



WASHINGTON UPDATE



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DOD'S FY95 BUDGET = \$252.2 BILLION. The first of a five-year program based on Les Aspin's Bottom-Up Review, DoD's FY95 budget differs from the FY94 by altering priorities and force structure.

The big numbers are shown below:

DoD Budget Authority By Title (\$ billions)		
	FY94	FY95
Military Personnel	70.8	70.5
Operation and Maintenance	88.0	92.9
Procurement	44.5	43.3
RDT&E	34.8	36.2
Military Construction	6.0	5.0
Family Housing	3.5	3.3
Other	1.5	0.9
Total	249.0	252.2

In current dollars, the new budget is slightly up from FY94, but when inflation is considered, it shows a decline in real terms of about one percent. This is the 10th consecutive year for a decline in defense buying power, which has shown an overall decrease of 33 percent (procurement is off 60 percent) since 1985.

The \$5 billion increase in operations and maintenance puts the focus on force readiness, a cost that is partially offset by cutting procurement and military construction. Strength cuts throughout the year will mean an average monthly loss of 7,100 active military, 3,800 reserve component and 4,100 civilian employees.

\$61.1 FY95 BUDGET CUTS ARMY to 510,000 soldiers in 12 active divisions. Further decreases are projected to 495,000 troops in 10 divisions by FY99. Army reserve component strength will be down to 640,000 in FY95 and 575,000 by FY99. DA civilian strength is planned for 281,000 by the end of FY95 and about 270,000 by FY99. The breakout of the Army budget by major title is indicated below:

Army Total Obligation Authority (\$ billions)

	FY94	FY95
Military Personnel	26.8	26.1
Operations & Maintenance	19.7	21.5
Procurement	6.9	6.1
RDT&E	5.4	5.3
Military Construction	.9	.8
Family Housing	1.3	1.3
Total	61.0	61.1

The increased funding for operations and maintenance recognizes readiness requirements, but boding poorly for modernization is the combined procurement and RDT&E total of only \$11.4 billion — half the FY89 budget in real terms. (Procurement is only 40 percent of the buying power of FY89.) The Army is modernization poor, and this budget merely defers the problem.

Included in the budget is a 1.6 percent pay increase for both military and civilian personnel.

Selected FY95 procurement highlights (\$ millions):

• Black Hawk Helicopter	393
• Family of Medium & Light Tactical Vehicles	383
• SINCGARS Radios	367
• Paladin Howitzer Upgrade	240
• M1 Tank Upgrade	186
• Bradley base sustainment	145
• Javelin Advanced Antitank Weapon	131
• Army Tactical Missile System	116

Selected RDT&E programs:

• RAH-66 Comanche Armed Reconnaissance Helicopter	525
• Longbow Mast-Mounted Fire Control Radar	191
• Brilliant Antitank Missile	109

FY95 program terminations include MLRS procurement, Avenger air defense weapon procurement, and the non-line-of-sight fiber optic missile RDT&E. The XM8 armored gun system was slipped one year.

REACTIONS TO BUDGET MIXED. Views being expressed on Capitol Hill and elsewhere range from those who believe defense spending can be cut more to those who believe it has already been reduced too much and too fast.

Defense Secretary William Perry told the Senate Armed Services Committee that the budget supported the concepts of the Bottom-Up Review and there was no room for additional cuts. JCS Chairman Gen. John Shalikashvili confirmed that "deeper cuts would put our country in a straitjacket."

House Armed Services Committee chairman Ron Dellums (D-CA) still believes the defense program is over-structured and that considerable reshaping can be done to reduce military expenditures.

Concerned that defense funds may be diverted to other programs, Senate Budget Committee member Pete Domenici (R-NM) plans to offer a bill that would restore the "firewall" rule specifying that further defense cuts could only be applied to reducing the deficit and precluded their diversion to other domestic programs. Sen. Sam Nunn (D-GA) has also stated interest in reestablishing the firewall.

DOD TO TRY AGAIN ON RC CALL-UP, according to a recent *Army Times* report. Arguing that active-duty forces are shrinking and that many specialized capabilities are located in reserve units, DoD is expected to ask Congress once again to give the Secretary of Defense authority to call as many as 25,000 reserve troops to active duty for nonemergency deployments as well as national emergencies.

At present, only the president is authorized to order reservists to active duty; he may call up to 200,000 selected reservists for 180 days' service without declaring a national emergency. Should the proposal be approved, the secretary would have authority to call individual ready reservists and select precisely the troops needed to meet the military's needs without having to activate entire units. When DoD sought similar authority in 1993, the Senate agreed with the proposal but the issue was never debated in the House.

BILL WILL RESTORE FUNDS TO SERVICES. The FY94 supplemental appropriation recently passed by both houses will provide \$1.2 billion today for humanitarian, peacekeeping and peace enforcement operations in Somalia (\$424.1 million), Bosnia (\$276.7 million), Southwest Asia (\$449.7 million) and Haiti (\$47.8 million). The services have, in effect, borrowed against operating funds intended for other purposes. A failed effort to have defense absorb these expenses within current funding would have led to severe readiness problems for all services.

GUARD/RESERVE ROLES EXPANDED even as the Army reserve components are restructured and downsized, according to Army Secretary Togo West's FY94 RC force structure reduction package.

The National Guard will provide the Army's RC combat structure, as well as combat support and some combat service support, and will also perform peacetime domestic emergency assistance. The Guard's wartime combat capability will focus on brigade-size units (about 37 combat brigades in FY99). Fifteen will be enhanced readiness combat brigades, resourced to be ready to begin deployment 90 days after call-up. The new Guard structure was designed to support the strategy of two concurrent, nearly simultaneous major regional contingencies envisioned in the Bottom-Up Review.

The Army Reserve will be the primary provider of the Army's RC unit combat service support and will also provide unit combat support. Reserve units will be resourced to be able to deploy rapidly and be integrated effectively into the active force. In transitioning to the new structure, some support roles will receive added emphasis in the Army Reserve, to include medical, signal and transportation capabilities.

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FY94 RESERVE COMPONENT REDUCTION PLAN released Feb. 28 by DoD identified some 52 Army National Guard units in 25 states for inactivation. The Army Reserve inactivation list includes 333 units in 44 states, the District of Columbia and Puerto Rico. Units on both lists vary in size from squad to battalion and cover a wide range of functional areas. Only one unit on the FY94 list directly relates to the restructuring part of the plan announced by then Defense Secretary Les Aspin on Dec. 10, 1993. All others relate to the overall downsizing that would have happened anyway under the President's Budget and congressional action.

SOMALIA COMBAT AWARDS. According to DCSPER, soldiers serving in Somalia now qualify for awards for meritorious service, achievement or valor. The new policy recognizes that soldiers involved in humanitarian, peacekeeping or nation-building operations may be involved in combat situations. Award of the Combat Infantry Badge and Combat Medical Badge for soldiers who have engaged in ground combat while on peacekeeping missions is now authorized.

All wartime awards will be based on individual merit, with no blanket approvals. Soldiers must have qualified for the awards after June 5, 1993.

FRIENDLY FIRE STUDIES. Money for the new Battlefield Combat ID System (BCIS), developed in the aftermath of the Persian Gulf War, has been stripped from the Army's proposed 1995 budget. As recently as just a few months ago, BCIS, which relies on coded millimeter wave signals that can only be received by a special kind of antenna, had Pentagon support as a relatively low-cost effective stop-gap pending development of digitized information technology. The Army had planned to field the new system on 1,660 helicopters, armored vehicles and tanks by 1997, but now plans to limit its buy to 45 of the devices to be used for further test and evaluation.

A Government Accounting Office report recommends that the Army not proceed with production of the near-term device until a determination is made concerning compatibility with the Pentagon's long-term goal of development of the digitized information technology that could provide combat vehicles on the battlefield with instantaneous visual displays of friends and foes.

ARMY CHOOSES ERINT OVER PATRIOT to meet the requirements of the Patriot Advance Capability (PAC-3) Missile development program, citing the Loral Vought extended range interceptor missile's greater range, accuracy and lethality for the decision. The other contender for the PAC-3 requirement, Raytheon's Multimode Patriot missile, will continue under a reduced effort as a risk mitigation program.

No contract has been awarded for ERINT's further development, pending the Defense Acquisition Board's review of the Army's decision. That review, originally scheduled for Feb. 24 and then slipped to March 1, has again been postponed, to allow for an independent panel review of the Army's recommendation.

NEW APACHE. The latest addition to the Army aviation arsenal — the AH-64D Longbow Apache attack helicopter — recently made its debut. Its targeting and fire-control upgrade makes it 16 times more effective than its predecessor.

Longbow radar can scan the battlefield to detect the precise location, speed and direction of up to 256 targets simultaneously. It prioritizes the most dangerous targets, displays the information in relation to the Apache's location and indicates those that pose the highest threat. It also transmits target information to all similarly equipped command elements, vehicles and aircraft. All AH-64A Apaches in the Army inventory are expected to be upgraded to the new configuration.

HIMARS FIRE SUPPORT. A new member of the MLRS family, the High Mobility Artillery Rocket System, has been unveiled. The HIMARS system offers MLRS firepower on a lighter, smaller wheeled chassis; it will be able to launch a single six-pack of rockets from the Army's new five-ton truck using the same munitions and crew as the existing launcher. Unlike its predecessor, the HIMARS will:

- fit on a C-130 aircraft, allowing more deployment flexibility;
- require 30 percent fewer airlifts to transport a battery;
- allow higher road speeds and lower operating costs.

The Army is considering outfitting three battalions with the new system.

MORE JOBS OPEN TO ARMY WOMEN. The Secretary of Defense recently announced that, effective Oct. 1, 1994, the "risk rule" used in assigning women to possible combat roles will be replaced by a less restrictive ground combat rule. Under the new policy, women will be barred only from jobs meeting three specific criteria for direct ground combat. They may not serve in units that (1) engage an enemy on the ground with weapons, (2) are exposed to hostile fire and (3) have a high probability of direct physical contact with a hostile force.

The OSD announcement was followed shortly by a statement from Army Secretary Togo West and Army Chief of Staff Gen. Gordon R. Sullivan that, subject to Secretary of Defense approval, the Army intends to open some 7,000 additional spaces to women in the active Army and 11,000 in the Army Reserve and National Guard without further study. These include positions in:

- maneuver brigade headquarters
- division military police companies
- chemical companies
- mechanized smoke companies
- divisional forward support battalions
- engineer companies
- collection and jamming companies
- Washington ceremonial units, including the Old Guard.

COMBAT SERVICE SUPPORT SCHOOLS RESTRUCTURED UNDER CASCOM. An annual savings of \$37 million is expected as a result of the restructuring of the Army's professional and specialty branch schools under the Combined Arms Support Command (CASCOM) at Fort Lee, VA. Most nontraining functions, as well as redundant functions previously performed at schools under CASCOM direction, will be centralized at Fort Lee.

Army schools managed by CASCOM include: the Soldier Support Center at Fort Benjamin Harrison, IN; the Ordnance Missile and Munitions Center and School at Redstone Arsenal, AL; the Quartermaster Center and School and the Army Logistics Management College, both at Fort Lee, VA; the Transportation School and the Aviation Logistics School at Fort Eustis, VA; the Ordnance Center and School at Aberdeen Proving Ground, MD; and the Chaplain Center and School at Fort Monmouth, NJ.

ARMY ESTABLISHES NEW COMMAND. In an effort to seek cost savings by cutting infrastructure, the newly established Industrial Operations Command (IOC) will streamline Army-led industrial operations. A major subordinate command of the Army Materiel Command, IOC will make, rebuild and repair weapons, manage conventional ammunition for DoD, and provide long-term storage for some DoD equipment. The formation of IOC, based in Rock Island, IL, merges portions of the U.S. Army Armament, Munitions & Chemical Command with the U.S. Army Depot Systems Command.

"**AMERICA'S ARMY**" takes a look at dual-use technology with Dr. John W. Lyons, Director, Army Research Laboratory; Mr. Alexander J. Farkas, Director, National Automotive Center, U.S. Army Tank-Automotive Command; and Brig. Gen. Harold W. Nelson, Chief, U.S. Army Center of Military History. Host Peter Hackes and his guests discuss the many areas in which civilian business, industry and medicine benefit from Army research and development, as well as nonmilitary technologies adapted for military use.

"America's Army: Sharing the Benefits of Technology" will air in the Washington metropolitan area on Thursday, March 17, at 7:00 p.m. on WNVT-53.

AUSA's "America's Army" series is available via satellite to public TV stations across the country. Check local listings for broadcast schedules outside the Washington area. Tapes of the programs are also available through AUSA. For more information, call 1-800-336-4570, extension 311.

ARMY MAGAZINE ESSAY CONTEST ANNOUNCED. The essays, which will be judged by a board of national security and landpower experts, must address important issues concerning the U.S. Army in the 21st century. Three essays will be selected for cash prizes and publication in **ARMY**. Anyone (except employees of AUSA) is eligible to enter the contest, which ends May 31, 1994. Interested individuals should call 1-800-336-4570, ext. 362, for more information.

EDITOR'S NOTE: In response to reader inquiry regarding an item on restructuring of the Army's reserve components (*WASHINGTON UPDATE*, January/February 1994), we would like to assure all concerned that AUSA's position relating to reserve component forces as stated in AUSA 1994 Resolutions, number 94-6, has not changed.