



WASHINGTON UPDATE



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PRESIDENT CLINTON'S ECONOMIC PLAN, announced Feb. 17, calls for defense spending cuts of \$127 billion in budget authority by 1997 from the proposal of former President Bush. Details of just where the cuts will come must wait until release of the Clinton FY 1994 Defense budget—expected around the end of March. All that is known to date is that the President plans a 1.4 million active-duty force (vice Bush's 1.6 million); cuts the U.S. force in Europe to about 100,000, (Bush projected 150,000); freezes the SDI program at \$3.8 billion a year, (Bush saw \$6.3 billion request for FY 1994 alone); and imposes a freeze on federal pay increases in 1994 and limited raises thereafter. The chart below shows the proposed budgets through FY98.

	Budget Authority (In billions of dollars)				
	1994	1995	1996	1997	1998
Bush Baseline:	275.5	278.0	278.3	284.6	293.4
Clinton Campaign \$60 billion cut:	-11.8	-15.2	-24.5	-36.2	-39.2
Clinton Defense Budget: (Submitted to OMB)	263.7	262.8	253.8	248.4	254.2

APPOINTMENTS SLOW IN COMING, resulting in a general "who's in charge" attitude throughout the government. By their very nature, the military services continue to march despite a lack of civilian appointees at the top. Of the 45 DoD appointments that require Senate confirmation, only Secretary Les Aspin has so far been anointed.

Meanwhile, five Bush administration holdovers have been asked to stay on in the interim, including Army undersecretary John W. Shannon who is serving as acting Secretary of the Army. A similar situation exists in all the services and, in fact, through the whole government. Only 21 of 290 possible appointees had been confirmed by March 1.

ASPIN'S \$10.8 BILLION BUDGET CUT hits the Army to the tune of \$2.5 billion. The Army reportedly met the Defense Secretary's Feb. 2 order to cut that amount from a \$64.1 billion proposed FY 1994 budget by offering to cancel a number of major weapons now in production or development and by accelerating the draw-down of troops from Europe. How many of these will make it through the budget process is pure speculation at this point. The specific reductions won't be known until President Clinton sends his FY 1994 budget to Capitol Hill (expected late March), but "Pentagon officials" have commented in the media that the Army proposes to cut:

- \$434 million from UH-60 Blackhawk helicopter procurement;
- \$350 million from the family of Medium Tactical Vehicles program;
- \$102 million from TOW-2B antitank missiles;
- \$154 million from the High Mobility Multipurpose Wheeled Vehicle-light;
- \$40 million each from each from Hawk product improvement and MLRS production; and
- \$137 million from ammunition accounts.

Media speculation has it that the Army has also proposed accelerating its troop reduction in Europe there to 60,000 by the end of FY 94.

NEW HASC CHAIR Ron Dellums (D-CA), who succeeds now-Secretary of Defense Les Aspin, is a 22-year congressional veteran with a reputation for peace activism. Following his assumption of the House Armed Services Committee chairmanship on Jan. 28, Dellums told reporters that his tenure would begin with a careful study of the defense budget, including roles and missions, security threats, and resource requirements. He said the Clinton administration will likely submit a defense budget reflecting deeper cuts than promised during the presidential campaign.

ROLES AND MISSIONS REPORT RELEASED.

Chairman of the JCS Gen. Colin L. Powell, submitted his long awaited report to the Secretary of Defense Feb. 12. Formally titled *Roles, Missions and Functions of the Armed Forces of the United States*, the report now awaits approval by Defense Secretary Les Aspin.

Powell qualified the report as representing only a snapshot in a continuing process of evaluation. He pointed out some adjustments have already been made: the creation of a U.S. Strategic Command, the elimination of nuclear functions for the Army and Marine Corps, no more offensive chemical weapons, and an expanded program for strategic lift.

Some of the recommendations of particular import to the Army include:

- **Joint Hq for U.S.-based forces.** A single joint combatant command for training and readiness of U.S.-based forces. This would be consolidated with the U.S. Atlantic Command and would combine forces of the Army's Forces Command, the Atlantic Fleet, Air Combat Command and Marine Forces Atlantic.
- **Depot Maintenance.** Establish a Joint Depot Maintenance Command and consolidate some maintenance depots of the services.
- **Close Air Support.** Include attack helicopters as close air support assets and realign and clarify functions and doctrine so that CAS is a primary mission area for *all* the services.
- **Contingency and Expeditionary Forces.** Determined that the capabilities of the contingency and expeditionary forces in the Army and Marine Corps provide decision makers with valuable alternatives and should be retained.
- **Theater Air Defense.** The current functions, with each service providing theater Air Defense (TAD) assets, gives the best protection of forces. A change in functions would severely disrupt the current structure, provide little benefit, and waste taxpayer dollars.

DEFENSEDEPT. RESTRUCTURING, set in motion by Secretary of Defense Les Aspin, focuses more on national security matters and less on conventional military concerns. Three of the four undersecretaries (Personnel/Readiness, Financial Management, Technology and Hardware) will deal with the nuts-and-bolts aspects of defense. However, under the purview of the undersecretary for Defense Policy will be assistant secretaries for Regional Security, Economic and Environmental Security, Democratic Security, and Nuclear Security and Counter Proliferation — areas traditionally associated more with the State Department than with Defense.

Not all of Aspin's appointments had been announced at press time. Those available include Deputy Secretary William J. Perry; undersecretaries Frank G. Wisner (Defense Policy) and his deputy, Walter B. Slocombe, and John Deutch (Technology and Hardware); and assistant secretaries Morton H. Halperin (Democratic Security), Ashton B. Carter (Nuclear Security and Counter Proliferation) and Edward Warner III (Strategy and Resources).

COURT STIRS BASE CLOSING POT with a ruling prohibiting the Army from transferring tactical missile maintenance work from Anniston Army Depot, AL, to Letterkenny Army Depot, PA, until it can be competitively bid between the two facilities. The Army is expected to appeal the ruling, handed down by Judge Robert Propst of the U.S. District Court for the Northern District of Alabama. In the meantime, however, the Department of Defense has also called a halt to transfers of work from Sacramento Army Depot, CA, Tobyhanna Army Depot, PA, and Red River Army Depot, TX.

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Col. Tom Byrne, USA Ret. - Editor
Santee Daugherty - Assistant Editor
2425 Wilson Blvd., Arlington, VA 22201
Phone: 703-841-4300 FAX: 703-525-9039

NEW ETHICS RULES IN EFFECT since Feb. 3 uphold the 1989 Ethics Reform Act ruling prohibiting all federal employees and military officers from receiving honoraria for making speeches or writing articles outside their regular duties, even if the speeches or articles are in no way related to those duties. A ruling by a District of Columbia federal judge that the honoraria ban violates the First Amendment right to freedom of speech and is therefore unconstitutional has been appealed (the outcome is still pending), but this in no way affects the validity of the ban as set forth by the Office of Government Ethics' "Standards of Ethical Conduct for Employees of the Executive Branch." The document does, however, contain a number of exceptions to the ban; more specific information is available from local ethics counselors.

7TH DIVISION MOVE ON HOLD pending an Army review which could result in the division's deactivation. The 1st Brigade, along with some support elements, is moving from Fort Ord, CA, to Fort Lewis, WA, as planned, but the rest of the 7th will remain at Ord while the Army determines which divisions should be cut to comply with the Bush administration's 1990 decision to cut the number of active divisions from 18 to 12. Sources say that Lewis will receive another division if the 7th is deactivated, but that plan could be derailed if further reductions are directed.

Other light divisions being considered for possible deactivation reportedly include the 6th Division (Fort Wainwright, AK), the 10th Mountain Division (Fort Drum, NY) and the 25th Division (Schofield Barracks, HI).

DEFENSE CONVERSION COMMISSION REPORT estimates that more than 900,000 defense industry jobs will be lost by 1997 under the current drawdown, with Seattle, St. Louis, Connecticut and Southern California hit the hardest. The 85-page report, *Adjusting to the Drawdown*, estimates that the effect on the national economy will be a reduction in GDP of less than .5 percent and an unemployment increase of only about .5 percent over what could have been expected had defense spending continued at 1992 levels. The seven-member panel recommends that "dramatic and immediate" steps be taken to integrate military and commercial technologies, processes and products.

DEPOT CONSOLIDATION PROPOSED as a result of Joint Chiefs Chairman Gen. Colin Powell's roles and missions report. According to the study, there is currently 25 to 50 percent more depot capacity than will be required in the future, with unnecessary duplication "throughout the individual Service depots. ... Closure of seven or eight of the thirty military depots is the first step in reducing excess capacity and substantially reducing long-term costs." The report recommends establishment of a Joint Depot Maintenance Command "to reduce and restructure depot-level maintenance," with the services recommending depot closures and consolidations to the Base Realignment and Closure (BRAC) Commission.

The Army does not favor the Joint Depot Command concept. Instead, it prefers a depot maintenance organization based on the executive manager concept, with the predominant designated user the DoD maintenance manager.

SEPARATION BENEFITS IMPROVE under the 1993 Separation Incentive Program, with most entitlements aimed at bringing the Voluntary Separation Incentive in line with the Special Separation Benefit. Changes include:

- Montgomery GI Bill benefits for soldiers not previously enrolled;
- a two-year extension of commissary, exchange and recreation privileges;
- 120 days of transitional medical care;
- hiring priority in nonappropriated fund activities;
- continued use of family housing for 180 days after separation;
- continued enrollment in Defense Department schools until graduation for high school seniors;
- transportation of household goods anywhere in the United States with six or more years of service;
- elimination of the mandatory pay offset for VSI soldiers on reserve status.

RETROACTIVE BENEFITS ENTITLEMENTS

formore than 55,000military personnel who took advantage of either the Voluntary Separation Incentive or the Special Separation Benefit between Dec. 5, 1991, and Oct. 22, 1992, have been directed by the 1993 Defense Authorization Act. The Defense Department has authorized the services to notify eligible personnel of the following new benefits and the requirements for application.

- 120 days health care after separation;
- Authority for VSI takers to buy 18 months of Uniformed Services Voluntary Insurance coverage for pre-existing medical conditions;
- reimbursement for transportation and storage of household goods during the year following separation;
- exchange, commissary and recreation privileges for two years for VSI recipients.

SELECTIVE EARLY RETIREMENT/RELEASE BOARD

results have been announced. The SERBs, which met in October and November, selected 179 colonels, 143 lieutenant colonels and 60 majors in the Army Competitive Category for early retirement. In the Medical Service Corps, 64 field grade officers (colonels, lieutenant colonels and majors) were selected for early retirement, as were 106 colonels and lieutenant colonels in the Army Nurse Corps, Veterinary Corps, Dental Corps and Chaplain Branch. FY93 marks the first time warrant officers have been considered, resulting in the selection of 89 chief warrant officers (Grade 4) and 166 chief warrant officer threes for early retirement.

ABORTIONS AT OVERSEAS MILITARY HOSPITALS

will again be available for military and dependent women as soon as guidelines can be established — a process that could take months. On Jan. 22, President Clinton reversed a five-year-old Reagan administration policy prohibiting abortions in U.S. military hospitals overseas, but such issues as the cost of the procedure, who will pay for it, and whether military medical personnel may decline to participate on moral grounds must be resolved before any abortions will be performed.

ARMY CAREER AND ALUMNI PROGRAM REACHES OUT

to remote overseas areas and overcrowded sites with two new initiatives:

- transition assistance packets (including government and commercial reference materials and a video explaining available benefits and services and teaching job-search skills) for officers assigned to remote overseas sites who are separating under reduction-in-force or selective early retirement;
- “surge” teams to deploy to installations and sites scheduled for a one-time intensive drawdown with portable data processing equipment and other automated job assistance tools to supplement the efforts of existing Job Assistance Centers.

LATEST ILW PUBLICATIONS:

NEW - *THE NATURE OF THE GLOBAL THREAT AND RELEVANCE TO ARMY MISSIONS*, (Background Brief #47) discusses threats to U.S. interests, to include selected countries from major geographic regions, and the nature of future military operations that will have to be mounted to meet these threats.

NEW - *ARMY ISSUE: LAND FORCE DOMINANCE* (Background Brief #48) the first in a series of upcoming Army issue papers, addresses the importance of “overmatch” capabilities that enable the Army to dominate any future battlefield.

NEW - *ARMY ISSUE: CLOSE AIR SUPPORT* (Background Brief #49) discusses the Army’s and the other service’s role in this important mission area.

NEW - *ARMY ISSUE: ARMY RECRUITING* (Background Brief #50) points out the continued importance of recruiting and advertising in obtaining quality people to serve in the army.

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