



WASHINGTON UPDATE



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PRESIDENT ASKS \$267.6 BILLION FOR DOD IN FY 1993 as part of a \$1.52 trillion federal budget. This \$267.6 billion in budget authority is \$10.3 billion less than submitted for FY 1993 in the FY92/93 biennial budget a year ago. The president also proposed cutting the DoD six-year plan for FY 1992-1997 by \$63.8 billion, which includes \$50.4 billion in defense program cuts and \$13.4 billion in adjustments for reestimated inflation.

The big cuts for FY 1993 are in research, development and acquisition, with only minor additional cuts in the military operations and personnel accounts. The DoD budget, as submitted, would protect the Base Force proposed a year ago. Some of the major DoD casualties or slippages in weapon systems include:

- B-2 Stealth Bomber (stop after 20);
- Minuteman III ICBM (terminate);
- Seawolf Submarine (terminate);
- Comanche Helicopter (defer production—major slippage);
- Air Defense Antitank System (terminate).

The Strategic Defense Initiative (SDI) program, on the other hand, is alive and well with renewed emphasis on theater missile defense and Global Protection Against Limited Strikes. The FY 1993 budget requests \$5.3 billion for SDI.

Reflecting late juggling in the DoD program, the budget backup documents that show line-item detail for both procurement and RDT&E (known as P-1 and R-1 respectively) are still unavailable. Expect these early next month.

Both the size and structure of these reductions will be extensively debated in Congress. Some congressional proponents would cut \$100 billion and more from defense including additional strength and structure reductions over the six-year period.

PROTECTING PEOPLE TOP ARMY PRIORITY, even at the cost of some major weapon systems. When the Bush administration called for deeper cuts in defense spending, the Army opted to defer such items as the Block III tank and the light helicopter rather than reduce troop strength any further than previously planned. The Army's FY 1993 budget contains no personnel cuts beyond those already scheduled. (In FY 1993 the active Army is projected to lose 41,800 soldiers, the Army Reserve 44,340 and the National Guard 48,100.) In a Jan. 30 budget statement, Army Chief of Staff Gen. Gordon R. Sullivan expressed confidence that the president's budget will "... keep us on the right track as we evolve into a smaller, post-industrial fighting force It will break the mold of 'armistice ... followed by recklessness' and avoid the dangers implicit in a hollow Army."

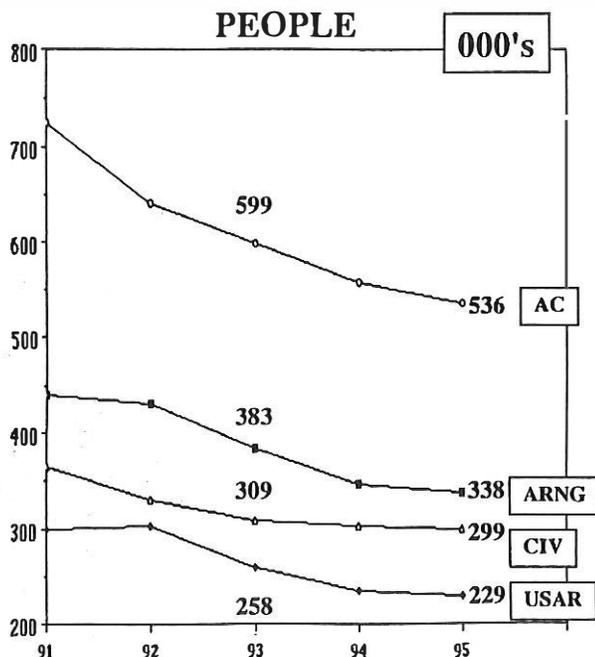
CHENEY, POWELL DEFEND FY93 MILITARY BUDGET before Congress, armed with charts and graphs in support of their argument that drawing down the military too far and too fast would greatly undermine both combat effectiveness and future recruiting for the all-volunteer force. Testifying before the Senate Armed Services Committee on Jan. 31 in the first of many such appearances, Defense Secretary Dick Cheney said that proposals to cut the defense budget even deeper "would end up destroying the finest military force this nation has ever fielded." Addressing congressional determination to maintain reserve force levels even at the expense of other critical programs, Joint Chiefs Chairman Gen. Colin Powell said, "This risks a return to the hollow forces of the past, unable to execute assigned missions when called upon." Asked to be specific about potential threats facing the United States, he replied that "the primary threat to our security is ... being unprepared to handle a crisis or war that no one expected or predicted." Faced with proposals calling for additional cuts of \$50 billion to \$150 billion over five years, Powell reminded his listeners, "This is a reshaping, not a demobilization."

ARMY TAKES ADDITIONAL CUTS IN FY 1993 with its share of the DoD budget shrinking to less than 24 percent. A summary of Army funding (in total obligation authority) is shown below. These numbers are in current dollars, not adjusted for inflation.

Appropriation	FY92	FY93
MILPERS	29.8	28.7
O&M	21.1	20.0
PROC	7.6	6.8
RDT&E	6.4	5.4
MILCON	1.2	1.1
Housing	<u>1.6</u>	<u>1.6</u>
	67.7	63.6 *
Desert Storm	<u>+ 4.4</u>	
Grand total	72.1	

*Note: Approximately \$4.1 billion, primarily medical, was transferred to DoD accounts in FY93.

The projected Army program through 1995 continues the planned personnel reduction curve laid out a year ago. The proposed reduction in the reserve components is expected to remain a major congressional issue.



The major squeeze for the Army is in equipment modernization. The authorization for upgrade of M1 tanks to M1A2, as well as production of a limited number of

M1A2s, is not being pursued and is the subject of an OSD rescission request. The Comanche helicopter program, while remaining in R&D, will be restructured by deferring procurement and focusing on building prototypes. The Air Defense Antitank System will be terminated. The other major development program, Armored Systems Modernization (ASM), will be restructured with a new Block III tank deferred until after 1997 and LOSAT also postponed. ASM will remain an active R&D program, however, with the Advanced Field Artillery System and the Field Artillery Supply Vehicle-Ammunition as the lead systems.

	FY92 (Qty/\$Mil)	FY93 (Qty/\$Mil)
Procurement		
Guardrail Common Sensor	6/195.8	5/111.9
AH-64 Apache	/206.9	/147.8
UH-60 Black Hawk	60/334.2	60/252.4
TOW2	10,000/210.4	9,440/183.1
MLRS Launcher	44/136.6	44/197.3
Hellfire Missile	112/ 19.7	2,543/117.7
ATACMS	300/170.9	351/188.3
M109 Howitzer	/126.1	/125.4
SINGARS Radio	/287.6	/223.2
Reserve Component		
Automation	/153.7	/152.2
Tactical and Support Vehicles	/839.0	/882.1
Research and Development (\$Mil)		
Armored Systems Modernization	331.1	396.9
Light Helicopter	538.8	443.0
LOSAT	139.8	138.9
SATCOM Ground	113.4	137.0
Javelin (Antitank Weapon System)	119.8	91.4
Brilliant Antitank Munition (BAT)	115.7	121.5

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SENATE BUDGET CHAIR PROPOSES OWN CUTS that would double the president's budget reductions. Senator Jim Sasser (D-TN) says his proposed outlay cuts of some \$100 billion would involve the reduction of active military forces by 750,000 people (compared to the administration's cuts of 450,000). Sasser's proposal would also cut reserve forces by 400,000 as compared with the administration's cut of 200,000. Under the Sasser plan, active Army divisions would be reduced to 10 (compared to an administration cut to 12). While the president's plan calls for reducing the active Army from its 1990 level of 744,000 to 536,000 by 1997 (a cut of 28 percent), Sasser advocates a 41 percent cut that would drop Army strength to 442,000. Also, the senator's plan would cut Army National Guard by 43 percent and Army Reserve by 40 percent, compared to proposed administration cuts of 27 percent and 23 percent respectively.

DOD SEEKS TO RESCIND \$225 MILLION for M1 tank upgrade, plus another \$196.3 million for purchase of new M1A2 tanks. This request to Congress to cancel these and other programs previously authorized and appropriated is an annual exercise in which the Secretary of Defense asks that the money not be spent on programs that he has determined are not needed. This year's overall rescission request totals \$2.9 billion from both the FY91 and FY92 budgets.

In addition to the tank programs, other significant Army programs on the DoD rescission list include:

	(\$ in Millions)
Bradley Fighting Vehicles	- 50.0
OH-58D/AHIP Helicopters	-133.0
FAASV	- 60.0
MK-19 Grenade Launcher	- 17.6
RDT&E, Army	-147.5
O&M, Army	- 92.8
MILCON, Army	- 9.0

83 MORE EUROPE BASE CUTS were announced Jan. 30 under the latest and largest round of the European Base Realignment Plan, bringing the total number of installations at which the U.S. will end or reduce its operations in Europe to 463. Ten of the installations—all in Germany—have more than 1,000 authorized billets. Nearly 17,000 military members, 1,300 U.S. civilian employees and 7,500 local national employees will be affected by the return of these installations.

U.S. ARMY EUROPE'S NEW FACE reflects a decline in the number of soldiers from 195,000 in September 1990 to 147,000 as of January 1, 1992. That number is expected to be reduced to 92,000 by September 1993, rather than by 1995 as originally planned. Farewell ceremonies marking the withdrawal of the 3d Armored Division from Frankfurt and the 8th Infantry Division (Mechanized) from Bad Kreuznach were held on Jan. 17. Inclusion of sites at Nuremberg and Garlstedt on the base closure list released Jan. 30 indicates the imminent departure of the 2d Armored Cavalry Regiment and the 2d Armored Division (Forward), although no formal announcement has been made. More unit withdrawals are expected as the U.S. military accelerates efforts to reduce its presence in Europe. According to Army Chief of Staff Gen. Gordon R. Sullivan, the pace of the drawdown, which will leave V Corps as the only U.S. corps in Europe after VII Corps deactivates, is "progressing appropriately and ... being well managed."

MOBILITY STUDY LAMENTS LACK OF CARGO SHIPS, recommends buying or converting 22 additional sealift ships and expanding the fleet of Ready Reserve vessels nearly 50 percent by the turn of the century. The Mobility Requirements Study, delivered to Congress by the Joint Chiefs of Staff in late January, anticipated by only a few days the president's FY 1993 budget request of \$1.3 billion for military sealift. Congress had already earmarked \$1.9 billion for this purpose in FY 1990-92.

The JCS study also calls for prepositioning at sea sufficient equipment to outfit a heavy Army brigade, a plan the Army does not endorse. Pointing out the expense of maintaining one set of heavy equipment on board a ship and another to be used for training purposes, the Army urges a greater reliance on surge sealift capability to transport heavy forces to crisis areas outside the United States.

RECRUITING COMMAND CUTBACKS continue in 1992 with the closing of U.S. Army Fourth Recruiting Brigade at Fort Sheridan, IL, and battalions in Cincinnati, Detroit, San Francisco, Richmond, VA, and Newburgh, NY. Eight battalions were closed last year as part of a continuing program to restructure the organization to fit a smaller Army and a shrinking defense budget.

SENATOR NUNN OFFERS EARLY RETIREMENT, with reduced pay, for military members with 15-20 years' service. Armed Services Committee Chairman Sam Nunn's proposal would allow people in overstrength skills to retire after 15 years with immediate pay of 2.5 percent of base pay multiplied by the number of years served. Qualified personnel would also be eligible for all other military retirement benefits, including medical care and exchange and commissary use. The Nunn proposal would also permit early retirees to earn extra retirement credit by entering such public service fields as health care, law enforcement and education. Another provision would allow military people in certain nontransferable skill areas to attend college or vocational school for a year while receiving active-duty pay. If the Nunn plan becomes law, it would also provide retraining for civilian workers who lose their jobs because of base and defense plant closings.

EARLY-OUT PLAN REINSTATED with rule changes. The Army's Enlisted Voluntary Early Transition Program was suspended Jan. 17, more than two months ahead of schedule, to give officials a chance to evaluate military specialty strengths. The voluntary transition plan (not to be confused with the Voluntary Separation Incentive and Special Separation Benefit plans, both limited to soldiers with six to 20 years' service) was open to almost all soldiers with at least three years' service. Since its inception on Oct. 1, 1991, the program had attracted more than 20,000 volunteers (four times the number anticipated by Army planners), most in pay grades E-4 and E-5 with three to six years' service. A Jan. 30 Army message reinstating the early-release program limits future participation to soldiers in 20 overstrength specialties, primarily in the Artillery and Signal fields. Under the revised program, eligible soldiers with at least three years' active service can apply for early release through April 30.

AT&T OFFERS TRANSITION GUIDE for soldiers getting out of the Army. Designed to help service members map out a civilian career, *AT&T Transition Lifeguide* covers a wide range of topics, including transition resources, severance benefits, relocation, civilian employment opportunities and career planning. To get your copy, write to AT&T Transition Lifeguide, P.O. Box 516, Elizabeth, NJ 07209-9990.

BUDGET REQUESTS 3.7% MILITARY RAISE ON JAN. 1, 1993, as White House officials scramble to correct an oversight in the president's FY 1993 budget proposal. As it reads, the request would have resulted in delays in both civilian and military pay hikes next year. The president's initial proposal, which called for civilian pay increases to be postponed until April 1, 1993, failed to address the link between military and civilian pay raises established by the Federal Employees Pay Comparability Act of 1990. Congress is expected to pass the special legislation submitted by the White House to break the link, thus opening the door to a Jan. 1 raise for military members and a delayed April 1 raise for civilian employees.

ARMY MEETS RECRUITING GOALS for FY 1991 with 78,200 enlisted accessions. Of the 74,200 nonprior-service (NPS) enlistees, 72,500 or 98 percent were high school diploma graduates. The Army also posted a slight increase over FY 1990 in the number of NPS enlistees scoring average or above on the enlistment test. These figures should reassure those who feared that Desert Storm would have a negative impact on recruiting and put a stop to earlier predictions that a drawdown in numbers would be accompanied by a drawdown in quality as well.

AUSA ILW WRITING PROGRAM is seeking quality manuscripts for publication under the association's expanded education program. The Land Warfare Papers program provides an outlet for scholarly research papers (5,000-10,000 words) on defense and national security subjects. The Landpower Essay Series covers original essays of not more than 2,000 words on the landpower aspects of national security. For additional information and guidelines for submitting manuscripts, call (703) 841-4300, extension 320.

ILW'S MOST RECENT EDUCATIONAL PUBLICATION is *U.S. Defense Industrial Base Preparedness* (Landpower Essay No. 92-1), by Col. John W. McDonald. Col. McDonald prepared this essay while serving as a consultant in support of the AUSA Institute of Land Warfare seminar series on the defense industrial base, conducted in January and February 1992. To obtain copies of this and other ILW publications, write to ILW, 2425 Wilson Boulevard, Arlington, VA 22201, or call 1-800-336-4570, extension 308.