheduled to begin in Fiscal Year 1980 with deliveries starting in June 1982.

E-4

ADVANCED SCOUT HELICOPTER (ASH)

1. SUBJECT/ISSUE: Advanced Scout Helicopter (ASH).

2. BACKGROUND:

a. The objective of this program is to develop and acquire a small, agile and highly maneuverable Advanced Scout Helicopter (ASH) with Target Acquisition and Laser Designation (TADS) and Pilot Night Vision Systems (PNVS) equipment. The ASH will give the Army a new capability in providing the front line tactical units an aerial scout capable of day and night operation under adverse weather conditions. As an integral part of the Army's combined arms team, the ASH will be the focal point for effectively finding enemy forces and directing a coordinated attack against these forces. In the anti-armor role, the ASH and the Advanced Attack Helicopter (AAH) will operate in close harmony as a hunter/killer team. The performance designed into the ASH will provide the power margin, agility and maneuverability required for nap-of-the-earth (NOE) tactics. The standoff range capability provided by the TADS, night operation capability of the visionics, ability to operate NOE, and vulnerability reduction features will make the ASH a highly effective and survivable intelligence and target acquisition/designation system.

b. The Army's effort to develop an aerial scout helicopter began in FY 1972 as an element of the New Initiatives package. The program was structured as a feasibility demonstration to examine improvements to the Light Observation Helicopter (LOH). This program was terminated in November 1972 by Congressional direction. The Army was instructed to reevaluate and redirect the program. In January 1974, Headquarters, Department of the Army approved a Required Operational Capability (ROC) for the ASH and established a multi-command Special Task Force to investigate the means for acquiring the capability. During FY 1975 the Special Task Force conducted an in-depth review of the need for an aerial scout, and conducted concept formulation and trade-off efforts. The program was reviewed by the Army Systems Acquisition Review Council (ASARC) in June 1975 which approved the need for the ASH and initiation of development. In September 1975, the Department of Defense Systems Acquisition Review Council (DSARC) approved the need for the ASH and initiation of a development program. The DSARC also directed the Army to assess the potential of the ASH for other applications such as a Light Utility Helicopter (LUH) or a Light Attack Helicopter (LAH). The Army was directed to conduct this assessment and to present its findings to a subsequent DSARC prior to release of an RFP to industry. The Army concluded that a certain amount of commonality for other aircraft applications in the ASH weight class could be accommodated if this consideration were incorporated early in the design stage. In March 1976, the DSARC reviewed the Army's assessment and reaffirmed support for a helicopter

2-23

in the weight class of ASH for multiple applications. The DSARC also directed that the options for twin engine and other airframe applications should be maintained during development, approved development of a TADS and PNVS to be common to the ASH and the AAH, approved delaying the initiation of ASH airframe development until FY 1978, and directed that the DSARC be convened prior to Army release of the RFP to provide final guidance on the airframe program. During April 1976, the TADS and PNVS development for the ASH and AAH was closely scrutinized by Congressional committees. The committees proposed consolidation of this effort under the AAH program by moving a major portion of the ASH FY 1977 request for \$26.0 million to the AAH. The Army concurred but requested that \$2.0 million remain in the ASH FY 1977 program to provide for in-house program formulation efforts under the direction of the ASH Project Manager. Subsequent Congressional action resulted in an increase of \$18.7 million of FY 1977 funds for the AAH program for consolidation of Target Acquisition and Laser Designation (TADS) and Pilot Night Vision Systems (PNVS) development, deletion of ASH FY 1977 funds, and guidance to disestablish the ASH Project Office.

c.

Design

studies show that the ASH will be slightly larger than the current observation helicopter, OH-58. This small size, coupled with its agility and maneuverability, will permit it to operate well forward and use smaller confined areas to achieve concealment.

d. Congress has expressed concern with regard to achieving commonality of components in helicopter development programs. The ASH will use the same engine that is currently being used on the AAH and the Utility Tactical Transport Aircraft System (UITAS), the General Electric T-700 engine. Where possible, the ASH will use other components common to existing aircraft. However, dynamic components for larger aircraft (transmissions, major gear boxes, rotor systems) are generally not compatible with smaller aircraft. The ASH will be designed so that the dynamic components will be common to other helicopters in its weight class. It is viewed as the foundation for a 1990's family of helicopters which would include the Scout, Light Utility and Light Attack helicopters in the 7000-8000 pound gross weight category.

e. As an interim and until the ASH could be fielded, the Army began in 1975 a program to product improve a limited number of OH-58

observation helicopters to operate in the scout role. The improvements include an uprated engine, transmission modifications and aircraft survivability devices. The better performance achieved through these modifications will provide the power margin necessary for nap-of-the-earth operations. However, the aircraft is still limited in its ability to acquire targets and has no laser designation capability for precision laser munitions such as the Cannon Launched Guided Projectile (CLGP).

3. DOD POSITION: At two DSARC meetings to consider the ASH program, OSD has substantiated the need for the ASH. Subsequent to the most recent DSARC meeting in March 1976, the Deputy Secretary of Defense directed that the ASH should be fielded 5-6 years after initiation of airframe development in FY 1978.

4. CURRENT STATUS:

2-7

AH-1S COBRA/TOW

1. SUBJECT/ISSUE: AH-1S COBRA/TOW.

2. BACKGROUND:

a. The objective of this program is to provide an airborne anti-armor capability until the more capable Advanced Attack Helicopter (AAH) is fielded in the early to mid-1980's.

b. The need to improve the AH-1G COBRA's armament for operations in a mid-intensity battlefield environment was recognized in early 1969. These studies were substantiated in 1972, when the North Vietnamese offensive was accompanied by the first significant tank threat of the Vietnamese War. To supplement the machine gun and rocket fire of the AH-1G COBRA, two UH-1B helicopters mounting prototype airborne TOW missile systems were deployed to South Vietnam. During one six week period these two helicopters destroyed 25 tanks and 22 other prime material targets. Satisfied with this performance, the Army decided to equip the already combat proven COBRA with the TOW missile system.

c. Early research and development (R&D) involved missile system to airframe integration; upgrading of the engine, transmission and drive train components; and development of an all fiberglass main rotor blade. Development efforts are continuing in the areas of fire control, wing stores management, improved weapons turret, and hardening of the TOW missile system.

d. The initial COBRA/TOW procurement program involved modifying 290 AH-1G COBRA gunships to the AH-1S COBRA/TOW configuration and procuring 305 new AH-1S helicopters. The 290 modification program was funded in FY 74 through FY 1977, with deliveries between June 1975 and July 1977. The 305 new procurement is funded in FY 75 through FY 79, with deliveries scheduled from March 1977 through March 1981. The Army's FY 78 budget requests funds in FY 78 through FY 80 to convert an additional 200 AH-1G's to AH-1S COBRA/TOW's. These deliveries are projected from November 1979 through July 1981.

e. No Congressional issues were encountered during the FY 77 budget hearings and none are anticipated in FY 78.

3. DOD POSITION: OSD concurs with the urgent need for an airborne anti-armor capability, the AH-1S COBRA/TOW's ability to fill this need, and the requirement to field 795 AH-1S helicopters.

E-13

4. CURRENT STATUS: The 290 AH-1G to AH-1S modification line reached production capacity of 15 per month and has delivered 163 aircraft as of 1 November 1976 - three aircraft ahead of schedule. Over 100 COBRA/TOW aircraft are presently in Europe. Long lead items for the 305 new aircraft are being accepted and delivery of the first aircraft should be in January 1977, three months ahead of schedule. The improved main rotor blade will enter low rate initial production in January 1977. The R&D programs of wing stores management, improved turret, fire control, and TOW missile hardening are continuing on schedule and should begin integration into the production line in September 1978.

1-2-77

UTILITY TACTICAL TRANSPORT AIRCRAFT SYSTEM (UTTAS)

1. SUBJECT/ISSUE:

- a. Impact of division reorganization, nine man squad.
- b. Attainment of RAM goals.
- c. Basis for selection of winning candidate.

2. BACKGROUND:

The UTTAS is a twin engine helicopter, powered by the General Electric T700, 1500 shaft horsepower turbine engines. The UTTAS is capable of carrying a pilot, co-pilot, crew chief/gunner and eleven combat equipped soldiers. As a medical evacuation helicopter it can accommodate a medical attendant and up to six litter patients. This is the Army's first true squad carrying assault helicopter that provides increased troop lift capability and reduced mission costs, maintenance and logistical support, while enhancing tactical mobility. The aircraft is in a competitive air-frame engineering development program between Boeing Vertol and Sikorsky Aircraft.

a. The nine man squad being recommended in the Division reorganization only applies to the Heavy Divisions (Armor and Mechanized). These units are not the primary users of airmobile assets.

b. Reliability and Maintainability (RAM) goals are specified in the Decision Coordinating Paper (DCP) and are of Congressional interest. During Government competitive testing the prototype RAM goals were surpassed. The achievement of the maturity phase goals of the program is considered to be low risk.

c. The basis for selecting the winning candidate was through the use of the Source Selection Board Evaluation process which considered the production proposals in conjunction with results of Government competitive testing of the prototypes during the March-November 1976 time frame. Key evaluation factors were:

Technical, including technical capability, design integrity and producibility.

Operational Suitability.

Cost, to include life cycle cost and design to unit production cost.

Logistic Support.

Management Capability and Controls.

3. DOD POSITION: OSD supports the UTTAS program.

4. CURRENT STATUS:

Government competitive testing was completed in November 1976. Source selection is in progress. The Army Systems Acquisition Review Council which met on 24 November 1976 recommended full scale production for 1007 aircraft in the first 3 years of production with a planned procurement of 1107 aircraft. The Defense Systems Acquisition Review Council meeting is scheduled for 30 November 1976. The contract for both the airframe and engine developers is scheduled for award on 2 December 1976.

E-31

BALLISTIC MISSILE DEFENSE (BMD) PROGRAM

1. SUBJECT/ISSUE: Objective and content of the BMD Program.

2. BACKGROUND:

a. The US BMD Program began in the mid-50s and has had a number of titles over the years, each associated with the particular BMD system under investigation and/or development (i.e., Nike-Zeus; Nike-X; Sentinel; SAFEGUARD).

b. Just prior to the ABM Treaty (May 1972) the US was planning an extensive BMD deployment. However, the treaty initially limited each side to two sites of 100 missiles each; later agreement reduced this to one site. The only BMD system ever deployed by the US was a single SAFEGUARD site at Grand Forks, North Dakota, for the protection of a portion of the MINUTEMAN force. That system was inactivated on 9 February 1976 in response to Congressional guidance.

c. The present BMD Program is an R&D effort only; for the past several years it has been funded at a level of slightly over \$200M. This R&D Program has two broad objectives:

(1) Maintain the US technological lead in BMD in order to avoid technological surprise by the Soviets who have a deployed system and a more extensive BMD R&D effort than the US.

(2) Maintain a capability to responsively develop and deploy a BMD system as a hedge against future strategic uncertainties to include Soviet abrogation of the ABM Treaty.

d. The program is also intended to aid SAL negotiations and to assist in the evaluation of US strategic offensive weapons development programs and to assist the US intelligence agencies monitoring and interpreting the Soviet BMD Program.

e. The present program has two elements:

(1) The BMD Advanced Technology Program which focuses on new concepts and improved components and pushes the state-of-the-art in seeking better ways to do the BMD job.

(2) BMD Systems Technology Program which is concerned with systems integration and continuing to update the technological content of BMD systems options by incorporating advances initially developed in the Advanced Technology Program.

3. DOD POSITION:

4. CURRENT STATUS: The Program was funded in FY 77 at a level of \$203M. It is managed by the BMD Program Manager who reports directly to the Chief of Staff of the Army. Major efforts in FY 77 include:

a. Advanced Technology Program. Development of discrimination techniques by analysis of field data and laboratory measurements; testing of subscale prototype high burning rate motors to validate characteristics of advanced propulsion for a high performance terminal interceptor; development of advanced optical sensor concepts to include flight tests for the Designating Optical Tracker; installation of a laser radar at Kwajalein and investigations of laser and millimeter wave applications to BMD; procurement of an intelligence collection radar system in conjunction with the Air Force; investigation of new concepts and technologies that offer the potential for revolutionizing BMD.

b. Systems Technology Program. Completion of the installation and activation of the Systems Technology radar and data processor at the Kwajalein Missile Range; initiation of the validation testing of terminal systems key issues; design of midcourse homing and kill mechanisms validation experiments.

E-28

SAFEGUARD PERIMETER ACQUISITION RADAR (PAR)

1. SUBJECT/ISSUE: Operation of the Perimeter Acquisition Radar (PAR).

2. BACKGROUND:

a. The PAR is the only part of the SAFEGUARD Complex that remains operational. The PAR has the capability to characterize the size, intent and origin of an attack to a degree not available with current U. S. sensor systems.

b. As originally configured for the SAFEGUARD system the PAR functioned as a surveillance radar. After the SAFEGUARD system was deactivated, modification of the PAR for attack characterization continued, in accordance with OSD and Congressional guidance. The PAR became operational in its new role on 10 December 1976.

c. Congress directed retention of the PAR when it directed deactivation of the SAFEGUARD system; Congress also directed that the PAR be transferred to the U. S. Air Force since early warning is primarily an Air Force mission.

3. DOD POSITION: That the PAR should be transferred to the Air Force NLT 1 October 1977.

4. CURRENT STATUS: The Army is working with the Air Force to implement the DOD decision.

E-34

CHEMICAL WARFARE

1. (U) SUBJECT/ISSUE: Improvement of Chemical Warfare capability.

2. [] BACKGROUND:

a. The objectives of the U.S. chemical warfare (CW) program are to deter enemy use of CW and should deterrence fail, to retaliate. This program is in consonance with the national policy of no-first-use of chemical weapons but with the right to retaliate against enemy use.

b. The need for a CW deterrent capability is based on the serious CW threat posed by the Soviet Union/Warsaw Pact. Soviet forces possess the worlds greatest capability to conduct CW operations and operate in a toxic environment. The Soviet Union/

[] requires a [] stockpile and a [] adequate production capability exists to manufacture the required agents. [] the [] size of the Soviet CW stockpile is [] believed to be large,

[] The protective capability of the Warsaw Pact forces is extensive. These forces are fully equipped with individual protective items and [] truck mounted decontamination devices. To take maximum advantages of the capabilities provided by CW, Warsaw Pact forces are extensively trained at all levels [] This realism includes the use of [] agents [] To insure that this extensive CW program is implemented, the Soviet Union utilizes a highly centralized chemical organization.

c. In contrast to the Soviet forces, U.S. forces are [] to survive chemical attacks and [] to conduct chemical operations. The execution of U.S. CW policy requires a balanced capability consisting of an adequate protective posture and a credible deterrent/retaliatory CW munitions stockpile.

Increases in the CW training program have been made,

d. The Army has fully equipping the CW protective equipment.

program which will provide for Army with

Research and development continues on improved CW detection, warning, protection and decontamination systems as well as systems for improving the CW retaliatory capability. Development programs for retaliatory systems have been focused on the material oriented improvement actions, efforts have also been undertaken to improve the force structure.

3. (U) DOD POSITION: DOD has placed priority on attaining an adequate CW protective posture and has directed that a binary production capability be established but with no production decision at this time. In addition, research and development on binary munitions should be continued.

4. CURRENT STATUS: The Army has been successful in obtaining funds to support programs for improving its CW posture.

The FY78 budget also contains a request to establish a binary production facility

E-35

INSTALLATION RESTORATION

1. SUBJECT/ISSUE: RDTE to Support Installation Restoration.

2. BACKGROUND:

a. For several years the Army has been involved in determining the:

(1) extent of contamination of Army-owned real estate;

(2) contaminants;

(3) extent of contamination adjacent to Army-owned real estate resulting from Army-produced products; and

(4) methods for neutralizing or cleaning up the Army-produced products.

b. Known contaminants resulted from:

(1) manufacture or storage of chemical and biological warfare agents and munitions;

(2) manufacture of pesticides by commercial companies in leased Army-owned facilities;

(3) Nuclear wastes in former AEC facilities now under Army control; and

(4) manufacture of conventional munitions.

c. To date the Army has identified more than fifty installations, each of which include some real estate which should be "cleaned up."

d. Army RDTE funds are being expended to determine:

(1) type and extent of contamination, and

(2) methods of decontamination.

e. Other Army funds provide for the actual "clean-up" operations.

E-37

3. DOD POSITION: DOD ((DDR&E, ASD(HA) and ASD(Compt)) recognize that the job to be done is large and will take a long time to accomplish.

4. ARMY POSITION:

MAG 58

1. SUBJECT/ISSUE: Status of Tech Data Package and FRG use of MAG 58.

2. BACKGROUND:

a. The objective of the MAG 58 procurement program is to furnish highly reliable machine guns for our prime tank assets and also for vehicles such as the Mechanized Infantry Combat Vehicle (MICV) and the XM-1 Tank.

b. The present armor machine gun (M219) has been found to be deficient. The MAG 58 was selected by the Army in April 1976 following extensive testing. This weapon proved to be 13 times more reliable than the M219 and 3.5 times more reliable than its closest competitor the M60E2.

c. The General Accounting Office (GAO) prepared a report on the testing which led to the decision to procure the MAG 58. The GAO report was very favorable to the Army. Following the selection, the Maine Congressional Delegation (the M60E2 is produced by Maresmont in Saco, Maine) requested GAO to study the decision. Additionally, Maresmont initiated a civil suit against the Department of Defense. The second GAO report was also favorable to the Army and the civil suit was dismissed. One major area reviewed by GAO was the allegation that the Secretary of Defense had made a commitment to Belgium (MAG 58 is produced by Fabrique Nationale, Belgium) to buy the MAG 58 if Belgium would purchase F-16 aircraft. All available documents were reviewed and this allegation could not be substantiated.

d. Recently, there has been a significant decrease in outside interest in this procurement effort.

3. DOD POSITION: DOD considers the need for the MAG 58 to be urgent. The initial procurement funding for FY77 (7200 guns/\$15.1M) was approved.

4. CURRENT STATUS:

E-37

MECHANIZED INFANTRY COMBAT VEHICLE (MICV)

1. SUBJECT/ISSUE:

- a. Why is the Army developing MICV (Address deficiencies if any)?
- b. Interim gun requirement.
- c. Status of technical difficulties.
- d. TOW/BUSHMASTER Armored Turret II (TBAT II) cost/schedule implications.
- e. What is the MICV procurement objective?
- f. Will the MICV be used in the scout role? If so, what is the procurement objective?
- g. What type units will be equipped with the vehicle?

2. BACKGROUND:

a. The objective of the MICV program is to provide the Mechanized Infantry with the US Army's first infantry fighting vehicle. The emerging character of the modern battlefield is increasingly armored vehicle intensive. The major nations of the world have equipped their infantry with fighting vehicles to operate on the battlefield with the tank. The US Army still transports its infantry in the M113A1 carrier, a vehicle with limited protection against small arms, inadequate mobility to keep up with the modern tank and whose only firepower is an unprotected cal. 50 machinegun. The MICV is designed to be compatible with the modern tank, with improved ballistic protection and mobility. The MICV armament is designed to address the threat. In a fully powered, stabilized and protected weapon station the MICV will mount a 25mm automatic cannon, the TOW missile system and a coaxial machinegun. From six firing ports in the troop compartment, the mounted squad will be able to deliver suppressive fires around the vehicle while within its armor protection. The MICV provides a mounted combat capability for the fluid, mobile battlefield.

E-10

b. The MICV entered Engineering Development in November 1972. The primary armament of the MICV was to be the BUSHMASTER, a 20-25mm automatic cannon. The BUSHMASTER development program was delayed and, rather than delay the vehicle system and make it dependent on the gun and because the Army has an immediate requirement for the other MICV capabilities, the Army decided to procure the initial vehicles with an interim cannon until BUSHMASTER is available. The M139 20mm cannon, inadequate to the BUSHMASTER requirement but now in the inventory, was selected as the interim weapon. Procurement of MICV with the M139 makes the vehicle available two years earlier than if delayed until TBAT II is available. Early delivery of MICV is required to equip the training base and permit doctrine development to facilitate rapid deployment of MICV/TBAT II. Procurement of the interim version MICV also provides an increase in combat capability and allows refinement of the production facility and logistical support system. /

c. The MICV development program has encountered some technical difficulties. Early testing uncovered problems in the suspension system and transmission. The suspension was fixed and, while the [] transmission was improved, it still lagged in reliability. Consequently, the [] transmission was brought on as a full competitor and both transmissions are now in vehicles in development and operational testing; in head-to-head competition. Both are performing well. Other technical difficulties have appeared in testing and have had corrections applied. Congress will be interested in transmission status.

d. In the summer of 1976, the Army established a special task force (MICV Task Force (MTF)) to review the MICV program and related problems. As a result of this review, MICV was reconfigured to accommodate the TBAT II. Two elements are significant. The original design called for one-man weapon station, with the commander located in a [] station behind the driver. With TBAT II the commander is placed in the weapon station with the gunner for enhanced command and control, and at which location he can assist in target acquisition and control of fires. Additionally, two TOW tubes are mounted on the station, to be fired by the gunner under armor, to give MICV a long range antiarmor capability. The addition of TBAT II increases the unit procurement cost of MICV by \$79K in FY76 constant dollars and delays deployment of the BUSHMASTER 25mm cannon by one year. MICV with TBAT II will be procured in FY80. [] EA

The limited quantity, interim cannon MICV will be retrofitted with TBAT II at the 6000 mile overhaul. The estimated net cost of the retrofit is \$51K per vehicle in FY76 constant dollars.

E-11

e. The full requirement for MICV is more than 7000 vehicles, but, due to funding considerations, MICV is procured for selected units as part of a hi-lo mix with the M113A1 carrier. The current procurement objective is 3162. Since MICV now incorporates the TBAT II, its configuration is suitable for the scout role. With the exception of seating for the smaller scout squad and special internal racks for scout peculiar equipment, the MICV and the scout version will be common vehicles. The scout version is called the Armored Cavalry Vehicle (ACV). The ACV is also to be procured as part of a hi-lo mix and its procurement objective is 3049.

f. MICV will be used to equip selected Mechanized Infantry battalions. ACV will equip scout squads in selected Armored Cavalry squadrons and in the Scout Platoon of selected Mechanized Infantry and Tank battalions.

3. DOD POSITION: The Army urgently requires MICV, and the TBAT II capability. The urgency of the requirement for the added mobility and protection of the MICV supports the need for the interim configuration MICV.

4. CURRENT STATUS: The MICV program is in Engineering Development. Vehicles, in the interim cannon configuration, are in development testing (PQT-G) at Aberdeen Proving Ground and in operational testing (OT II) at Fort Benning. This testing leads to a production decision in the summer of 1977 for the interim vehicle. Development of the TBAT II was authorized by the Secretary of the Army on 3 November 1976 and is now starting. This effort will lead to procurement of MICV/TBAT II in FY80 with first delivery of the final configuration vehicle in FY81.

E-48

ARMOR PERSONNEL CARRIER, M113A1 (U)

1. (U) SUBJECT/ISSUE:

- a. Justification with concurrent procurement of MICV.
- b. Why does the Army need to procure two Armored Personnel Carriers?
- c. Will the Army continue to equip Active and Reserve forces with M113 after MICV IPO has been achieved? If so, does MICV procurement cease upon achieving IPO?

2. BACKGROUND:

a. The M113 Armored Personnel Carrier is currently the basic squad carrier for infantry and combat engineers. The vehicle also serves as the TOW antitank missile carrier, armored reconnaissance vehicle for cavalry, and in numerous combat service roles such as maintenance vehicle, armored ambulance, and radar carrier. The M113 provides battlefield mobility and limited protection to mechanized forces throughout the Army.

b. The MICV will replace the M113 as the basic mechanized infantry squad vehicle. It will serve as a fighting vehicle from which the infantry, in certain tactical situations, will fight while mounted on the vehicle. The MICV surpasses the M113 in capability to perform mounted combat in three important aspects; firepower (TOW/BUSHMASTER), mobility (about three times), and protection (nine, medium artillery and heavy machineguns). The MICV will enter service during FY79.

c. Due to the number of MICV required for mechanized infantry and the high unit cost of MICV, a budgetary constraint on the AAO has been imposed. This constraint, referred to as a HIGH/LOW mix, forces the Army to be selective in the distribution of MICV so that only priority units, _____ will receive this vehicle.

3. (U) DOD POSITION: DOD has actively supported procurement, and evolutionary upgrading of the M113 vehicles. DOD also supports the MICV program.

E-43

4. (U) CURRENT STATUS:

a. Justification with concurrent procurement of MICV. The MICV replaces the M113A1 in only one role - Infantry squad vehicle. In the remaining roles, the M113A1 asset outlook through FY77 FDP shows shortages of 7500 vehicles. These shortages justify the procurement of M113A1 concurrently with MICV.

b. Why does the Army need to procure two Armored Personnel Carriers? The Army will procure the MICV to perform the role of mounted combat by the infantry squad - a new and distinctive mission requiring performance characteristics significantly greater than those offered by the M113A1. In all other roles and missions the lower cost, M113A1 personnel carrier satisfies the requirement adequately. Therefore, it is more cost effective to produce two armored personnel vehicles.

c. Will the Army continue to equip Active and Reserves forces with M113 after MICV IPO has been achieved? If so, does MICV procurement cease upon achieving IPO? The procurement of M113A1 carriers will be complete with the FY80 buy. The MICV procurement will continue after the procurement of 3162, the current procurement objective, has been met.

d. In addition to the Mechanized Infantry requirement, the Army will also procure 3049 MICV configured for the Armored Cavalry role. As in the case of the infantry MICV, the fighting characteristics of the MICV are essential for the Armored Cavalry mission.

E-44

MORTAR LOCATING RADAR-AN/TPQ-36

1. SUBJECT/ISSUE: Congressional concerns with the mortar locating radar, AN/TPQ-36.

2. BACKGROUND:

a. The mortar locating radar will provide a low cost, lightweight, highly mobile radar system capable of meeting service requirements for detection and location of enemy mortars and short range rockets to permit rapid, effective engagement by friendly counterfire.

b. The mortar locating radar and the artillery locating radar, AN/TPQ-37, together comprise the FIREFINDER systems. As such, these complementary systems will provide the capability to locate hostile indirect fire weapons at ranges which they will be deployed. A common operations shelter is being developed for these two systems.

c. The House Appropriations Committee, in reviewing the FY 1977 Appropriations request, questioned the reliability and survivability of the radar, and duplication of effort with a US Marine Corps radar. The USMC has subsequently terminated their development in favor of procuring the AN/TPQ-36.

3. DOD POSITION: Strongly supports the AN/TPQ-36.

4. CURRENT STATUS:

a. The Engineering Development models of the AN/TPQ-36

b. Survivability features are incorporated into this low profile, highly mobile system. The antenna can sustain extensive fragment damage. The system can provide the bearing to an enemy jammer. Short emplacement and displacement times assure the ability to move rapidly. Visual and infrared camouflage will be incorporated in the production models. The system will be capable of operating in a quick response mode. Light-weight armor for critical components and increased side lobe protection are being evaluated for production. Survivability will also be enhanced by innovative doctrine.

E-45

ARTILLERY LOCATING RADAR - AN/TPQ-37

1. SUBJECT/ISSUE: Achievement of critically needed capability to locate hostile artillery.

2. BACKGROUND:

a. The AN/TPQ-37 will provide the Army the first effective means of detecting and locating hostile artillery weapons with sufficient accuracy to permit rapid effective engagement by friendly counterfire.

b. The Artillery Locating Radar System is an expedited development to achieve, for the first time, this critically needed capability. Development of two competitive Advanced Development models began in 1972. Testing conducted during 1975 confirmed the system essentially met all performance requirements. In March 1976, Hughes Aircraft Company was selected as the prime contractor. An Army Systems Acquisition Review Council (ASARC) on 21 October 1976 approved type classification of limited production, and authorized production of ten models for further testing and issue to the field to achieve an Initial Operational Capability, with continued production at the rate of one set each month (approximately 22 systems) until authorization for full scale production in March 1980. While sufficient funding is available to procure the initial 10 sets, no funding has been made available for continued production. An additional budget submission for FY 1978 to procure five systems at a cost of \$24.4M was submitted to DOD in October 1976, and returned without action.

c. The House Appropriations Committee, in reviewing the 1977 Appropriations Request, questioned the reliability and survivability of the radar, and duplication of effort with a US Marine Corps radar. The USMC has subsequently terminated its development.

3. DOD POSITION:

4. CURRENT STATUS:

b. The Advanced Development model achieved... Production models will contain military quality parts, be subjected to burn in/vibration tests, have a complete reliability growth program and tests. Acceptable reliability is expected.

E-46

COMSAT GROUND EQUIPMENT

1. SUBJECT/ISSUE: COMSAT - Ground Equipment
2. BACKGROUND:

a. This program includes the development and procurement of strategic and tactical ground equipment for use with military satellite communications systems. The two major projects are the Defense Satellite Communications System (DSCS) Phase II and the Tactical Satellite Communications System (TACSATCOM). The Defense Communications Agency (DCA) program manages the DSCS. In the DSCS, the Army is responsible for development and procurement of the terrestrial equipment. The Air Force is responsible for the development and launching of the satellites and the Navy for the development of shipboard terminals. Management of Army tasks for both the DSCS and TACSATCOM is vested in the Project Manager, Satellite Communications, Fort Monmouth, New Jersey.

b. DSCS: The Phase I DSCS became operational in July 1967 and was composed of 26 sub-synchronous satellites, 16 Heavy Terminals and 13 Medium Terminals. In FY 1969, the capability was developed and made operational for transmission of high resolution photographic data. A change in satellite orbiting was initiated by the Air Force in the late 1960's, and in 1971 the first two Phase II synchronous satellites were launched. In FY 1970, a Heavy Terminal engineering development contract for use with the Phase II satellite was awarded. In FY 1973 engineering development for the AN/USC-28 Spread Spectrum Modulator/Demodulator (Anti-jam equipment) and the Light Terminal (AN/TSC-86) was initiated. During FY 1973, the Heavy Terminal development was completed. In 1974, the original Phase I earth terminals were modified for operational use with the Phase II synchronous satellites and a production contract was awarded for the Heavy Terminal. Developments are underway for Pseudo Noise/Time Division Multiple Access (PN/TDMA) equipment which optimizes the use of the satellite's power; an antenna for use with a Medium Terminal, an antenna for use with the Light Terminal and an Automated Control Sub-system. In FY 1976 the Light Terminal development was completed.

c. TACSATCOM: As the result of a Joint-Service Program, the Army and the Air Force contracted for Advanced Development models of ground and airborne terminals in the Ultra High Frequency (UHF) and the Super High Frequency (SHF) spectrums. Test results proved the feasibility of using satellite communications to meet tactical requirements. A Systems Development Plan was prepared and development of earth terminal equipment started in December 1972, with an engineering development contract awarded for SHF ground terminals. This development was followed by development contracts for the SHF/UHF Communications Control Facility, UHF antenna, a

E-37

TACSATCOM Signal Processor and a UHF Manpack Transceiver. In FY 1976, development test II/operational test II on Super High Frequency terminal and control facility was completed. An in-process review was held on the SHF terminals, type classification granted and a Low-Rate Initial Production contract awarded. In addition in FY 1975, 21 UHF terminals were procured from an Air Force development to serve as a test bed to test satellite communications to Special Ammunition Storage (SAS) sites in Europe.

d. Congress has shown interest in the satellite communications area, especially in the spacecraft. The concept of satellite communications with an anti-jam capability, appears to be well received in Congress for both the strategic and tactical systems.

3. DOD POSITION: Continue the present concept of Army developing and procuring the ground segment, Air Force the space segment and airborne command post terminals, and the Navy the shipboard terminals.

4. CURRENT STATUS: DSCS: 29 Earth Terminals are currently operating worldwide. 21 Heavy Terminals have been procured and are being installed worldwide. Digital Communications Subsystems for signal processing are being assembled at Tobyhanna Army Depot for fielding with all earth terminals. FY 1977 starts a 3 year multi-year contract for a Medium Terminal and a three-year multi-year contract for the anti-jam (AN/USC-28) equipment. The Automated Control System and PN/TDMA remain in development and should be fielded in FY 1980.

TACSATCOM: The low-rate initial production for the delivery of 19 SHF multi-channel terminals was awarded on 30 June 1976. FY 1977 brings a procurement of additional SHF and UHF SAS terminals. Development is completed on the UHF Manpack in FY 1977. A new development in the millimeter wave (30GHz up/20 GHz down) will begin in FY 1977. This area shows great promise because the use of the frequency spectrum at those frequencies is minimal resulting in less interference. A further plus will be that the earth terminals for this frequency range could be much smaller and less costly.

E-43

NIGHT VISION EQUIPMENT

1. SUBJECT/ISSUE: Improvement of night operations capability.

2. BACKGROUND:

a. The objective of the Night Vision Program is to provide the ground forces the capability to conduct combat operations during periods of limited visibility with the same or greater efficiency than during clear daylight.

b. Currently, most nations depend on active means, i.e., searchlights, flares, etc., to improve the individuals ability to see in the dark. While near infrared filters and converters are used to provide a degree of covertness, these systems remain easily detectable. Major Army efforts have been to develop and field passive systems such as the starlight scopes and far infrared viewing systems, which will not radiate a detectable signal. Two major classifications of devices are being developed; the less expensive image intensifiers which amplify existing moonlight or starlight for short range observation devices and weapon sights; and the higher performance thermal imaging systems which use the natural heat radiation of the target scene in the far infrared spectrum to provide longer range observation and weapon sighting, during both day and night.

c. The Army's current research and development (R&D) effort is to provide maximum commonality of components within the two classifications, which will result in greatly reduced developmental and procurement costs for these devices. Performance and weight improvements of 2nd generation Image Intensifiers allow their use in a wider variety of applications, such as weapon sights, goggles and combat vehicle driver periscopes. Commonality efforts in the thermal imaging area have developed classes of infrared common modules which are to be used in manportable (TOW, DRAGON, Ground Laser Locator Designator (GLLD), and Night Observation Device Long Range (NODLR)), vehicular (M-60, XM-1), and airborne (AAH, TOW Cobra) applications.

d. Congress has shown considerable interest in the night vision area and particularly the early fielding of a night sight for TOW. Our allies have expressed interest in procuring infrared night sights e.g., UK and Iran, and in entering into co-production e.g., FRG and Italy. The Army is engaged in a program to qualify commercial sources of infrared common modules so that competition and the necessary industrial base are developed.

E-49

3. DOD POSITION: Maximum commonality of all night vision components for all service applications has been established as a common goal. The Army's Parallel Scan Common Modules have been established as the technology baseline for all Service's current thermal imaging procurement actions.

4. CURRENT STATUS: The Army is in the third year of full production for three items - 2nd generation image intensifier devices, night vision goggles, individual/crew weapons sights.

Production continuing on these intensifier tubes for application to combat vehicle viewers and periscopes. Production of image intensifiers to meet all requirements is planned through FY 1982. The first production, small handheld thermal viewers was delivered in FY 1976. Higher performance thermal imaging sights for TOW, NODLR, GLLD and the Tank Thermal Sight are entering production in FY 1977-1978.

E-50

REMOTELY PILOTED VEHICLES

1. SUBJECT/ISSUE: Remotely Piloted Vehicles (RPV) Program.

2. BACKGROUND:

a. The objective of the Army RPV program is to field a mini-RPV system (less than 200 Pounds) that has high reliability and is cost effective for reconnaissance, surveillance, target acquisition and target designation missions. The major activity has been the AQUILA demonstration system which is providing the means to determine operational and organizational concepts, identifying the requirements for a tactical RPV system and determine those sub-systems that require further R&D. Based on AQUILA, efforts are underway in the key technological areas of jam resistant data links, sensors, launch and recovery techniques and engines.

b. An important contribution of the AQUILA has been to demonstrate that the mini-RPV is not simply a large model airplane with a TV camera. The integration of all the requirements of a military RPV into a realistic system is a challenge which requires careful design and detailed engineering. Early flights results in six losses and suspension of testing. After extensive review and reliability improvements flight testing was resumed and successful automatic launch, flight and recovery have now been demonstrated.

c. Other service RPV efforts are being monitored through quarterly meetings of a Joint Technical Coordinating Group on RPVs, in which each service presents the current status of all its RPV efforts, and consideration is given to joint efforts. This procedure prevents unwarranted duplication and encourages cooperation between the services. Examples of this include the Army being designated as lead service in conducting a joint service engine program in which Navy requirements have been included in the contractual planning. The Army is cooperating with a Navy recovery program using steerable fabric wings.

3. DOD POSITION: The mini-RPV promises significant new capabilities for the Army mission of battlefield reconnaissance, target acquisition and weapon targeting with the advantage of eliminating the exposure of human life and the potential of lower cost when compared to manned platforms.

4. CURRENT STATUS: The Army is following a demonstration (including user testing at Fort Sill, Oklahoma from June 1977 to December 1977) and study program designed to produce a requirements document in February 1978 which will identify the Army need for a RPV and be the basis for Engineering Development of a system to be fielded.

51

SINGLE CHANNEL GROUND AND
AIRBORNE RADIO SUBSYSTEM (SINCCARS-V)

1. SUBJECT/ISSUE: Improvement of tactical communications capability in an electronic warfare environment.

2. BACKGROUND:

a. The objective of the SINCCARS-V program is to develop a family of tactical radios to be used by and organic to the Combat Arms. This family of radios will be lightweight, securable, capable of providing both voice and data service and possess electronic counter-countermeasures (ECCM) features. Three radio configurations (manpack, vehicular and airborne) will be developed based on maximum commonality of components and reduction in logistic support requirements.

b. The current inventory of combat net radios is made up of three configurations (as above) developed by three different manufacturers (in different timeframes) against separate requirements. Although most are securable, none possess any inherent ECCM capabilities. The three configurations of existing radios and the dates they entered the inventory are the AN/PRC-77 manpack family (1962), the AN/VRC-12 vehicular family (1960) and the AN/ARC-114 airborne family (1968). These radios utilize some vacuum tubes which are becoming both difficult to acquire and expensive. In addition, the AN/VRC-12 family utilizes germanium semiconductors which, according to U.S. industry, will shortly go out of production. A severe weight problem exists with the manpack radio when used with a communication security device in that the assemblage weighs 61 pounds. The most important deficiencies, however, are the inability of current combat net radios to communicate in the presence of strong, sophisticated jamming and the high vulnerability to enemy position-fixing.

c. The current R&D effort initiates advanced development with three contractual efforts, two slow frequency hopping contracts and one fast frequency hopping effort. Each contractor will be provided a functional specification and will design and fabricate approximately 30 prototype systems for developmental/operational testing. In addition, a certain number of foreign (NATO) candidate radios will be purchased for testing and subsequent comparison with US/UK contractor-produced models. One candidate will be selected for continuance into engineering development and subsequent production.

d. Congress has shown some early interest in SINCCARS-V, due to the large one-year procurement quantities (about 200,000 total for Army) and associated procurement funding.

3. DOD POSITION: The SINGARS-V program will provide the next generation of all very high frequency-frequency modulation (VHF/FM) combat net radios needed by all DOD components. The Army is designated lead-Service for development and acquisition of this family of radios. A Joint Operational Requirement (JOR) has been established which contains all known Service needs. The SINGARS-V program was approved for implementation by DEPSECDEF Clements on 15 October 1976.

4. CURRENT STATUS:

A computer-assisted electromagnetic compatibility/vulnerability analysis is nearing completion (January 1977) which will provide insight into the impact of frequency hopping radios on the battlefield.

E-53

STAND OFF TARGET ACQUISITION SYSTEM

1. SUBJECT: STAND OFF TARGET ACQUISITION SYSTEM

2. BACKGROUND:

a. The objective of the STAND OFF TARGET ACQUISITION SYSTEM (SOTAS) is to develop an airborne moving target indicator radar system capable of meeting the Army's tactical requirement for detecting and locating moving ground targets at ranges well beyond ground line of sight (LOS), in near real time, and with an accuracy commensurate with strike by both Army indirect fire weapons and Air Force weaponry.



b. Efforts to date have demonstrated the concept and feasibility to detect and accurately locate moving targets well beyond ground line of sight independently of Day/Night/Weather conditions. The significant feature of the concept is its ability to store ground referenced radar imagery and to display that data at high data rates (Time-Compression) to enhance the probability of target detection and to minimize the probability of false targets.

c. The Army's current Research and Development effort is in advanced development state with Engineering Development scheduled to begin in 1978. In 1976 the SOTAS has successfully demonstrated its capability in Korea and Europe in operational tests during field exercises using breadboard systems.

3. DOD POSITION:

4. CURRENT STATUS: The 1977 effort is directed to developing the requisite data necessary to initiate Engineering Development in 1978. As a part of this effort it is planned to let three competitive contracts for the study of critical design issues that may occur in the implementation of the advanced SOTAS radar design. It is also planned to let a contract to study the design of an ED model of the ground station. A competitive contract will be let for the fabrication of an advanced flight control and IFR Avionics System for the helicopter platform. A Test Program will be undertaken to test linear phased array antenna developed by Lincoln Laboratory in order to emulate those signal processing techniques proposed for the advanced SOTAS radar including ECCM techniques. Also an effort is planned to develop the integrated control and navigation system data link hardware to meet SOTAS data transmission requirements.

54

TACTICAL FIRE DIRECTION SYSTEM (TACFIRE)

1. SUBJECT/ISSUE: Improvement of Field Artillery Fire Control

2. BACKGROUND:

a. The objective of the TACFIRE program is to improve the effectiveness and responsiveness of field artillery fire support through increased accuracy, better and more rapid use of target information, reduced reaction time, and greater efficiency in determination of fire unit capabilities and allocation of fire units to engage targets. TACFIRE is a tactical data system which automates selected fire control functions including technical fire control (computation of firing data), tactical fire control (selection of fire unit), nuclear and non-nuclear fire planning, target intelligence, target analysis, distribution and application of meteorological data, survey, and maintenance of ammunition and fire unit status. The system consists of computer centers, local and remote input/output devices, digital storage and retrieval devices, display devices, and control consoles. TACFIRE is an integrated system with computer centers (fire direction centers (FDC)) at artillery battalion, division, group and corps levels. The system employs digital burst communications over tactical wire and radio nets. All communication links, except the forward observer to battalion FDC link, are encrypted. TACFIRE will provide command and control for the future field artillery system and interface with counter mortar and counterbattery radars, the Battery Level Computer, the Ground Laser Locator/Designator, and the Tactical Operations System.

b. The present artillery fire control system consists primarily of manual procedures with ADP assistance at battery and battalion levels by the Field Artillery Digital Automatic Computer (FADAC). FADAC was designed during the 1950's and its technology is now obsolete. It is unreliable and provides only a very limited technical fire control capability. Commanders in future conflicts will face a sophisticated enemy with advantages in size of force, fire support, armor, and tactical air support. These enemy advantages can be reduced through improvement of the speed and accuracy of our commander's decisions and responsive execution of firepower.

c. Development of TACFIRE was begun by Litton Systems, Inc., under a competitively awarded Total Package Procurement (TPP) Fixed Price Incentive contract in Dec 67. Because of extensive system deficiencies discovered during Army testing of the prototype system the Army determined that it was impractical to make a production decision by 1 Apr 73 as required by the TPP contract. Intensive management reviews were conducted by the Army and OSD which considered (1) correctability of deficiencies; (2) revalidation of the need for a tactical automatic data processing artillery fire direction system; (3) the need for selected new and upgraded components; (4) quantity changes to accommodate a revised force structure; and (5) the feasibility of restructuring the TPP contract to a Cost Plus Fixed Fee (CPFF) contract. These actions culminated in a

3-55

restructuring of the original contract effective 31 Mar 73 to a CPFF contract covering the balance of development with options for Low Rate Initial Production (LRIP) and Full Scale Production (FSP). On 23 Jan 75, a Defense Systems Acquisition Council (DSARC) III review of the TACFIRE program and Army recommendations was held. Subsequently, on 28 Jan 75, the Deputy Secretary of Defense issued a memorandum authorizing the Army to exercise a contract option for Limited Procurement (LP) of 14 units. The option was unilaterally exercised on 30 Jan 75. Subsequently, the contract was modified to reflect requirement and schedule changes consistent with DSARC III guidance. The Deputy Secretary's memorandum also required the Army to provide OSD; (a) funding, schedule, and testing plans which fully support the program for upgrading TACFIRE subsystems, (b) details of the Army's approach for providing competition on selected items in follow-on production if it appears practicable to pursue competition for this system, and (c) a plan for the conduct of a detailed review of field artillery command and control requirements and an analysis of potential changes in field artillery doctrine with the introduction of TACFIRE or an alternative system. The Army Program Plan was approved by OSD on 23 Sep 75. Based on test results and user requirements, the revised program provides for upgrading, changing and modifying selected components and software and development of a new forward observer message entry device. Award was made to Magnavox Company for fifteen engineering development (ED) models of the TACFIRE Digital Message Device (DMD) on 8 August 1975. Delivery and Operational Test II of these models was accomplished during Sept and Oct 76. The TACFIRE program is now 101 months behind the original schedule and increased in cost \$293.6 million above the development estimate.

e. Also in FY 76, the Army initiated a new project, under a separate program element, to develop the Battery Level Computer to replace the aging FABAC and, as a TACFIRE enhancement, replace the current TACFIRE Battery Display Unit with a device of lower cost and increased capability.

3. DD POSITION: OSD has approved the Army's plan to continue TACFIRE LP and the FY 77 reprogramming action.

E-56

4. CURRENT STATUS: LP deliveries began in Oct 76 and First Article Test (FAT) started at the contractor's plant and White Sands Missile Range on 1 Nov 76. Following FAT, a three month period of Force Development Test and Experimentation (May-Jul 77) will be conducted to validate system changes made as a result of DSARC III and examine selected organizational and doctrinal aspects of the system. Developmental Test III is scheduled for Aug-Sep 77 and Operational Test III for Dec 77-Feb 78. The full production decision is planned for May 78. The Army has fully complied with DSARC III and OSD supplementary program guidance and feels that the significant progress in the program since DSARC III justifies continuing LP.

TACTICAL OPERATIONS SYSTEM (TOS)

1. SUBJECT/ISSUE: Why can't a product determination be made?

2. BACKGROUND:

a. The purpose of the Tactical Operations System (TOS) is to assist the Commander and his staff in the decision making process by providing information which is timely, accurate and complete through the application of automatic data processing. Using militarized components capable of operating in a ground combat environment, TOS will constitute an on-line, near real time, secure ADP system which provides a significantly improved capability to receive, process, store, retrieve, display and disseminate selected information required by commanders and their staffs.

b. The Army's R&D program for TOS has been directed toward validating the system concept for application to the needs of the division command and control problem. A test bed using hardware which had been militarized and developed under the TACFIRE program was established in 1972 for the purpose of experimentation to develop hardware and software through extensive field testing and evaluation. The Army attempted to develop the software in-house using Computer Systems Command but since 1974 has depended upon outside assistance from Auerbach Associates.

c. There were no congressional actions regarding the TOS program in FY 77.

In the past, the GAO reviewed the Systems Engineering Study which was performed prior to the purchase of the equipment which went into the test bed.

3. DOD Position. TOS being the nucleus of the Army's future automated tactical command and control has received continued support in recent years by the Office of the Secretary of Defense (OSD). The OSD attitude toward TOS is one of encouraging the Army to field a version as soon as possible. Technological advances being made in sensor systems and the resultant proliferation of combat information demand use of automation to process data in a timely fashion.

4. Current Status. The Army is in the final phase in preparing for an extensive force development test at Ft. Hood, Texas which is scheduled to start in Apr 77 and culminate in large-scale command post exercises in Jul 77 involving an entire division. Systems integration has progressed satisfactorily such that the software problems encountered earlier during testing have been resolved. The FY 78 budget request is an increase above the \$3.5M FY 77 approved program. The increase is programmed to provide for enhancement to the software, initiate logistics support planning and prepare to implement a Defense Systems Acquisition Review Council (DSARC) II decision to enter engineering development. The impact if the Army request is denied will be that product determination for the system will not be based on

adequate testing and will not include the latest militarized fourth generation components which have been developed in a related program, Integration of Army Tactical Data Systems. The orderly consistent approach being taken by the Army is felt to minimize risk and cost before entering a decision which will involve high cost.

E-57

TRI-TAC (ARMY PROGRAMS)

1. SUBJECT/ISSUE: Development of multiservice tactical single and multi-channel, secure, switched communications systems to be employed in the Division thru the Theater area.

2. BACKGROUND:

a. The objective of the TRI-TAC program is to achieve interoperability among the Services tactical communications systems, eliminate duplication, develop new equipment employing effective technology and place in the field in the most economical manner.

b. The Army has been tasked by OSD as the developing service for five of the sixteen TRI-TAC programs: AN/TTC-39 Automatic Central Office, Digital Group Multiplexer (DGM) Family, Mobile Subscriber Equipment (MSE), Net Radio Interface (NRI) and the SHF Satellite Modem. The AN/TTC-39 and the DGM are on full scale development contract while the three remaining programs are still in the concept phase. The AN/TTC-39 and DGM along with the TENLEY/SEELEY COMSEC Program (NSA) and the Tactical Communication Control Facility (TCCF) being developed by the Air Force represent the big four or key TRI-TAC development programs. Of these, the AN/TTC-39 and TENLEY programs are the lead development items.

c. The DGM program has proceeded with minimal problems. The AN/TTC-39, being a complex item and the ^{core} center of the TRI-TAC architecture, has encountered two cost growths and schedule extensions since entering Engineering Development in April 1974. The first cost growth/extension was expected and resulted from contractor buy in. The second growth/extension was identified in early 1976 and was due primarily to contractor inefficiency and mismanagement of the circuit switch software. Analysis indicated a projected breach of DCP cost and schedule thresholds. The AN/TTC-39 was subjected to a Special ASARC/DSARC review. A revised AN/TTC-39 cost and schedule was approved as a result of the 2 November 1976 DSARC. This revised baseline resulted in FY 1978 and 1979 RDTE shortfalls and extended the schedule by sixteen months.

d. Congress has shown considerable support and interest in the TRI-TAC program. This program is under the Director, Telecommunications and Command and Control Systems (DTACCS) in OSD.

3. DOD POSITION: As a result of the 2 November 1976 DSARC, the AN/TTC-39 development program was approved for continuation on a revised cost and schedule baseline.

E-6

4. CURRENT STATUS: The Army is currently continuing the AN/TTC-39 development and is preparing for negotiations on the restructured program baseline. Under the revised schedule, full scale development will continue in FY 77 and into FY 78. Development Test/Operational Test II (DT/OT II) on the message switch will commence in July 1978 followed by the circuit switch in February 1979. Both will complete in November 1979 to be followed by a production decision (DSARC III) in July 1980.

E-11

COPPERHEAD

1. SUBJECT/ISSUE: Can the Navy's developmental 5-inch guided projectile be sleeved to 155mm and satisfy the Army requirement?

2. BACKGROUND:

a. The objective of the COPPERHEAD Program is to significantly increase the capability of indirect fire field artillery units to attack and destroy both stationary and moving hard point targets such as tanks. COPPERHEAD is a 155mm guided projectile with a shaped charge warhead that will home on laser energy reflected from a target which has been illuminated by a ground or airborne laser designator.

b. Advanced Development (AD) was conducted under competitive contracts with Martin Marietta and Texas Instruments. The Martin Marietta projectile achieved 8 target hits of 12 rounds fired while the Texas Instruments version achieved 1 hit of 12 rounds. The Navy's developmental 5-inch projectile sleeved to 155mm entered the competition and achieved two hits of 12 rounds. The Engineering Development contract was awarded to Martin Marietta.

c. The Congress has shown considerable interest in achieving commonality between the Army and Navy projectiles. During FY76/77, Congress agreed to the entry of the Army projectile into Engineering Development provided that production related activities were deferred until the Department of Defense assessed the prospects for commonality. Producibility Engineering and Planning (PEP), a production related activity designed to verify the producibility of components and to insure the efficiency and economy of production processes, was deferred.

E-12

3. DOD POSITION: Continue to examine the possibilities for achieving commonality between the Army and Navy rounds to maximize potential savings without degrading operational performance.

4. CURRENT STATUS: The COPPERHEAD is in the second year of Engineering Development. During the remainder of FY1977, developmental testing of subsystems will be completed; baseline firings and System Qualification Tests will be conducted; and, PEP will be initiated.

E-10

1

GENERAL SUPPORT ROCKET SYSTEM (GSRS) (U)

1. (U) SUBJECT/ISSUE:

- a. (U) Efforts to accelerate per Congressional guidance.
- b. (U) Impact of foreign weapon/interest on our development/procurement.

2. BACKGROUND.

a. (U) There is an urgent requirement for a rapid fire nonnuclear, indirect fire, weapon system to engage enemy indirect fire weapons, air defense capabilities and other light materiel/personnel targets particularly during surge conditions. Surge conditions exist when the number of targets exceeds the cannon engagement capabilities. The GSRS will permit adaptation to mine delivery and terminal guidance.

b. (U) The GSRS program has completed the concept definition phase and is currently under consideration for an Army System Acquisition Review Council (ASARC-I) decision on 8 December 1976 followed by a Defense Systems Acquisition Review Council (DSARC I) decision.

c. Areas of prime interest for the ASARC are expected to be:

(1) Final GSRS configuration. Rockets of 6 or 8 inch diameter are the leading candidates. The 6 inch system offers lower rocket unit cost and the 8 inch offers lower total inventory cost.

(2) Program Schedule. The Army desires to field GSRS as soon as possible. Development programs of _____ months are being considered. Congress is interested in program acceleration and has provided fiscal year 77 funds to support acceleration.

d. Areas of prime interest for the DSARC are expected to be:

(1) Thorough consideration of foreign alternative systems, the French SYRA, the German LARS and RS-80. All three systems were shown to be considerably less effective than the GSRS in an Army study that was conducted during concept definition.

(2) Program Schedule. OSD desires program acceleration and has provided an increase to the Army's Total Obligational Authority (TOA) in fiscal years 1978 through 1982 to support acceleration.

3. DOD POSITION: Rapid fielding of GSRS is needed as it has the greatest potential for increasing the nonnuclear firepower in the vicinity of the forward edge of the battle area (FEBA).

4. (U) CURRENT STATUS: With a favorable DSARC I decision the Army will release a Request for Proposal (RFP) for the initial Advanced Development contracts in January 1977. It is planned to award the Advanced Development contract in June 1977.

E-65

NONNUCLEAR LANCE (NNL)

1. SUBJECT/ISSUE: Nonnuclear LANCE (NNL) total program requirements.

2. BACKGROUND:

a. The LANCE missile system is a Corps General Support Field Artillery weapon capable of delivering nuclear and nonnuclear fire.

b. Several Committees of the Congress opposed NNL because they perceived it to be too costly and questioned the rate of fire and warhead lethality (improved warhead development in FY 78 budget). They also felt that its nonnuclear role would seriously degrade the tactical nuclear capability. Those objections were overcome and the program was approved in FY 77.

c. Because of funding constraints, the Army elected to procure a minimum quantity [redacted] Subsequently CINCUSAREUR appraisal of need resulted in a request for an additional in FY 79.

d. The currently approved requirement of [redacted] was revalidated in September 1976 by ODCSOPS.

3. DOD POSITION: The need for NNL was supported by OSD in Program/Budget Decision No. 74CR, 9 December 1975. OSD confirmed the NNL requirement in the Congressional Data Sheet submitted 19 January 76. In the OSD budget review of 10 October 76, OSD asked for supporting analysis for the [redacted] quantity. [redacted]

4. CURRENT STATUS: The FY 77 procurement contract of 360 was let 29 October and production will begin in March 1978. The FY 77 procurement will take advantage of a warm production base resulting from Foreign Military Sales. [redacted]

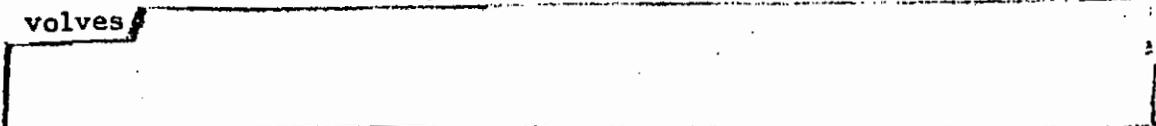
E-66

PERSHING II (PII)/CONVENTIONAL AIRFIELD ATTACK MISSILE (CAAM)

1. SUBJECT/ISSUE: Use of FY 77 PII RDT&E funds to initiate the CAAM program. In their report of 14 May 1976, the SASC directed that none of the FY 77 money allocated for PERSHING be used for a nonnuclear warhead.

2. BACKGROUND:

a. The CAAM requirement has been identified by OSD to support a counterair mission through airfield interdiction. The concept involves



b. The first formal indication of the CAAM requirement appeared in a memorandum from the DDR&E on 26 November 1975. In this correspondence the Army was asked to begin preliminary conceptual engineering activity on a nonnuclear version of PII in FY 77.

c. In PBD #262, 4 December 1975 the Army was directed to use \$3.0M of FY 77 PII money to support initiation of engineering activities for a nonnuclear PII.

d. In a memorandum to the DDR&E on 23 April 1976 the ASA(R&D) recommended against the initiation of a nonnuclear PII effort in FY 77 with basic PII money. He further recommended the all nonnuclear PII efforts be delayed until FY 79.

e. In their report #94-878, 14 May 1976, the SASC directed that none of the FY 77 money allocated for PII be used for a nonnuclear warhead.

f. In a Format I reapportionment action of 28 July 1976, ODDR&E deferred \$3.3M of the FY 77 PII budget for much the same reasons that were used in the PBD mentioned in para 2c above. This time, however, the missile became known as the CAAM.

g. In August of 1976, OSD funded the PII program above the line beginning in FY 78, a total of [redacted] to carry on the CAAM effort. The Army's reclama to the PDM included the following recommendations:

(1) Army accept only that money necessary to accomplish study efforts and testing required to support PII USARC II.

(2) Force structure, roles and missions implications must be thoroughly examined and Congressional objections resolved prior to further Army involvement.

9 67

h. ODDR&E reaction to the Army's reclama was to maintain the same funding profile but direct that CAAM become a separate program element for PII.

3. DOD POSITION: DDR&E is very much in favor of the program and sees it as a critical factor in/

4. CURRENT STATUS: OSD has induced the Army to initiate CAAM efforts in FY 77 by deferring \$3.3M from the PII development program. This is to be followed by a effort in the following year to complete cost effectiveness, force structure, roles and missions studies; demonstrate packaging and dispensing techniques, and demonstrate the feasibility of the submunitions and fuzes. The roles and mission questions and force structure implications are still of concern to the Army. No operational requirement for a CAAM has been established by the Army.

E-113

IMPROVED 155MM NUCLEAR PROJECTILE, XM785

1. SUBJECT/ISSUE: Need for the 155mm nuclear projectile.

2. BACKGROUND

a. In approving the Energy Research and Development Administration (ERDA) FY 77 budget which included money for production of the new 8-inch nuclear projectile warhead and the LANCE warhead, the Public Works Subcommittee, of the House Appropriations Committee directed that the ERDA and the DOD reassess the 155mm nuclear requirement prior to ERDA initiation of full scale development. ERDA was permitted to continue a low level of advanced development, however, the Army's funds for fuze development were denied.

b. The ERDA/DOD reassessment of the 155mm need is complete and is being forwarded through the DOD Military Liaison Committee to the ERDA and subsequently to all interested Congressional Committees. The study shows that the 155mm nuclear projectile is critically needed by NATO nations because of their inadequate 8-inch artillery assets. There will be more than 155mm howitzers in Allied Forces Central Europe versus only about 8-inch howitzers, primarily in the US Corps. In the NATO areas, of the artillery weapons will be 155mm. Germany, Italy, and the United Kingdom have concentrated their limited resources in development of new 155mm howitzers and have concluded standardization agreements with the United States on conventional ammunition. The study also shows that lack of a 155mm nuclear capability would allow Soviet counter-battery fire to concentrate on destroying the 8-inch howitzer force.

d. Dual capable (conventional and nuclear) artillery is a key element of NATO Theater Nuclear Forces because it contributes to deterrence of both

3-63

conventional and nuclear attacks. Nuclear artillery deters massing of Warsaw Pact artillery and armor and can decisively blunt Pact exploitation of success against our conventional defenses by destroying armor units and supporting artillery. Nuclear artillery is the best and least costly nuclear system near the forward edge of the battlefield because it is survivable (through mobility, cover, and concealment), responsive, accurate and requires no additional force structure over current assets.

3. (U) DOD POSITION: Development of a new 155mm nuclear projectile is supported;

4. () CURRENT STATUS: A joint ERDA/Army study has determined that it is feasible to develop a new nuclear warhead for the 155mm projectile.

E-70

IMPROVED 8-INCH NUCLEAR PROJECTILE, XM753

1. SUBJECT/ISSUE: Need for modern tactical nuclear weapons.

2. BACKGROUND:

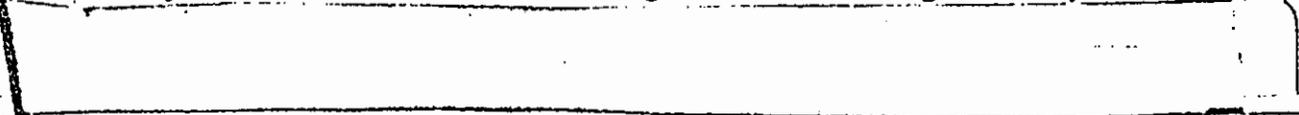
a. The objective of the tactical nuclear weapons modernization program is to provide a modern tactical nuclear warfighting force to deter Warsaw Pact conventional and nuclear attack. Nuclear artillery deters the massing of Warsaw Pact artillery and armor and provides the National Command Authorities an option short of strategic nuclear war to decisively blunt exploitation by destroying artillery and armor formations.

b. Studies have shown that nuclear cannon artillery is the best and least costly system to attack targets near the forward edge of the battle area. These systems are responsive and accurate and require no additional artillery force structure over that required for conventional warfare.

c. The Army's current research and development effort is centered on the Improved 8-inch Nuclear Projectile, the XM753. The XM753 will replace the currently stockpiled M422 8-inch projectile



d. The major advantages/improvements of the XM753 over the M422 allows a 50% increase in military effectiveness while reducing collateral damage area by 80%.



e. Congress has shown considerable interest in the XM753 program, and has fully supported both the Army and ERDA budget requests for the system.

2. DOD POSITION: Development of the XM753 8-inch nuclear projectile was directed by the SEC DEF in his August 1974 Program Decision Memorandum.

4. CURRENT STATUS: The Army is completing its second year of engineering development for the XM753. The program is on schedule.



E-72

ARMY SCIENCE AND TECHNOLOGY IN-HOUSE VS CONTRACT FOR DARCOM

1. SUBJECT: Army Science and Technology In-House Vs Contract
2. BACKGROUND: Army in-house manpower is required by the Research, Development, Test, and Evaluation (RDTE) Appropriation to efficiently execute the approved Army RDTE programs and maintain an adequate in-house capability. The in-house manpower is involved in all aspects of the operation and control of the Army's Research, Development, Test and Evaluation activities. The Director of Defense Research and Engineering (DDR&E) originally included in his Laboratory Utilization Study of Physical and Engineering Sciences recommendations pertaining to drawdowns in civilian manpower in executing 6.1 and 6.2 programs in DARCOM. ODDR&E concluded that the in-house ratio was currently proper for execution of Personnel and Medical Sciences Programs. In separate correspondence ODDR&E directed that the Army in-house Science and Technology Program in Physical and Engineering Sciences not exceed certain dollar thresholds and that the Army plan to achieve an in-house technology base program not exceeding 35% in FY78. This was recently rescinded and the Army was directed to provide ODDR&E the Army's plan for drawdown of DARCOM in-house personnel as previously agreed to by the Army and OSD. Approval for executing DARCOM's plan for establishment of R&D Commands influences when reductions of civilian personnel can occur.
3. ARMY POSITION: In response to ODDRE direction an Army plan for drawdown of personnel in Physical and Engineering Sciences in DARCOM in-house laboratories was submitted following a thorough review of their laboratory programs, personnel strengths and projected funding levels.

4. CURRENT STATUS: The Army is taking actions to close and consolidate Army in-house RDTE facilities in order to execute the approved Army Science and Technology Program in the most efficient and economic manner. The Conference Report on the FY76 Defense Authorization Bill agreed that the Army in-house drawdown should proceed, provided it was phased over a longer period of time, and directed a revised Army plan be submitted to the Committee prior to implementation. A revised plan to stretch out the phasedown was prepared and submitted to OSD. The revised phasedown schedule will allow the Army to maintain an adequate in-house capability. The DARCOM in-house Science and Technology Program decrease will be partially achieved by placing more emphasis on starting new research and exploratory development projects as contract endeavors. The remaining phasedown will be accomplished as reorganizations and consolidations are approved and executed.

5-74

SCIENCE AND TECHNOLOGY BASE

1. SUBJECT/ISSUE: Maximum Productivity of the Army Science and Technology (S&T) Research and Development (R&D) Effort.

2. BACKGROUND:

a. The S&T program comprises all research (program category 6.1), exploratory development (6.2), and some non-system advanced development (6.3). The Director of Army Research (DAR) in the Office of the Deputy Chief of Staff for Research, Development and Acquisition (ODCSRDA) has complete responsibility for managing the 6.1 program and overview responsibility for 6.2 and 6.3A. The Combat Support Systems (CS) and Weapon Systems (WS) directorates of ODCSRDA, The Surgeon General, The Chief of Engineers, and the Deputy Chief of Staff for Personnel (DCSPER) have operating responsibility for the 6.2 and 6.3A programs.

b. The objective of the S&T program is to enable the Army to be technologically prepared, to the maximum extent possible, for the future national defense assignments. To meet this objective, the S&T program can be broken into four specific tasks:

(1) To improve military capabilities through scientific and technological advances; i.e., to find a better way to do the job.

(2) To enhance human effectiveness. This requires better training programs and training equipment, as well as extensive man-machine systems integration.

(3) To improve Reliability, Availability, Maintainability and Durability (RAM-D) of Army equipment and facilities.

(4) To use the budget resources provided in the most efficient manner, i.e., to reduce or eliminate materiel acquisition costs.

These tasks require that the S&T program be innovative and energetic, and that it explore and exploit new ideas and advanced concepts in every area relevant to future Army operations. It is essential that the future threat environment be carefully analyzed and weighed against current capabilities to establish realistic program and materiel requirements. Subsequently, R&D must be directed towards both evolutionary and revolutionary approaches: the former so that all technology gaps or deficiencies will be addressed and eliminated, and the latter to provide major technology breakthroughs and quantum jump improvements in the Army's combat capability.

c. The single greatest challenge in R&D is effective program management. There is a compelling need for clear guidance to developers and ways to measure the contributions of the programs developed in response to the guidance. As a first step in meeting this challenge, the Army has

E-15

published a single source document to guide R&D in the S&T program, called the Science and Technology Objectives Guide (STOG). This document, which is classified confidential, is available to all developing agencies of the Army, to civilian industry, and to university research centers which desire to do Army related research. The S&T objectives (STOs) in this document are listed in priority order under the same capability categories as all other Army RDT&E budget activities, which insures that a recognizable relationship exists between the different phases of the research, development and acquisition process; and that those requirements considered most important by the Army are readily identified. The STOs with highest priority in each category are those which the developers of Army doctrine believe will contribute to significant advances in the Army's combat effectiveness. The capability categories are: Command Systems (which include Command Control and Communications); Close Combat; Fire Support; Intelligence, Surveillance, and Target Acquisition (ISTA); Other Combat Support; Air Defense; Other Logistics; Combat Service Support; Program-Wide Support (which includes personnel and manpower management); and Ballistic Missile Defense. In order to avoid inhibiting inventiveness and ingenuity on the part of developers, these objectives do not specify solutions, only objectives based on present and potential problems. Concept statements are also provided in the STOG to give the developers sufficient background information to use their imagination. Further, under the Single Project Funding (SPF) and Single Program Element Funding (SPEF) programs, Army laboratory directors retain the flexibility to fund any 6.1 and 6.2 research that they consider worthwhile, which allows for new technology breakthroughs in areas not previously considered. A strong effort has been initiated by the Army Materiel Development and Readiness Command (DARCOM) to carefully document all of the R&D effort currently underway, so that developers and user proponents (e.g., Training and Doctrine Command (TRADOC)) can maintain a useful dialog leading to more feasible, affordable, and satisfying solutions to recognized requirements. The objective is to reduce acquisition costs through R&D, without degrading the Army's combat preparedness for the future. Similar efforts have also been initiated with the programs managed by The Surgeon General, the Chief of Engineers, and the DCSPER. The coordination of the above efforts will make it possible to determine how to best direct the Army Science and Technology base to ensure that it works on the Army's highest priority R&D need.

3. DOD POSITION: ODDR&E is a staunch supporter of the S&T program. As a result of their recognition that a strong R&D effort is essential to the continuing ability of the Army to fight and win in any future wars the funding for 6.1 and 6.2 programs has been maintained at a constantly increasing present dollar level to keep up with inflation. However, ODDR&E is also placing major emphasis on shifting more of the R&D effort into industry and universities, which will result in a reduction of Army laboratory in-house work.

4. CURRENT STATUS: The funding profile of the S&T program for FY 71

E-76

FY 77.

6.1	97,884
6.2	287,930
% of total RDTE	16.7

Some of the major science thrusts (6.1) are directed towards research on wear and erosion of gun tubes; the use of liquid propellants for artillery; methods of prophylaxis to protect troops against chemical, biological, and radiological warfare; submillimeter radar; high energy lasers; chemical and biological detection equipment; improved training techniques and simulators; role of women in the Army; enhancing soldier performance and performance evaluation; organizational effectiveness; early rapid diagnosis of biological warfare agents; immune response for improving vaccinations, pharmacology and toxicology of drugs and biological agents; physiology of soldier performance; physiology of wound repair weapons effects on structures; combat operations in cold regions including ice adhesion to helicopter rotor blades; weapons concealment and signature control winter environment; low cost toxicological techniques for health and environmental standards development.

Some of the major technical thrusts (6.2) are directed towards mini-remotely piloted vehicles; direct/indirect fire laser guidance for anti-tank and anti-aircraft missiles; advanced lightweight, high agility tank; identification and health effects of military pollutants; atmospheric sciences; improved diagnostic equipment for RAM-D; artillery/air delivered mines; improved nuclear and chemical weapons; better armor for tanks, infantry fighting vehicles, and self-propelled artillery hypervelocity guns; an inexpensive, light-weight multipurpose missile system for vehicles and individual soldiers; development of organizational effectiveness methods; realistic unit training for combat effectiveness methods; realistic unit training for combat effectiveness; vaccine development; drug development for disease treatment; rapid repair of battle wounds; improvement of man-weapon system interface; improved treatment and prevention of burns; energy conservation techniques and energy utilizations at fixed installations; automated map compilation and terrain analysis; design and response of structure and field fortifications to nuclear and conventional weapons; reduced cost in construction and operation of military facilities measurement, monitoring and combat methods for abatement of munitions plant waste.

E-77

ADVANCED MEDIUM STOL TRANSPORT (AMST)

1. SUBJECT/ISSUE: AMST vs C-130 Stretch (proper title C-130 Option IV)

2. BACKGROUND:

a. The AMST is the US Air Force development proposed to replace the aging tactical airlift fleet (C-130, C-123; C-7) in the 1980s. The AMST is being designed as a wide-bodied jet transport capable of short field landing and air-to-air refueling for long distance intratheater missions as well as augmenting the strategic airlift fleet.

b. Boeing (YC-14) and McDonnell Douglas (YC-15) have each built and are flying two prototype AMST aircraft. Lockheed (C-130 manufacturer) was an unsuccessful bidder in the prototype competition. Since that time Lockheed has repeatedly provided "paper aircraft" proposals to the USAF, OSD and the Army (prime user of tactical airlift). These were, in turn, C-130 Option II, C-130 Option IIa and currently C-130 Option IV (also known as Stretch).

c. Congress in approving transition funds (between prototype and full scale development FSD) for the US Air Force stipulated that the latest C-130 derivative proposal be considered with the AMST as an alternative airlift system in studies and evaluations.

d. Army Participation. The Sec Army signed concurrence to the Program Memorandum (PM #51) in which OSD approved the initial prototype program in 1972. Sec Def gave approval for continuance of the prototype program (without DSARC I); OSD (DDR&E) subsequently changed PM #51, directing the Army to conduct an independent evaluation of the potential operational utility of the AMST. Responding to that tasking, the Army initiated studies and physical evaluation of the AMST concept and prototypes (Dec 1974). DA has stated support for the prototype program, participated with Air Force work groups on aircraft design/configuration, and provided an officer (DARCOM LNO) to the AMST program office. DA has also responded to the USAF employment concept and requirement document for the AMST.

4. CURRENT STATUS: An Army team (DT-DARCOM; OT-O7EA) has been on site at Edwards AFB, CA conducting evaluation of the AMST prototypes since June 75 (completion date is listed as Aug 77). TRADOC (CAC) is conducting a Cost and Operational Effectiveness Analysis (COEA) on the AMST. The C-130 E/H (latest inventory model), C-130 Option IV (Stretch), and the AMST are the alternative airlift systems being analyzed in this COEA.

E-11

DEVELOPMENT AND LOGISTICS CENTERS

1. SUBJECT: Realignment of selected Army assets to form separate development and logistics centers

2. BACKGROUND:

a. The Secretary of the Army established the Army Materiel Acquisition Review Committee (AMARC) in December 1973, to conduct a comprehensive review, analysis and critique of the Army's materiel acquisition process, and make recommendations for improvement, with concentration on organization and procedures. Thus, in addition to searching out key problems and acquisition system fundamentals that may have led to the problem, solutions were also solicited.

b. The Committee articulated strengths and weaknesses in the research, development, and acquisition areas, and made the following recommendation:

By evolution, consolidate laboratory, RDAE elements, project managers, support elements, selected user elements into mission-oriented development centers: logistic and readiness functions to be performed in logistic centers, with both types of centers reporting directly to AMC.

c. Subsequently, the Army processed for approval 13 new commands (5 R&D and 8 Materiel Readiness Commands). For those cases in which realignment procedures entailed significant costs and/or personnel turbulence, detailed decision documentation, known as Case Study Justification Folders were prepared.

d. Of the foregoing actions, 4 R&D and 3 materiel readiness commands proposed for establishment remain to be implemented. These planned reorganizations are described in the following sections.

3. ARMAMENT COMMUNITY:

Installations Affected/Location:

Rock Island Arsenal/Rock Island, IL
Aberdeen Proving Ground/Aberdeen, MD
Watervliet Arsenal/Watervliet, NY
Picatinny Arsenal/Dover, NJ
Frankford Arsenal/Philadelphia, PA

Description of Action

This action will consolidate US Army Materiel Development and Readiness Command armament field elements into two distinct organizations: the Armament Research and Development Command and Armament Materiel Readiness Command. The Armament Research and Development Command activities will be directed from Picatinny Arsenal, NJ, where the Large Caliber Weapons Systems and the Small Caliber Weapons Systems Laboratories will be located. Benet Laboratory, which is part of the Large Caliber Weapons Systems Laboratory, will continue to operate at Watervliet Arsenal. Ballistics Research and Chemical Systems Laboratories will be founded on existing activities at Aberdeen Proving Ground/Edgewood Arsenal, Maryland. The functions of Rodman Laboratory at Rock Island Arsenal will be transferred to elements of the two new organizations. Closure of Frankford Arsenal, Philadelphia, PA, considered in relationship to armament realignment, was announced in November 1974. This consolidation of research, development, and acquisition efforts will permit more effective management and produce increased efficiency in the weapons development field. The Armament Materiel Readiness Command to be founded on existing US Army Armament Command resources and facilities at Rock Island Arsenal, IL, will further consolidate armament logistics functions of the Army's armament program. The Armament Command at Rock Island Arsenal will be disestablished.

Decision and Implementation Status and Impacts

On 28 November 1975 the Deputy Secretary of Defense approved the proposed realignment and on 2 December 1975 the Secretary of the Army announced the armament community realignment.

Space elimination: 43 Military/2612 Civilian.

Space transfers: 79 Military/3163 Civilian

Significant operational advantages.

Savings: \$41.9M steady state annual cost reduction.

One-time cost: \$86M (includes MILCON).

Cost Avoidance: \$9.5M

Implementation start: FY77

Planned completion of all elements: FY80

4. ARMAMENT COMMAND

Installations/Activities/Positions:

Electronics Command/Fort Monmouth, NJ

Aviation Systems Command/St. Louis, MO (AVSCOM)

Troop Support Command/St. Louis, MO (TROSCOM)

Description of Action:

Aviation R&D Command formed from R&D elements of AVSCOM plus Avionics Laboratory of Electronics Command, Ft. Monmouth ... Troop Support and Aviation Materiel Readiness Command formed by merging logistics elements of AVSCOM with TROSCOM.

Alternatives Considered:

AVRADCOM ... 4 alternatives ... (1) Consolidate at Langley, VA; (2) Consolidate at Moffett, CA; (3) Consolidate advanced development of Eustis Directorate with research in other directorates of Air Mobility R&D labs, maintain HQ in St. Louis; (4) (Preferred) Collocate with Readiness Command at Federal Center, St. Louis, no dislocation of R&D personnel, establish improved system integration capability.

TSARCOM ... 2 alternatives ... both locate command at Goodfellow Boulevard, St. Louis. First alternative (Preferred) retains all current functions ... second alternative transferred selected functions to other DARCOM commands ... transfers 316 spaces.

Three alternatives proposed by Members of Congress ...

- Representative Young (TX) ... 2 options ... Locates R&D Command at Corpus Christi Army Depot/NAS, TX ...

uses facilities which may become available if Navy reduces at Corpus Christi. Critical proposal features: Excellent engineering and maintenance capabilities; R&D activities would require substantial facility investments (\$60M - OPT 1; \$300M - OPT 2).

- Virginia Congressional Delegation, in support of Representative Downing (VA) ... locates R&D command on Virginia Peninsula (Langley, VA and Ft. Eustis) ... continues joint use of NASA facilities ... uses Wallops Island, VA facility for flight testing. Critical proposal features: Concept similar to Army's Langley Alternative.

- E-82
- Representative Mineta (CA) ... locates R&D command at Moffett ... Implementation phased over 3 year period. Critical proposal features: Similar to Army's Moffett Alternative.

Decision and Implementation Status and Impacts

On 1 April 1976 the Secretary of the Army announced the preferred alternative as the planned course of action.

Rationale ...

- AVRADCOM ... Current mission demands and program phasing of systems considered ... costs and impact of turbulence of other alternatives not offset by benefits.
- TSARCOM ... retain all functions at Goodfellow ... cost of transfers and program disruption of other alternative not offset by benefits.

Impacts ...

Space elimination: 10 Military/414 civilian

Significant Operational Advantages.

One-time costs: \$12.9M (including \$10.8M General Services Agency funding)

Annual savings: \$8.0M

Cost avoidance: \$18 M

Scheduling: To be established.

5. ELECTRONICS COMMUNITY

Installations Affected/Locations

Electronics Command/Fort Monmouth, NJ

Electronics Command/Fort Belvoir, VA

Electronics Command/White Sands, NM

Harry Diamond Laboratories/Adelphi, MD

Harry Diamond Laboratories/Woodbridge, VA

US Army Security Agency/Arlington, VA

US Army Security Agency/Warrenton, VA

Description of Action:

Establishment of the:

Electronics R&D Command (ERADCOM)

Communications R&D Command (CORADCOM)

Communications and Electronics Materiel Readiness
Command (CERCOM)

- Consolidation of non-communications electronics research and development activity including: SIGINT/EW (DARCOM and ASA, R&D elements), Night Vision, Sensors, Target Acquisition, Fuzing, Lasers, Radars, Atmospheric Sciences, Optical Devices, Solid State, Nuclear Weapons Effects, Fluidics and related activities into a single organization (ERADCOM).

- Formation of a separate Communication/ADP research and development command (CORADCOM).

- Establishment of a single Command (CERCOM) to perform logistics/readiness functions for electronic and communications/ADP equipments.

Alternatives considered:

ERADCOM - 10 alternatives developed by study group ... spectrum of alternatives expanded to accommodate employee advocates, public and congressional input.

CORADCOM/CERCOM - organizationally formed from Communications R&D and C-E logistics elements of ECOM ... does not entail alternative courses of action other than status quo ... remains at Fort Monmouth utilizing current resources (no additional spaces).

Congressional/Public interaction:

Interested Congressional delegations briefed on initial plan Feb 75 ... Concept study submitted to Congress Jun 75, comments solicited and received end July 75... Under Secretary and Army Rep. testified at special hearing and executive session of MILCOM Sub-committee, HAC, 10 Feb 76 and 30 Mar 76, respectively...Interested Congressional Delegations briefed/informed on preferred alternative: 31 Mar 76.

3-814

Members of Congress, especially New Jersey delegation, have expressed interest in ERADCOM by frequent letters, telegrams, telephone calls, requests for documents and participation in public hearings...all information requests fulfilled. Meeting of the Secretary of the Army with New Jersey Congressional Delegation took place 30 September.

Environmental considerations:

- ERADCOM - Draft Environmental Impact Statement (EIS) filed 16 April 1976 (initiated 45-day public comment period)... public hearings conducted at Eatontown, N.J.; Adelphi, MD and Warrenton, VA...solicited and unsolicited comments on Draft EIS received from Congressional Delegations, Federal/State/Local Organizations and interested citizens...Final EIS filed 20 Aug 76, integrates responses to comments...thirty day "cool off" period expired 20 Sep 76.
- Environmental documentation served as vehicle for extensive dialogue with interested members of Congress and public, and as data source for on-going GAO review. (Discussions with GAO indicate no major discrepancies.
- CORADCOM/CERCOM - Environmental Impact Assessment (EIA) concluded formation of these commands would not significantly affect the quality of human environment nor be environmentally controversial.

ERADCOM preferred alternative - 3XVA(B):

- Authorized for identification in DEIS as alternative B-6 - 13 Mar 76.
- Announced by DA...including intent for concurrent establishment of CORADCOM/CERCOM at Fort Monmouth - 1 Apr 76.
- Reconfirmed for identification in Final EIS, after review of DEIS comments - 3 Aug 76.
- Provides excellent opportunity for systems oriented approach to electronics R&D and improves acquisition of electronic materiel.
- Improves long-term Army posture in critical electronic combat support systems and is anticipated to enhance national security.
- Consolidates electronic warfare research and development activities in one location (Warrenton, VA), except for field testing which would remain at White Sands Missile Range.
- Consolidates major laser and optics research at Fort Belvoir, VA.

- Entails less turbulence than most alternatives---433 jobs eliminated, 598 transferred.

- Achieves annual operating savings of \$6.5M; requires a one-time cost of \$13.0M.

- Is consistent with Congressional and Department of Defense policies regarding location in the National Capital Region.

Schedule: To be established.

DUPLICATION OF RADARS AND LASER DESIGNATORS

1. SUBJECT/ISSUE: Duplication of effort among the Services.
2. BACKGROUND:

a. The House of Representatives Report No. 94-1231 on the DOD Appropriation Bill, 1977, dated 8 June 1976, cited alleged instances of duplication of effort among the Services in the areas of air surveillance radars, hostile weapons location radars, helicopter landing control systems, air traffic control systems, ground laser designators, target acquisition systems, and intrusion detection equipment. Beginning in FY 1978, DOD must include in the budget submission for these items a comparison of all proposed procurements and research and development efforts with existing inventory items and an explanation of how the new system is different from the existing system, why the existing system is not suitable, the cost of developing and procuring the new system, lifecycle costs, the total investment in R&D and hardware in the existing system and other development efforts underway.

b. DOD has requested the Services develop by 15 December 1976 a coordinated response to the duplication of effort allegations. The Army was appointed lead service for completing this action. The Army submission will be used in a letter to the Chairman of the House Appropriations Committee which addresses the allegations.

3. DOD POSITION: The necessary rationale for all of the acquisition programs must stress the differences in operational requirements which led to development of hardware. DOD intends to strengthen existing mechanisms to review and eliminate duplication of efforts.

4. CURRENT STATUS: Inter-Service meetings have been and will continue to be held to resolve the duplication of efforts allegations. The results will be contained in the coordinated Army response to DOD.

JOINT ARMY-NASA EFFORTS

1. SUBJECT/ISSUE: Joint Army-NASA Efforts.

2. BACKGROUND:

a. Prior to 1965, the Army had only very limited in-house aviation research and development capabilities and facilities. Most of the aviation efforts were necessarily contractual.

b. In 1965, in order to obtain a credible capability to conduct in-house aviation research and to bolster a sagging national effort in low-speed aeronautical research, the U.S. Army Materiel Command (now the Materiel Development and Readiness Command) entered into a unique interagency agreement for joint participation in research with the NASA at Ames Research Center. This mutually beneficial agreement established the Army Aeronautical Research Laboratory.

c. In 1969, the basic agreement with NASA was expanded to provide for Army use of NASA's complexes of aeronautical research facilities and the establishment of Army airmobility research directorates at Langley and Lewis Research Centers, in addition to that already existing at Ames Research Center. The Army provides a sharing of research personnel in exchange for the use of these facilities. The provisions of this agreement not only conserve the resources of both agencies in the performance of research of common interest to each, but also provide the Army with direct access to the facilities and professional expertise of NASA for application to specific Army requirements. NASA benefits further by direct exposure to user requirements of the Army.

3. DDP POSITION: The joint Army-NASA agreements have been and continue to be a highly effective and efficient means of accomplishing aeronautical research for low speed vehicles.

4. CURRENT STATUS: The Army has numerous joint research and development projects with the NASA at the 6.1, 6.2 and 6.3 levels. The two largest programs are the XV-15 Tilt Rotor Research Aircraft, with a program cost of \$40M shared equally, and the Rotor Systems Research Aircraft, with a cost of \$75.2M shared equally. In general, the program agreement is without major problems. The decision process is occasionally complicated and delayed because of the equal partnership relationship of the Army and NASA.

E-8

No new large programs with equal cost-sharing are currently proposed. Unequal cost-sharing, with each agency providing resources according to its individual interests, may be considered for future joint ventures in order to streamline the program management and decision process.

VOLUNTEER FORCE

1. Subject/Issue: Viability of the Volunteer Force.

2. Background:

a. The concept of the Volunteer Force has been and will continue to be the subject of Congressional investigation and scrutiny for various and diverse reasons.

(1) There are some Members of Congress who question the Volunteer Force for philosophical reasons:

- Is it advisable to have an Army that represents only a portion of our society?
- Is the black/minority content (that has increased with the Volunteer concept) percentage too high? If so, is it avoidable?

(2) Other Members criticize the ever-increasing costs of the Volunteer Army. Those costs are driven up by increased benefits which act as incentives for enlistments and retention and the resources necessarily devoted to recruiting. The manpower costs lessen the amount available for equipment and RDT&E, hence reduce readiness.

(3) Still others criticize the Volunteer Force concept for being responsible for a declining quality in the ranks. The Marine Corps recruit training problems surfaced last year and examined by the MASC have been attributed to the decline of quality recruit the Services can attract without the draft.

(4) The recruiting and retention problems experienced in the Reserve Components are at least in part attributable to the absence of the draft. These problems, particularly the declining individual ready reserve (IRR) strength, are particularly acute when considered with the increased mission requirements given the reserve components required by constraints imposed on resource levels for the active component and the threat analysis.

b. §

the significant downturn in recruiting quality rates experienced early in 1976, and the § attached to the Reserve Improvement Program, along with the increased procurement resources requested.

~~FOR OFFICIAL USE ONLY~~

c. _____

3. DOD Position: Strongly supports the Volunteer concept, but _____

4. Current Status: _____

a. Army studies are ongoing which address the concept of and problems associated with the Volunteer Force concept and its realization.

b. Answer being prepared to attached letter by Army Staff.

c. Army FY 78 budget request under review by DOD. The request is _____ FY 77 request.

1 Incl

~~FOR OFFICIAL USE ONLY~~

EXECUTIVE

1. Subject/Issue: Recruiting Resources

2. Background:

a. In 1973, the year the Congressional authority for the draft expired, the Army developed a plan to build and sustain a quality, cost-effective force. A basic part of that plan called for significant expenditures to support the recruiting effort. The willingness to allocate sufficient resources, coupled with improved and refined internal management procedures on the part of the Army's recruiting force and a restrained economy resulted in the early success of the plan.

b. Early in 1976, a downturn in recruiting progress became apparent. The causes were threefold: first, insufficient resources were allocated to the recruiting effort; second, perceived and real erosion of service benefits; and thirdly, the anticipated upturn in the economy.

c. Specifically

Quality is measured in two ways - scores on a battery of tests designed to measure skill, aptitude and categorize entrants in categories I - IV, and, more important, possession of a high school diploma. Analysis has refined the tests and reinforced the reliability of the diploma as a quality indicator. Simply stated, the higher the percentage of skill-qualified high school diploma graduates (HSDG) the Army can recruit, the lower is the attrition rate, and consequently, the fewer assessments the Army will need in future years. The early attrition-separations prior to end of enlistment term of high school graduates is less than half that of non-high school graduates.

d. Given the success in FY 76 and FY 75 in meeting and exceeding recruiting goals, Congress, particularly the House Appropriations Committee, appears to be concerned with the ability to sustain the recruiting effort through the provision of a budget level of \$1.5 billion in FY 77. The House Appropriations Committee has indicated that the Army should be able to meet its recruiting goals with a budget of \$1.5 billion in FY 77. The Army's response to this concern is to continue to improve its recruiting effort and to ensure that it is able to meet its goals with a budget of \$1.5 billion in FY 77.

e. USAR and ARNG is experiencing severe recruiting problems similar to those of the active Army. A package of initiatives to combat these problems has been drawn up and is currently being studied by the Army Staff.

f. Attached as Inclosure 1 is a listing of recruiting resources, which includes a history thereof and resource requests for FY 78.

3. DOD Position: Experience with the FY 76/77 reprogramming action, the FY 77 budget amendment, the FY 77 reprogramming action and the FY 78 FBD cycle.

4. Current Status:

a. Army Budget Request, which includes [redacted] is currently being reviewed by OSD.

b. A large package of proposals designed to assist USAR and ARNG recruiting and retention, some requiring legislative action, is being studied by the Army Staff. The cost associated with this package, called Reserve Improvement Program, is in excess of \$400M.

c. A plan has been drawn up designed to increase likelihood of approval of a \$60M FY 77 reprogramming action required by the Army in order to bolster FY 77 recruiting resources. The reprogramming action will be requested from the House Appropriations Committee when Congress returns to session early in January 1977.

1 Incl

	<u>FY 74</u>	<u>FY 75</u>	<u>FY 76</u>	<u>FY 77</u>	<u>FY 77</u>	<u>FY 78</u>
Number Accessions Req'd (000)						
-NPS Male	167	166	167	52	169	
-NPS Female	15	19	16	4	15	
-PS	17	24	13	4	16	
-TOTAL	199	209	196	60	200	
-% Male NSDS	47%	54%	56%	73%	62%	
Number Accessions Recruited/Projected						
-NPS Male	167	166	164	49	159*	169
-NPS Female	15	19	16	4	15	15
-PS	17	24	13	4	16	16
-TOTAL	199	209	193	57	190	200
-% Male NSDS	47%	54%	56%	59%	56%	50%
Recruiting Resources Requested (\$M - FY 77 Constant \$)						
-Bonus	45	56	66	17	64	
-Support	47	45	40	12	33	
-Recruiter Aides	25	13	18	4	0	
-Advertising	50	44	48	17	37	
-Military Personnel	85	90	83	21	75	
-Civilian Personnel	14	16	14	3	16	
-TOTAL	267	264	269	74	225	
Recruiting Resources Appropriated						
-Bonus	45	56	66	14	43	
-Support	47	45	34	7	33	
-Recruiter Aides	25	13	6	0	7	
-Advertising	50	44	30	11	33	
-Military Personnel	85	90	80	20	75	
-Civilian Personnel	14	16	17	5	16	
-TOTAL	267	264	233	57 2/	207 3/	

Specific Congressional Issues Quality Bonus Advertising
 associated with Actions Should Advertising Quality
 Be Higher Aides vs
 Mil Pers Quantity
 Civ Pers Dollar Level
 Funding Dollar Level
 Funding

Number of Field Recruiting	5,608	5,175	5,175	5,175	5,175	5,608
----------------------------	-------	-------	-------	-------	-------	-------

1. The column for FY 77 shows a decrease in military personnel funding. The request for \$12.1M and 470 military personnel was not approved. Reprogramming request for \$60M and 610 military personnel pending.

A

MANPOWER

1. Subject/Issue: Manpower Costs

2. Background:

a. Rising manpower costs were a significant issue with the SASC during the FY 77 budget hearings. The Army prepared a report, subject: Senate Armed Services Committee (SASC) Request for Report on Army Manpower Costs, dated 26 March 1976, in response to SASC requirement. Therein manpower costs were defined and computed using the Army's definitions, excluding DOD appropriation, and it was determined that 54% of the Army budget was devoted to "Costs of People". Including DOD appropriations, the figure rose to 60%.

Attached is inclosure which apportions FY 77 Army budget.

b. Congressional concern stemmed principally from the impact high manpower cost has on procurement and equipment readiness. In view of the number and substance of GAO Reports addressing and criticizing readiness principally because of equipment and supply shortages, this concern will manifest itself as a top issue again this year.

c. Representative Aspin introduced proposed legislation in the area of pay and benefits during the 94th Congress. This proposal, if passed, would severely denigrate recruiting and retention by reducing incentives and benefits.

3. DOD Position:

Any reductions or additions in the Army budget would affect the percentage of the budget that is for "Costs of People."

4. Current Status: Army budget request under review by DOD.

THE ARMY BUDGET

PLUS

DOD APPROPRIATIONS*
(FY 1977 TON Request)

Costs of People 60c

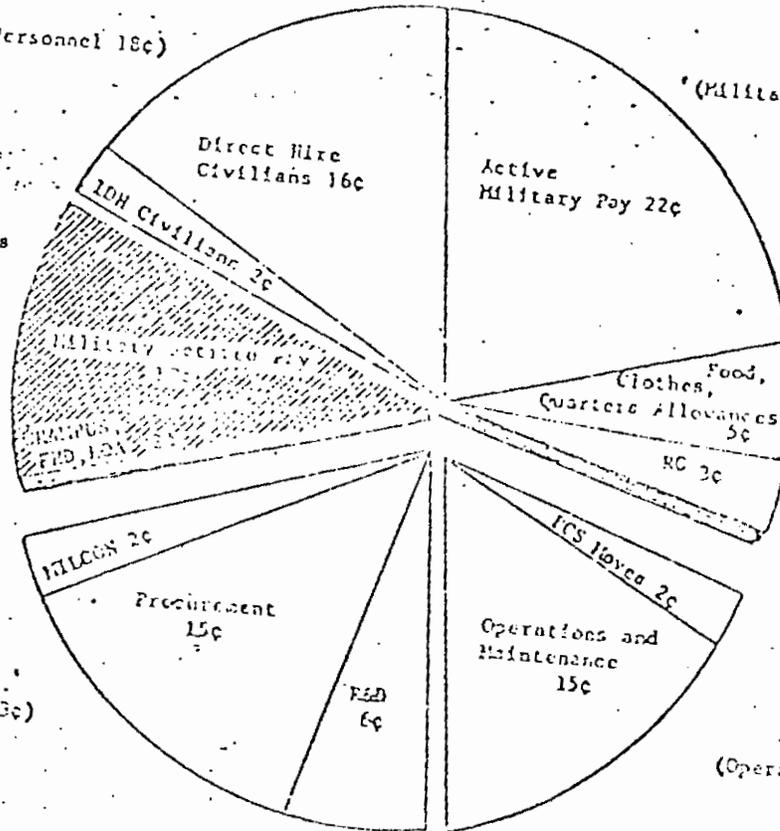
(Civilian Personnel 18c)

(Military Personnel 30c)

(DOD Appropriations 12c)

(Investment 23c)

(Operations 17c)



Force-Related Costs 40c

INCL 1

FORCE STRUCTURE

1. Subject/Issue: Justification of End Strengths

2. Background:

a. Active Component: The authorized end strength has varied from a low of 782,000 to a high of 790,000 during the past three years. FY 78 request was for 790,000. 739,000 was approved, but only through major last minute efforts designed to diffuse a SASC proposal to reduce the end strength by 4,900. FY 78 budget requests an end strength of 790,000. 1

Currently, an end strength shortfall of between² expected because of inadequate recruiting resources. A reduction in FY 78 end strength to save allocating funds for personnel that will not be in the structure because of recruiting problems would disrupt stability by creating a "yo-yo" effect through force structure inactivations, jeopardize the 16/24 division force structure and disrupt strength stability that the Army has and needs to plan/react to required initiatives and to provide for proper personnel acquisition and distribution. Additionally, it would cause the Army to size its force on recruiting performance rather than threat analysis.

b. Reserve Components: 3

However, there will be considerable interest in how these strengths are being applied to manning priority units in the force structure.

c. Civilian Personnel: Civilian end strength cuts have been effected by Congress each year for the past several years. Congress acts on the total DOD civilian end strength request and recommends how cuts should be apportioned by Service, but DOD is authorized to apportion civilian spaces among the Services after Congressional action. The reductions ordered by Congress have been based on savings attributable to base closures and consolidations, and approved base operation efficiencies. Congress' one interest in curbing the grade creep that has occurred during the last decade was manifest in the SASC FY 77 Authorization Report and will be evident again this year. 4

3. DOD Position: The DOD ordered an officer strength reduction of 5
from FY 77 levels.

4. Current Status: Army end strength budget requests are currently being reviewed by OSD.

OVERSEAS FORCES

1. Subject/Issue: Maintenance of Forces in Korea

2. Background:

a. For various and diverse reasons publicized, many Members of Congress are concerned about and some opposed to maintaining U.S. forces in Korea.

- Cost
- Support of non-democratic country.
- Inviting another Vietnam involvement.
- Not necessary for Korea's defense.

b. Current administration opposed to removal of forces. Army position is the same.

- Shows resolve.
- Deters aggression.
- No more expensive.

c. New administration on record during campaign for removing forces from Korea.

3. DOD Position. Incumbent position in line with that of administration.

4. Current Status.

- a. No plans to remove forces from Korea during foreseeable future.
- b. Relocation/consolidation of forces within Korea.
 - Relocation south of Han River discounted as too costly and without benefit.

TRAINING AND EDUCATION

1. Subject/Issue. One Station Unit Training (OSUT) and One Station Training (OST).

2. Background.

a. OSUT/OST has been tested by TRADOC and determined a successful concept. A report, One Station Unit Training (OSUT), dated 1 November 1976, contains results of test. The Army has adopted the concept and is using it to train the high density MOS' except Infantry. It proposes to establish OSUT for Infantry at Fort Benning. Support for OSUT exists in Congress, but the North East Delegation, ~~the~~

has blocked the establishment of OSUT at Fort Benning by not approving construction funds necessary to OSUT at Fort Benning. The Army's position is that Ft. Dix will remain open for the foreseeable future.

b. Selection of Fort Benning, while not the least cost option, for Infantry OSUT is based on the professional home concept. Advantages of professional home concept:

- Immediate immersion of the trainee in the ethos of his future branch.
- Provides the Combat/Training developers a test bed for assessment of new training devices and techniques, branch oriented course designs and verification of training effectiveness support systems.
- Shortens the feedback conduit for information on initial entry training effectiveness obtained for Officers and NCO's returning to the Professional Home for professional development training.

c. GAO Report accomplished for the HAC MILCON found that, because two station training was not tested and there existed uncontrolled test variables, the TRADOC test conclusions reached were not reliable. The Army has commented on the Report.

d. ~~ST~~

3. POD Position. Reliance on Fort Dix closure issue and not relevant to OSUT as a concept as it is an Army internal management initiative.

4. Current Status.

a. Briefing for HAC to be conducted by TRADOC scheduled for first week in December.

b. Release of TRADOC Study to Congress imminent. (30 Nov 76)

c. Briefing for Senator Nunn, ~~_____~~
scheduled for first or second week of
December.

d. FY 78 budget includes ~~_____~~

e. Armor, ADA, FA, and Signal training in the OSUT mode currently being conducted at respective professional homes with MP training scheduled for FY 77 and Infantry training in FY 78.

READINESS

1. Subject/Issue: Verification/Improvement of Readiness Criticized by Various Reports.

2. Background:

a. Following GAO Reports criticize Army readiness:

- GAO Follow-up Review of the Readiness of Strategic Army Forces (STRAF). Report dated April 1976 addresses findings of follow-up review to May 1972 GAO Report. Generally critical. Cites three of nine major STRAF units fully ready. Army response currently being staffed within OSD. Addresses improvements in readiness. Disagrees with recommendation to restructure STRAF forces.
- GAO Report: First Line Combat Units in Europe. GAO data collected from 1st Armored Division and 2d Armored Cavalry Regiment from December 1974 through March 1975. Critical of Army in general areas of personnel shortages and failure of readiness reporting system to identify problem areas. Army responded to GAO on 15 September 1976. Agreed that report reasonably accurate as of 18 months ago but significant improvement since.
- GAO Report: Prepositioned Materiel Configured to Unit Sets (POMCUS). Review of POMCUS status conducted July 1975 - February 1976. General improvement since 1973 GAO review in three areas: equipment condition; storage facilities; accountability and physical control. Questions whether Army could be fully effective in missions involving POMCUS. Army response being staffed within HQDA. Generally concurs with GAO recommendations and cites ongoing actions for improvement.

b. Hollingsworth Report recommends

c. Nunn-Bartlett-Hollingsworth trip to Europe in November

3. DOD Position: N/A

4. Current Status:

a. Proposals to improve readiness in NATO (ECAP) currently being studied by DA. A

b. Reserve Component Readiness Improvement Package being finalized.

FOR OFFICIAL USE ONLY

PROGRAMS

1. Subject/Issue: Substantial ~~increase~~ in Army procurement requests in FY 78 vice FY 77.

2. Background:

a. In the past two years the Army procurement request has reflected a ~~substantial increase~~

the FY 77 level.

b. During consideration of the FY 77 request, Congressional Budget Committees viewed the increase over FY 76 with some skepticism, questioning the potential for deferral. Ultimately the request was approved substantially intact.

c. Even in the prevailing favorable Congressional climate, a number of individual programs received extensive review. Included among those singled out for such scrutiny were the tank program, non-nuclear LANCE, ATTAS, and STINGER. Of those, only STINGER failed to be approved and funded.

3. DOD Position: The Department of Defense has recognized the requirement for increased procurement and has generally been supportive of the Army's program. Certain individual programs are being contested in the PBD process with the likely outcome being

4. Current Status:

a. The Army's request continues to be reviewed by OSD and CMB.

b.

The staff preparation of detailed justification continues.

d. Once again individual programs will be reviewed in depth by the Authorization and Appropriations Committees

Ongoing staff briefings and trips are designed to insure staff awareness of program status and facilitate justification.

~~FOR OFFICIAL USE ONLY~~

F-13

MAIN BATTLE TANK, XM-1

1. Subject/Issue: Main Battle Tank, XM-1

2. Background:

a. The Army's XM-1 tank program which progressed on schedule and within cost from inception in 1972 until this year was generally conceded to be the model of a well managed program.

b. The decision in July 1976 to defer selection of the winner between Chrysler and General Motors and award of the FSED contract was met with a mixed reaction in Congress. Supporters of standardization welcomed the prospects for commonality with the FRC, while those who have followed the tank program and recognize the urgent need to field a more capable tank challenged the wisdom of any delay.

c. This conflict of views resulted in the HASC appointment of a Special Tank Panel to review program reorientation in detail, Appropriations Committee Joint Conference Report language, special hearings in the SASC and exchange of considerable correspondence. The issue was essentially put to rest following HASC passage of Hillis Resolution and the Army's subsequent selection of Chrysler and award of an FSED contract on 12 November 1976.

d. Lingering issues address compliance with Congressional guidance, specifically the Hillis Resolution as pertains to the hybrid turret and gun selection and Appropriations Conference language which directs that program reorientation be submitted as a reprogramming action.

3. DOD Position: DOD supported the Army's selections

4. Current Status:

a. The LEOPARD II is currently under evaluation at Aberdeen Proving Ground with 120mm gun evaluation scheduled through 10 January 1977.

AIR DEFENSE

1. Subject/Issue: Air Defense Management

2. Background:

a. Congress is well aware of the inadequacy of current U.S. Army Air Defense assets. The current capability has been well covered in GAO Reports, press accounts and personal observations by Congressional Members and staff. ~~There is a need for a more modern and effective air defense system. The current system is outdated and does not meet the requirements of modern warfare. Congress has authorized funding for the development of a new system, but the program is still in the early stages of development.~~

b. ~~The current system is limited in range and has no fire control capability relying solely on the expertise of the gunner. There is some support for an improved VULCAN in the Congress. The system is limited in range and has no fire control capability relying solely on the expertise of the gunner. There is some support for an improved VULCAN in the Congress. The system is limited in range and has no fire control capability relying solely on the expertise of the gunner. There is some support for an improved VULCAN in the Congress.~~ The system is limited in range and has no fire control capability relying solely on the expertise of the gunner. There is some support for an improved VULCAN in the Congress.

c. There is support for modernization of the Air Defense missile capability but there are problems in this area. There are lingering doubts with respect to procuring the SPINGER without the POST SPAR. ~~The SPINGER missile is a significant improvement over the current system, but the POST SPAR is a critical component that is still under development. There are concerns about the ability to procure the SPINGER without the POST SPAR. The current system is outdated and does not meet the requirements of modern warfare. Congress has authorized funding for the development of a new system, but the program is still in the early stages of development.~~

~~CONFIDENTIAL~~

3. DOD Position: There is general support for Army Air Defense modernization at DOD level. However, the Army will continue to be closely monitored on specific programs and on overall Air Defense management.

4. Current Status:

a. Although the overall outlook for a new generation of Air Defense weapon systems is good, there are several problems which the Army must be prepared to answer. Currently the ROLAND program is being funded incrementally on a monthly basis with the major issue being authority to compete the production of ROLAND. This program will be addressed by Congress early in 1977. The primary issue for the Army is overall management of the Air Defense system: (1) How do our systems interface? (2) What are our firm requirements and are we developing the best system to meet those requirements? (3) Do we have the management structure to adequately control the development and fielding of the new systems?

b. A related concern is the overall Air Defense effort.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

7-21

CHEMICAL WARFARE

1. Subject/Issue: Desirability of an improved U.S. Army Chemical Warfare Capability.

2. Background:

a. The Presidential decision of 25 November 1969 on Chemical Warfare (CW) policy:

- (1) Renounced the "first use" of lethal and incapacitating chemical weapons of war,
- (2) Acts to deter the use of chemical warfare weapons by other nations and to retaliate ~~against those nations~~ if attacked,
- (3) Requires Presidential authority for retaliatory use.

b. Available information suggests that the Soviets have surpassed us by a wide margin in both offensive and defensive chemical warfare capability. Further, the gap appears to be getting larger in both areas.

c. ~~SECRETARY OF DEFENSE'S REPORT TO CONGRESS ON CHEMICAL WARFARE CAPABILITY, 1970~~

3. ~~SECRETARY OF DEFENSE'S REPORT TO CONGRESS ON CHEMICAL WARFARE CAPABILITY, 1970~~

4. Current Status: Indications are that the chemical warfare program will have a difficult time again this year. ~~SECRETARY OF DEFENSE'S REPORT TO CONGRESS ON CHEMICAL WARFARE CAPABILITY, 1970~~
strong unified position, ~~greater~~ effort will be required to insure that the Congress as a whole understands the magnitude of the threat and the necessity for a credible retaliatory capability. ~~SECRETARY OF DEFENSE'S REPORT TO CONGRESS ON CHEMICAL WARFARE CAPABILITY, 1970~~

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

STATIONING/BASE REALIGNMENTS

1. SUBJECT/ISSUE:

- a. Site selection decision, initial investment decision, and the incremental financing of the construction of a \$700 million RDX/RMX facility.
- b. Establishment of a new 155mm, M483 Improved Conventional Munition (ICM) manufacturing complex at the most cost effective location, Bay St. Louis, Mississippi (MSAAP) rather than at an existing ammunition plant location.
- c. Announcement of realignment decisions other than maintaining status quo.

2. BACKGROUND:

a. The basic DOD principle used in financing individual projects is full funding; however, the Army desires an exception to this principle to finance its two high-dollar projects in the munitions production base.

b. RDX and RMX are the key ingredients of explosives and propellants utilized by the Services. Current sole DOD production capability for RDX/RMX at Holston Army Ammunition Plant, TN is not sufficient to meet current mobilization requirements. An additional facility is needed to meet mobilization shortfall. Candidate sites for RDX/RMX facility are Newport Army Ammunition Plant (AAP), IN; McAlester Navy Ammunition Depot, OK; and Milan AAP, TN.

c. Congress appropriated \$45.2 million in FY '76 for the MSAAP manufacturing complex but Section 152 of the DOD Appropriations Act restricted use of the funds for construction of new ammunition facilities to existing plant locations that precluding siting complex in Mississippi. In August 1976 an updated study was completed which concluded that the Mississippi location would be the most cost effective location for the new construction of a plant manufacturing RDX/RMX.

F

Decisions on Schilling Manor, KS; Selfridge Air National Guard Base, MI; Realignment for Stewart Army Subpost, NY; and AVSCOM/TROSCOM were announced on 24 November 1976.

3. DOD POSITION:

a. ~~...~~

b. ~~...~~

c. ~~...~~

4. CURRENT STATUS:

a. Non-site specific design for RDX/BMX is being conducted. Draft EIS will be filed in December 1976 with final EIS in February 1977. Final site selection decision in March 1977.

b. Final EIS was filed in October 1976. A \$4.2 million contract for systems integrator/operating contractor was awarded to Mason-Hanger and Chamberlain in August 1976. Non-site specific design for three major facilities of complex is underway (projectile metal parts, cargo metal parts, and load, assemble, pack).

c. Strong controversy will continue as the Army's base realignment decisions come on line. Litigation, as experienced in the CONCISE studies, can also be expected with the 1 April 1976 announced realignments if the Army decides for function transfer or closure of the affected installations.

61

RECRUITING

1. SUBJECT/ISSUE (Probable Media Question): What are the recruiting prospects for FY 77?

2. BACKGROUND:

- o Recruiting achievements are resource sensitive.
- o Among non-prior service (NPS) enlistees, high school diploma graduates (HSDG) have a greater potential to become successful soldiers, than non-high school graduates (NHSG).
- o NPS males represent 80 to 85% of the annual recruiting requirements. NPS male HSDG's are most difficult to recruit, considering the large annual requirement.
- o The Army made considerable quality gains in FY 74 and continued through 1st half of FY 76.
- o Due to several adverse factors, greatest of which was a reduction of over \$50 million and some 800 people in FY 76 and FY 77 recruiting resources, the quality of accessions began a significant decline in December of FY 76.
- o FY 77 recruiting is funded at \$207M, \$61M less than the actual requirement and about \$18M under the revised budget request. The Army has requested authority to reprogram \$60M. Congressional action is needed by February 1977 so that these funds can be put to best use in the FY 77 recruiting effort.

3. DOD/MEDIA POSITION: Recruiting prospects for FY 77 are expected to become a media issue by Mar 77, but have not been a prominent issue yet.

4. CURRENT STATUS (Recommended Response to Questions):

FY 76 and FY TQ Recruiting Results

1. SUBJECT/ISSUE (Probable Media Question): What were the Army's FY 76 and FY Temporary Quarter (TQ) recruiting results for Non-Prior Service (NPS)?

2. BACKGROUND:

-- FY 76

- o Recruited 180,200 NPS enlistees (100% of recruiting objective), with an NPS male shortfall of 3,000 below Army requirements, (recruited 182,200 and 184,700 NPS in FY 74 and FY 75, respectively).

- o Shortfall of quality goal, achieving 58.5% NPS high school diploma graduates (HSDG) versus a goal of 65% (achieved 50.1% and 57.8% in FY 74 and FY 75).

- o 7.6% NPS Metal Category IV versus ceiling of 10% (17.8% and 10.0% in FY 74 and FY 75).

-- FY TQ:

- o Shortfall in both quantity and quality, reflecting the impact of resource shortages.

- o Recruited 53,200 NPS enlistees (95.5% of objective), with an NPS male shortfall of 2,600 (recruited 44,600, 62,100, and 46,400 in the same period of FY 74, FY 75, and FY 76, respectively).

- o 7,000 shortfall of NPS male HSDG goal, while achieving a 59.9% NPS HSDG rate versus a goal of 68.7% (achieved 58.9%, 55.3%, and 72.6% in the same period of FY 74, FY 75, and FY 76).

- o 8.9% NPS Mental Category IV (21.7%, 17.1%, and 6.7% in the same period of FY 74, FY 75, and FY 76).

3. DOD/MEDIA POSITION:

- o DOD refers all questions to the Army on this subject.

- o Statistics have been reported accurately by the media.

4. CURRENT STATUS (Recommended Response to Question):

5-3

BLACK ENLISTMENTS

1. SUBJECT/ISSUE (Probable Media Question): Are you concerned by the current racial composition of the Army? What do you consider an ideal racial balance? What effect do you foresee that the high number of blacks will have on the success of the all-volunteer force in general, and on the Army's combat effectiveness in particular?

2. BACKGROUND:

-- The overall minority content of the Active Army is approximately 24% of which 21.9% are Black.

-- Black content has increased steadily over the past four FYs primarily in the enlisted ranks; going from 17.0%, end FY 72, to 23.7% end FY 76.

-- During the same period, Black gains in the two top enlisted grades have been substantial.

o Black E-9s increased from 8.2% (of total in grade), FY 72, to 14.8%, end FY 76.

o Black E-8s increased from 14.0% to 18.3% for the same period.

o E-7 strength corresponded fairly close to the overall Black enlisted content.

-- The current Black officer rate is 5.3% an increase of about 1.4% since FY 72.

-- The DA Affirmative Action Plan; approved by SA, in June 1975, contains carefully developed goals and milestones to increase Black officer strength to 8% by CY 79.

-- Black and other racial minority representation in key positions in the Army is as follows:

o As of June 76, 5.2% of our O6 commanders were Black.

o 5.0% of the O5 commanders were Black.

-- While there is a wide disparity in the minority officer and enlisted percentage content, minorities are represented favorably at the supervisory and decision making levels, particularly in the enlisted ranks.

o In October 1975, 13.4% of all Colonel and Sgts Majors were Black; as of June 1976, 15.7% were Black.

BLACK ENLISTMENTS (cont'd)

3. DOD/MEDIA POSITION:

- o DOD refers all questions to the Army on this subject.
- o Media continues to reflect concern that the Volunteer Army may eventually be composed of lower socio-economic levels of minority groups.

4. CURRENT STATUS (Recommended Responses to Question):

6-5

WOMEN AT USMA

1. SUBJECT/ISSUE (Probable Media Question): What differences are there in admission requirements, training and housing of women cadets at the Military Academy?

2. BACKGROUND:

-- The basic philosophy is that fundamentally West Point training will be the same for men and women.

-- Only when it becomes a question of inherent physiological limitations rather than sufficient motivation and effort is equivalent or modified training substituted?

o The only differences in the admission requirements are in the medical examination and one event in the physical aptitude examination (PAE).

o The flexed-arm hang for time has been substituted for pull-ups for women on the PAE.

-- The Military Academy conducted an extensive review of all cadet training requirements during the summer of 1975 to determine what changes were required with the admission of women.

o Women cadets will take a self-defense combatives course instead of boxing and wrestling which is required for all fourth class male cadets.

o The women's self-defense course is designed to familiarize women cadets with basic moves, falls, offensive and defensive tactics, and includes a basic introduction to the martial arts of Judo and Karate.

o Women's gymnastics courses concentrate on agility, flexibility, coordination and less on upper body strength than the men's gymnastics course.

-- Throughout the 1976 summer training period, training was constantly monitored to determine if other minor modifications are required as a result of physiological differences.

3. DOD/MEDIA POSITION:

-- DOD refers all questions on this subject to the Army.

-- Subject has been reported accurately by the media.

4. CURRENT STATUS (Recommended Response to Question):

9/26

WOMEN AT USMA (cont'd)

[Faint, mostly illegible text, possibly a list or table, separated by a horizontal line]

ALCOHOL AND DRUG ABUSE IN THE ARMY

1. SUBJECT/ISSUE (Probable Media Question): What is the alcohol/drug situation in the US Army at this time and how is the problem being combatted?

2. BACKGROUND:

-- Abuse of alcohol and other drugs still a concern, especially in US Army Europe (USAREUR).

-- Difficult to gauge true incidence of abuse, especially of drugs, since majority occurs off duty, is experimental and socio-recreational.

-- However, few soldiers become either alcohol/drug dependent or require hospitalization for detoxification.

3. DOD/MEDIA POSITION:

-- DOD refers all questions on this subject to the Army.

-- Recently reported that a high percentage of officers from all services are problem drinkers.

4. RECOMMENDED RESPONSE:

DRUG EXPERIMENTATION STATUS

1. SUBJECT/ISSUE (Probable Media Question): What is the status of the research project undertaken by the Army concerning the testing of drugs on humans? How is the LSD follow-up program progressing?

2. BACKGROUND:

-- The Army conducted hallucinogenic drug testing on humans (in house or contract) between the early 1950s and 1975.

-- Hallucinogenic drug testing on humans was stopped in July 1975.

-- The Inspector General research project on this subject has been completed and made available to the public.

-- There have been 741 personnel identified as recipients of LSD under Army control. An additional unknown number received LSD under Army contract.

-- As of 24 September 1976, the Army had located all but 197 of the 741 individuals. Some of these desire and will be scheduled for exams, some are undecided, and from some we have received no answer. Thirty-five individuals have refused the medical examination for one reason or another.

-- Physical exams for LSD recipients began at Walter Reed Army Medical Center in the first week of November 1975. Forty-two individuals have completed examinations at WRAMC. We are nearing Phase II of the program which will provide the medical exams for 50 LSD recipients and an equal number in a control group.

-- We have received responses from three of the four universities which conducted Army sponsored LSD research on humans. Only one contractor had conducted any followup studies. No detrimental side effects were found in those who were followed up for approximately 20 years. The other two contractors could not or would not provide to the Army information on individuals who were tested with LSD.

-- The report of investigation concerning allegations against Dr. Van Sim has been completed by the Inspector General.

3. DOD/MEDIA POSITION:

-- DOD refers all questions on this subject to the Army.

-- Subject has been covered extensively in past months but has not been an active issue recently.

6-9

DRUG EXPERIMENTATION STATUS (Cont'd)

4. CURRENT STATUS (Recommended Response to Question):



6-10

CONTESTED PROMOTION BOARD ACTIONS

1. SUBJECT/ISSUE (Probable Media Question): What is the current status of the various challenges to the officer promotion system?

2. BACKGROUND:

* Army Board for Correction of Military Records (ABCMR).

-- SecArmy approved ABCMR recommendations on 27 Jan 76 to convene new promotion boards with reserve officer membership for 1974/5 promotions to temporary AUS LTC/MAJ/CW4/CW3.

-- Officers, previously nonselected, but selected by these new boards may be eligible for relief upon application to the ABCMR.

-- The decision has no effect on officers promoted or selected for promotion by the original board actions.

-- The reserve officer issue (violation of 10 USC 266) was the only issue raised in which the ABCMR found merit. The right of SecArmy to define secondary zone percentages, to dismiss the recommendations of the boards, and to honor message changes to regulations was upheld.

-- SecArmy declined to return to active duty officers already forced out for two non-selections until final action in their cases by the ABCMR.

-- SecArmy ordered files of officers considered by other 1975 boards lacking reserve officer membership to be reconstituted for possible future action by the ABCMR.

-- The first of the newly convened promotion boards met 30 Mar 76 and the results of the last one were reported to the ABCMR on 18 Oct 76.

-- The new boards have recommended a total of 1183 officers for promotion who were not recommended for promotion by the original boards.

* Litigation.

-- Promotion procedures were challenged in 1975 in US District Courts for Maryland, District of Columbia, New Jersey, Georgia, Texas, Hawaii, Missouri, Massachusetts, Virginia, Alaska, Michigan and South Carolina.

-- All of the 1975 court cases have been dismissed without prejudice to file again when the ABCMR completes its action, or are being held in abeyance on the court docket pending completion of the ABCMR review.

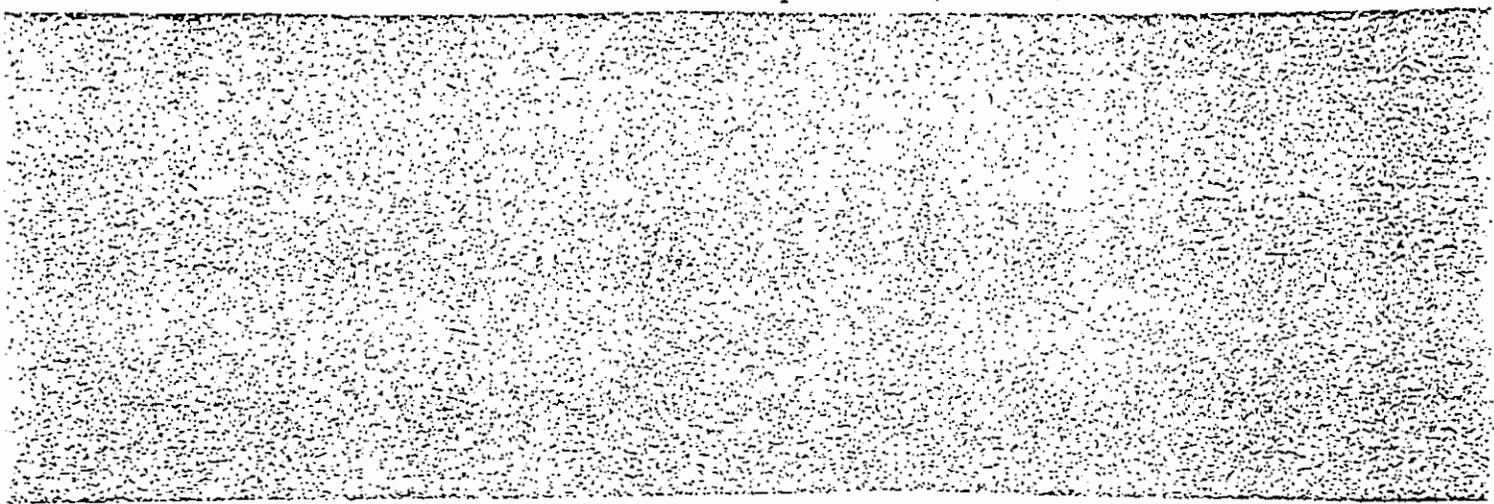
CONTESTED PROMOTION BOARD ACTIONS (Cont'd)

-- In April 1976 four new court cases were filed in Georgia, Colorado, Alaska and the District of Columbia. The Plaintiffs challenged their releases from active duty based on improperly constituted boards and seek immediate restoration to active duty. The Army has a motion to dismiss the Georgia case pending and will file similar motions in the other cases.

3. DOD/MEDIA POSITION:

- DOD refers all questions to the Army.
- Litigation actions are being reported by the media.

4. CURRENT STATUS (Recommended Response to Question):



LAND ACQUISITION

1. SUBJECT/ISSUE (Probable Media Question): What is the current status of land acquisition at Ft Hood and Ft Carson?

2. BACKGROUND:

-- Fort Hood identified a requirement for approximately 60,000 acres of additional training area adjacent to the west boundary of Ft. Hood. The land was needed to provide adequate training and maneuver area for 2 active Army and 1 NG armored divisions, 1 Air Cavalry Combat Brigade, a Corps Support Command and 6 separate battalions.

-- A public hearing was held in February 1976 at Gatesville, TX to discuss the draft Environmental Impact Statement (EIS) prepared to insure consistency with the provisions of the National Environmental Policy ACT (NEPA) of 1969.

-- The FY 77 Military Construction (MCA) request sent to Congress in January 1976 contained \$36.5 million for land acquisition at Ft Hood. However, Congress denied authorization in May 1976. SecArmy had determined that funds will not be requested in the FY 78 MCA program.

-- Fort Carson had identified a requirement for approximately 129,000 acres of additional training area. The land is needed to provide adequate training and maneuver areas to accommodate the live-fire training requirements of units equipped with advanced weapons systems, and to set aside land for recovery through environmental rotation.

3. DOD/MEDIA POSITION:

-- DOD refers all questions on this subject to the Army.

-- Recurring interest - particularly at local level.

4. CURRENT STATUS (Recommended Response to Questions):

5-13

LAND ACQUISITION (Cont'd)

6-14

CIVILIAN USE OF ARMY CONFINEMENT FACILITIES

1. SUBJECT/ISSUE (Probable Media Question): Will the Army permit civilian communities the use of Army confinement facilities to help alleviate overcrowded civilian prison facilities?

2. BACKGROUND:

-- The present condition of low prisoner populations in Army confinement facilities is in sharp contrast to the extremely overcrowded conditions in civilian institutions. Several inquiries as to the feasibility of the use of Army facilities by state and Federal agencies have been received.

-- Three formal requests are on record. The Federal Bureau of Prisons requested the use of the Ft Dix area confinement facility, but was turned down because of continued Army confinement needs. A request from the State of Virginia for facilities at Camp Pickett was not favorably considered due to Reserve training requirements. The State eventually withdrew its request due to estimated renovation costs. The most recent request is from the State of Maryland and proposes State use of the Installation Confinement Facility at Ft Meade.

-- The low Army prisoner population has facilitated plans to maximize the use of the more modern Army confinement facilities and discontinue the use of old outmoded facilities. As a result, current plans call for many temporary structures built during or before World War II to be put to other use, or otherwise disposed of. This action will result in increased facility utilization and in an improved correctional setting for treatment programs.

3. DOD/MEDIA POSITION:

-- DOD refers questions on this subject to the Army.

-- The Army's position has been reported by local news media.

4. CURRENT STATUS (Recommended Response to Question):

G-15

XM-1 AND LEOPARD 2 TANK DEVELOPMENT

1. SUBJECT/ISSUE (PROBABLE MEDIA QUESTION):

Is the competition between the XM-1 and the Leopard 2 fair, or is it slanted to make sure the US version wins? How will the Federal Republic of Germany (FRG) get a fair shake in this kind of atmosphere?

2. BACKGROUND:

-- Both the United States and the Federal Republic of Germany have recognized the need for a new generation of tanks. These new tanks will replace tanks now in the active inventory. As NATO allies, the US and FRG have been cooperating in the development of their prototype models.

-- Since the rollout of the US prototypes at Aberdeen Proving Ground on 3 Feb 76, an atmosphere of direct competition between the US and FRG has been created by press articles and news releases from members of Congress.

3. DOD/MEDIA POSITION:

-- DOD refers questions on this subject to the Army.

-- Interest in the program has decreased since the announcement awarding the production contract to the Chrysler Corporation. Media interest will increase when the XM-1/Leopard II decision is due in March 1977.

4. CURRENT STATUS (RECOMMENDED RESPONSE TO QUESTION):

616

UNIONIZATION

1. SUBJECT/ISSUE (Problem / Media Question): What is the Department of the Army position on unionization?

2. BACKGROUND:

-- American Federation of Government Employees recently amended its charter and by-laws to permit membership of military personnel. No active recruitment program is planned.

-- Anti-union legislation has been introduced into both Houses of Congress.

-- Public remarks by Army leadership have opposed unionization, and reflect the DOD position.

3. DOD/MEDIA POSITION:

-- DOD response to questions is used by all services.

-- Media reaction is generally opposed to unionization. National media has reported on unionization of soldiers in NATO Armies.

4. CURRENT STATUS: (Recommended Response to Question):

6-11

EROSION OF BENEFITS

1. SUBJECT/ISSUE (Probable Media Questions):

How do you feel about the apparent erosion of benefits (commissary, housing, medical, etc.)?

What effect will this have on procurement of officers and enlisted personnel?

2. BACKGROUND:

-- During the past four years personnel in the Army as well as the other Services have perceived the elimination or reduction of many benefits or programs having a significant impact on service attractiveness and morale of service members.

-- These programs/benefits range across a wide spectrum from reduced medical care to termination of United States Armed Forces Institute.

-- The reduction process is perceived as increasing. Examples of this are proposals for termination of appropriated fund support for commissaries, charges for utilities in onpost housing, implementation of a contributory retirement system, and sales taxation of onpost sales.

-- Assessing Quadrennium Review of Military Compensation (QRMC) and benefit package is in process. Program budget decision actions on compensation and benefits preempt QRMC activities.

-- Losses in benefits impact on procurement and retention of top quality people - must be better assessed.

-- As long as the top level chain of command including the President and Congress looks after the soldier's welfare there should be no perception of a need for outside assistance - such as unionization.

3. DOD/MEDIA POSITION:

-- The recommended response is compatible with other services and the DOD.

-- Media reaction has been mixed.

4. CURRENT STATUS (Recommended Response to Question)

6-12

EROSION OF BENEFITS (Cont'd)

H-1

WARNING IN EUROPE

1. (U) SUBJECT/ISSUE: Unreinforced Attack and Warning in Europe.

2. 552 (b)(1) BACKGROUND:

a. Warning of Warsaw Pact attack against NATO is closely related to the preparation/mobilization time of the Warsaw Pact prior to initiation of hostilities.

552 (b)(1)

552 (b) (1)

H-2

3.

4. (U) CURRENT STATUS: Because of the lack of agreement on threat estimates and the importance of agreed estimates for accurate policy guidance for defense planning, the following actions have been initiated:

a. Army has initiated the European Capabilities Enhancement action--an outgrowth of LTC Hollingsworth's report--in JCS to study the impact of several major issues, including warning, relating to the defense of NATO.

b. ACSI, DA, has requested the Defense Intelligence Agency to estimate the most likely warning time available to NATO prior to Warsaw Pact initiated hostilities in Central Europe.

c. ACSI has initiated a recommendation for a national level intelligence estimate addressing warning in Europe.

d. Army is examining several methods to improve its capability to achieve additional warning of attack in Europe.

H-3

552 (b)(1)

2. BACKGROUND:

a. Current US Civil Defense Program. The Federal Civil Defense Act of 1950 provides for a system of civil defense, but does not specify its capability or level of readiness. The current program focuses on saving lives in event of nuclear attack. It does not include protection of industry, or other economic operations, or protection against chemical or biological attack. The program relies on crisis actions ("surging") to develop or rebuild capabilities.

552 (b)(1)

552 (b)(1)

552 (b)(1)

55-2: (b)(1)

H-4

55-2 (b)(1)
and

55-2 (b)(5)

3. (U) DOD POSITION: DOD has not yet taken a formal position on DOD position will be taken upon return of the document from the National Security Council staff for formal agency views.

4. (U) CURRENT STATUS: is essentially complete and ready for submission to the National Security Council for formal agency views and Senior Review Group consideration.

WIRETAP, INVESTIGATIVE MONITORING,
AND EAVESDROP ACTIVITIES (WIMEA)

1. SUBJECT/ISSUE: Status Report

2. BACKGROUND: Army WIMEA policy for law enforcement and intelligence purposes is implemented in DA message, 021847Z August 1974, subject: Army Regulation 381-17, Wiretap, Investigative Monitoring, and Eavesdrop Activities. The message was drafted in order to bring Army WIMEA activities, outside the U.S., into compliance with existing laws and regulations which had previously been held to apply only within the U.S.

3. DOD POSITION: DOD has drafted and is staffing a revised DOD Directive 5200.24, subject: Interception of Wire and Oral Communications, which brings DOD policy into line with current national WIMEA policy.

4. CURRENT STATUS: Draft Army Regulation 381-23, subject: Wiretap, Investigative Monitoring, and Eavesdrop Activities has been coordinated within the Army Staff, and is now being coordinated with appropriate non-DOD agencies.

EXECUTIVE ORDER 11905

1. SUBJECT/ISSUE: Status Report

2. BACKGROUND:

a. On 18 February 1976, the President promulgated Executive Order (EO) 11905, Subject: United States Foreign Intelligence Activities.

b. The EO clarifies the authority and responsibilities of the intelligence departments and agencies, including the Department of Defense, and establishes oversight controls over U.S. foreign intelligence and counterintelligence activities world-wide.

c. The EO imposes restrictions on physical surveillance of U.S. persons, electronic surveillance, physical searches in the U.S. or against U.S. persons anywhere, opening of mail in U.S. postal channels, examination of Federal tax returns, infiltration of organizations, collection of information on the domestic activities of U.S. persons, and assistance to state and local law enforcement agencies. It prohibits political assassination.

3. DOD POSITION: DOD has provided only general guidance in implementing the EO. DOD is the channel for approvals of specific intelligence activities requiring the prior approval of an official above the Department of the Army.

4. CURRENT STATUS: Army implementation of the provisions of the EO is DA message, 292030Z June 1976, Subject: Implementation of Executive Order 11905: United States Foreign Intelligence Activities, as amended. Army Regulation 381-22, Subject: Restrictions on Intelligence Activities, has been staffed and is awaiting final changes and publication. Publication is anticipated o/a 1 February 1977.

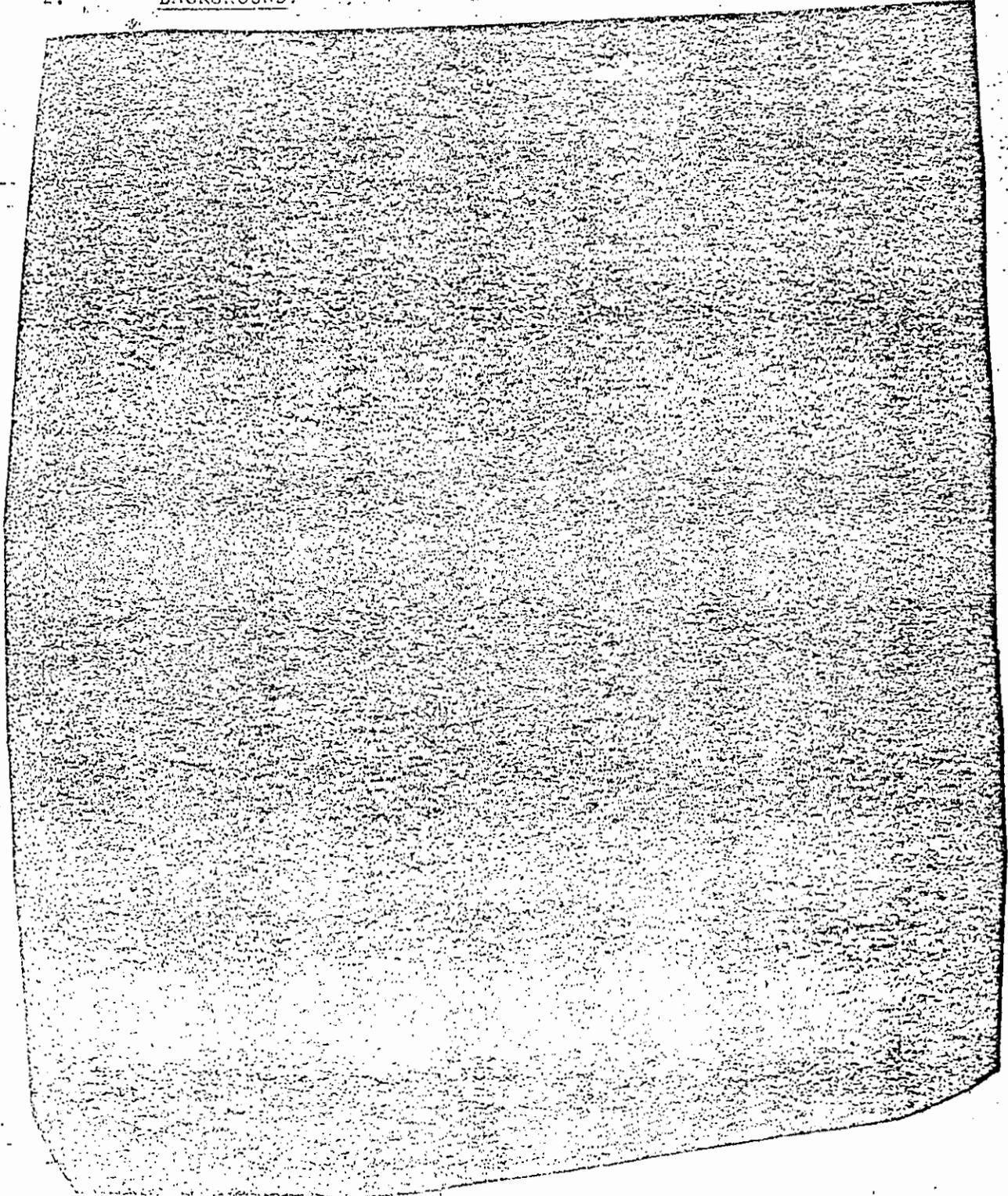
Army: Under Secretary of the Army General Counsel 74 Nov 76

SPECIAL RELATIONSHIP BETWEEN THE ACSI AND USofA

7

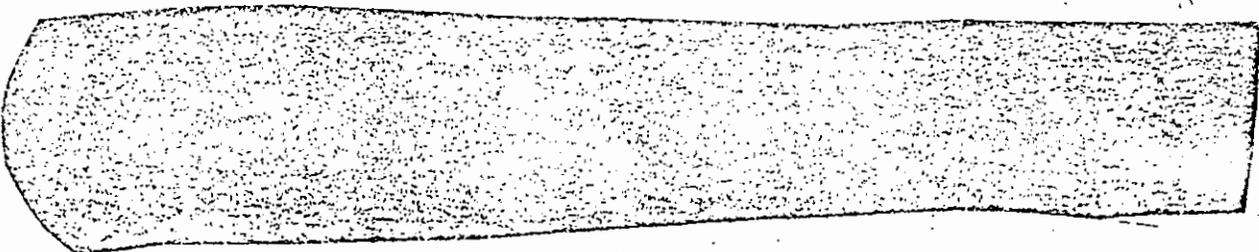
1. (U) SUBJECT/ISSUE: Status Report.

2. BACKGROUND:



5

4-8



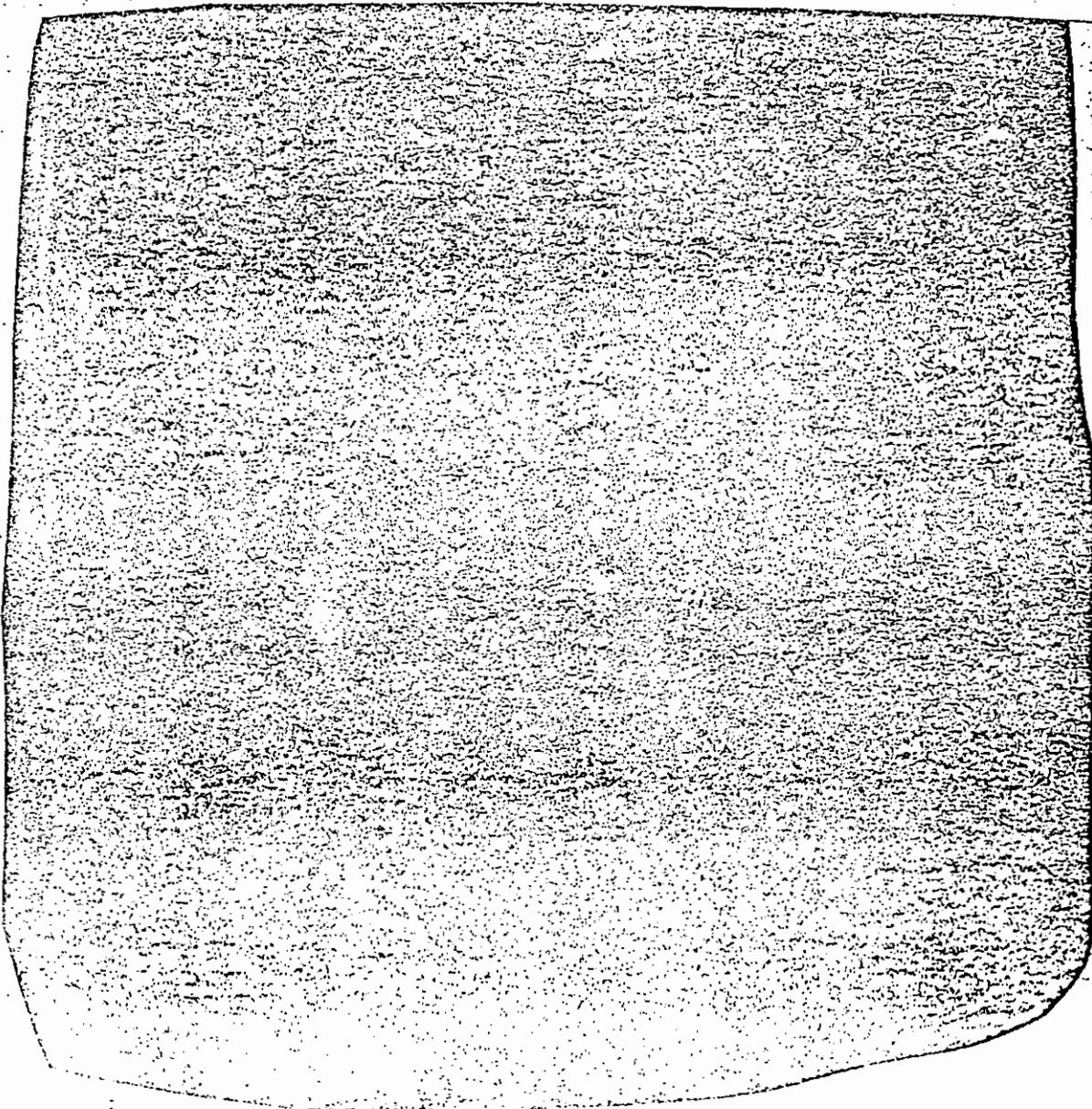
3. (U) DOD POSITION: DOD directives governing intelligence activities incorporate the requirement for Service Secretary/Under Secretary personal oversight in intelligence matters.

4. (U) CURRENT STATUS: DA fully complies with the above cited policies. In addition, the ACSI has frequent personal contact with the Under Secretary of the Army to discuss sensitive intelligence matters.

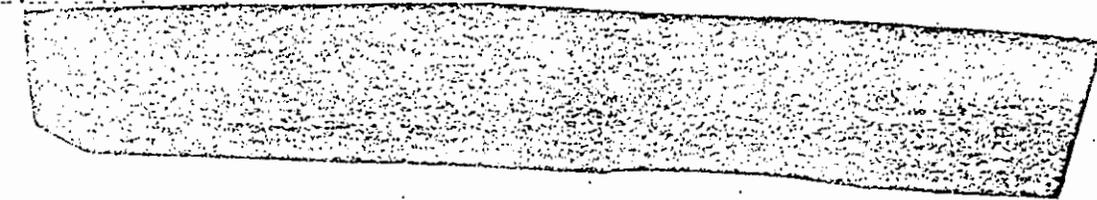
ARMY HUMINT

1. (U) SUBJECT/ISSUE: Army HUMINT restrictions.

2. SSA (b)(1) BACKGROUND:



H-10



→ 4. (U) CURRENT STATUS: Approval of the Secretary or Under Secretary of the Army is required prior to initial contact for assessment of United States persons not employed by DOD.

SOVIET TECHNOLOGY

1. (U) SUBJECT/ISSUE: Soviet Ground Weapons Research and Development (R&D)

2. BACKGROUND: The Soviet ground-force military R&D programs have been very active and very successful. Perhaps the major success of these programs and the weapon-acquisition process has been the Soviet ability to improve the quality and effectiveness of weapons and other materiel while continuing quantitative mass production. The increase in effectiveness results from use of established design resources, coupled with vigorous developmental programs undertaken within the framework of the many systems produced; this success reflects the Soviet commitment to use whatever national resources are acquired to build their armed forces to the high levels they consider necessary. Past practices, such as design-team continuity and incremental improvements to existing systems, provided the base for the current situation in the Soviet Union

55 2 (b)(1)

Soviet military budgets have been increasing over the years, and

55 2 (b)(1)

but this vast military machine obviously presents a formidable threat. Recently deployed improved ground weapon systems include the T-72 medium tank, self-propelled artillery,

55 2 (b)(1)

surface-to-air missile systems.

3. (U) DOD POSITION: Not applicable

4. (U) CURRENT STATUS: Not applicable



1. (U) SUBJECT/ISSUE: Status Report

4-13

H-14
3. (U) DOD POSITION: The Deputy Assistant Secretary of Defense (Administration) is fully aware of the status of this matter and supports the Army position.

I-1

RESPONSIBILITIES/RELATIONSHIP OF
THE INSPECTOR GENERAL AND AUDITOR GENERAL

1. SUBJECT/ISSUE: Responsibilities and relationship of The Inspector General and Auditor General (TIG) in support of the Secretary of the Army (SA) and the Chief of Staff, Army (CSA).

2. BACKGROUND:

a. General Responsibility/Relationship. TIG is a confidential agent of the SA and the CSA. He serves as a member of the personal staff of the CSA and has direct access to SA. He inquires into and reports on matters influencing the performance of mission and the state of discipline, efficiency, economy and morale of the Army.

b. Specific Responsibilities/Relationship.

(1) Conducts inspections, investigations, inquiries, manpower surveys and audits as directed by the SA and CSA, or as prescribed by law and regulation, and reports findings to the CSA or SA. Uses the resources of US Army Audit Agency and DA worldwide IG system to accomplish these tasks.

(2) By direction of SA, receives and acts upon any and all reports of allegations of impropriety made against general officers. Allegations against other senior US Army personnel may be referred to TIG on a selective basis.

(3) Serves as focal point on Army Staff for receipt, assignment and control of all Government Accounting Office reports including dissemination of information concerning GAO activities within DA.

(4) Acts as the Army's Occupational Safety and Health Official; supervises Army Staff safety program activities and worldwide Army Safety Program to include compliance with the Occupational Safety and Health Act of 1970. Reports directly to the CSA and SA on such matters.

(5) Establishes internal review policies and procedures and performs surveillance of the internal review program at DA level.

3. DOD POSITION: NA

4. CURRENT STATUS: NA

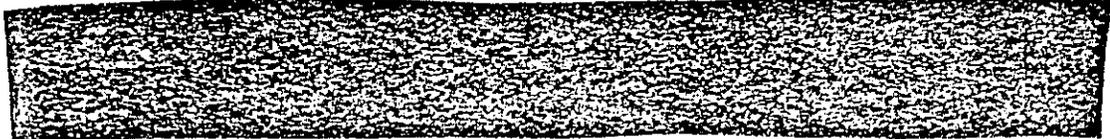
1-2

POSSIBLE VIOLATIONS OF THE ANTI-DEFICIENCY ACT

1. SUBJECT/ISSUE: Ongoing R.S. 3679 Investigation for Procurement Overallocations.

2. BACKGROUND:

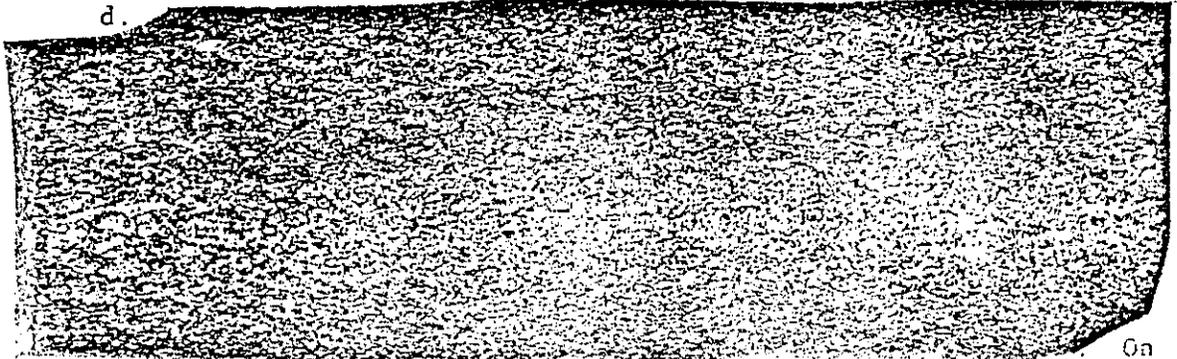
a. The Anti-Deficiency Act, Section 3679 of the Revised Statutes (R.S. 3679), as amended (31 U.S.C. 665), provides that no officer or employee make or authorize an expenditure from, or create or authorize an obligation under, any appropriation exceeding the amount therein.



In November 1975, the Office of The Inspector General (OTIG) was tasked to investigate apparent R.S. 3679 violations in the management of FY 1971 and Prior Procurement of Equipment and Missiles, Army (PEMA 71 and Prior) and FY 1972 Other Procurement, Army (OPA 72) appropriations. The OTIG Report of Investigation (ROI), submitted in February 1976, documented overallocation, overobligation, and over-expenditure violations in both appropriations. The report of R.S. 3679 violation concerning these two appropriations was submitted to the Congress in April 1976.

c. In December 1975, OTIG investigated apparent deficiencies in the management of the FY 73 Ammunition Procurement Appropriation pertaining to the Congressionally imposed Military Assistance Service Funded (MASF) limitation. This investigation also revealed R.S. 3679 violations. In April 1976, another R.S. 3679 report was submitted to the Congress.

d.



On 21 October 1976, the OTIG investigative effort was expanded to encompass all 26 procurement appropriations (through FY 76) for which the Army is responsible.

1-3

POSSIBLE VIOLATIONS OF THE ANTI-DEFICIENCY ACT

1. SUBJECT/ISSUE: Ongoing R.S. 3679 Investigation for Procurement Overallocations.

2. BACKGROUND:

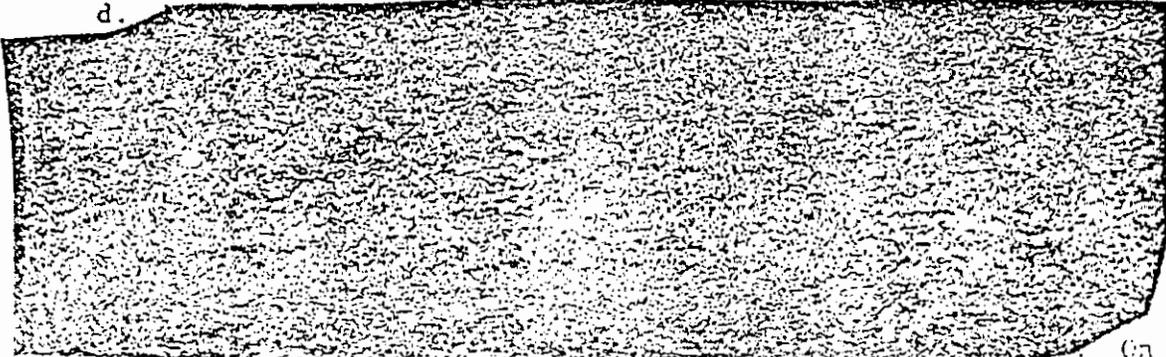
a. The Anti-Deficiency Act, Section 3679 of the Revised Statutes (R.S. 3679), as amended (31 U.S.C. 665), provides that no officer or employee make or authorize an expenditure from, or create or authorize an obligation under, any appropriation exceeding the amount therein.



In November 1975, the Office of The Inspector General (OTIG) was tasked to investigate apparent R.S. 3679 violations in the management of FY 1971 and Prior Procurement of Equipment and Missiles, Army (PEMA 71 and Prior) and FY 1972 Other Procurement, Army (OPA 72) appropriations. The OTIG Report of Investigation (ROI), submitted in February 1976, documented overallocation, overobligation, and over-expenditure violations in both appropriations. The report of R.S. 3679 violation concerning these two appropriations was submitted to the Congress in April 1976.

c. In December 1975, OTIG investigated apparent deficiencies in the management of the FY 73 Ammunition Procurement Appropriation pertaining to the Congressionally imposed Military Assistance Service Funded (MASF) limitation. This investigation also revealed R.S. 3679 violations. In April 1976, another R.S. 3679 report was submitted to the Congress.

d.



On 21 October 1975, the OTIG investigative effort was expanded to encompass all 26 procurement appropriations (through FY 76) for which the Army is responsible.

I-4

3. DOD POSITION: In accordance with DOD Directive 7200.1, reports of R.S. 3679 violations are prepared by DOD components for submission to the Assistant Secretary of Defense (Comptroller) for review and submission by the Secretary of Defense to the President and the Congress.

4. CURRENT STATUS: The USAAA is conducting a selective audit of the 26 procurement appropriations under investigation. The OTIC investigation continues at HQDA and HQ DARCOM to identify responsible individuals. Subsequent legal review, notification of respondents, consideration of respondents' replies, and final adjudication of persons to be held responsible must follow prior to preparation and submission by ASA(FM) of the R.S. 3679 reports of violation through DOD to the President and the Congress.

FOR OFFICIAL USE ONLY

I-5

RESPONSIBILITIES/RELATIONSHIP OF
THE INSPECTOR GENERAL AND AUDITOR GENERAL

1. SUBJECT/ISSUE: Responsibilities and relationship of The Inspector General and Auditor General (TIG) in support of the Secretary of the Army (SA) and the Chief of Staff, Army (CSA).

2. BACKGROUND:

a. General Responsibility/Relationship. TIG is a confidential agent of the SA and the CSA. He serves as a member of the personal staff of the CSA and has direct access to SA. He inquires into and reports on matters influencing the performance of mission and the state of discipline, efficiency, economy and morale of the Army.

b. Specific Responsibilities/Relationship.

(1) Conducts inspections, investigations, inquiries, manpower surveys and audits as directed by the SA and CSA, or as prescribed by law and regulation, and reports findings to the CSA or SA. Uses the resources of US Army Audit Agency and DA worldwide IG system to accomplish these tasks.

(2) By direction of SA, receives and acts upon any and all reports of allegations of impropriety made against general officers. Allegations against other senior US Army personnel may be referred to TIG on a selective basis.

(3) Serves as focal point on Army Staff for receipt, assignment and control of all Government Accounting Office reports including dissemination of information concerning GAO activities within DA.

(4) Acts as the Army's Occupational Safety and Health Official; supervises Army Staff safety program activities and worldwide Army Safety Program to include compliance with the Occupational Safety and Health Act of 1970. Reports directly to the CSA and SA on such matters.

(5) Establishes internal review policies and procedures and performs surveillance of the internal review program at DA level.

3. DOD POSITION: NA

4. CURRENT STATUS: NA

I-6

3. DOD POSITION: In accordance with DOD Directive 7200.1, reports of R.S. 3679 violations are prepared by DOD components for submission to the Assistant Secretary of Defense (Comptroller) for review and submission by the Secretary of Defense to the President and the Congress.

4. CURRENT STATUS: The USAAA is conducting a selective audit of the 26 procurement appropriations under investigation. The OTIG investigation continues at HQDA and HQ DARCOM to identify responsible individuals. Subsequent legal review, notification of respondents, consideration of respondents' replies, and final adjudication of persons to be held responsible must follow prior to preparation and submission by ASA(FM) of the R.S. 3679 reports of violation through DOD to the President and the Congress.