



# WASHINGTON UPDATE



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**House defense spending bill calls for 4.8 percent pay hike.** The House's version of the defense spending bill, like the Senate's, calls for a military pay increase of 4.8 percent in basic pay for Fiscal Year 2000. The Defense Appropriations Bill cleared the House July 23 on a vote of 379-45.

To cover the higher pay raise, the House is calling for an additional \$165 million.

The House's action on the spending bill means that both houses have approved the 4.8 percent pay raise, overhauling the pay tables and restoring the retirement formula to 50 percent. There are differences between the two bills that will be worked out in conference.

The House estimated the cost of these fixes in pay and retirement at \$3.1 billion above FY 1999. The personnel accounts then totaled more than \$70.6 billion.

House leaders hope to reconcile their spending bill of \$266 billion with the Senate's version after Aug. 6. It is possible that both the authorization and appropriation bills will not come out of conference before late September.

While the House's action to bar initial production funds for the F-22 dominated the debate in the appropriations committee and news coverage in mid-July, the bill provides more money than the administration requested for recruiting, retention and readiness. It also sets aside \$592 million in special pays for active and reserve members. These funds include aviation continuance pay, housing allowances and enlistment and reenlistment bonuses.

The House is also calling for an additional \$225 million to improve the Basic Allowance for Housing. The goal of the program is to have service members provide 15 percent of their living expenses out of their own pockets.

**House provides more money for recruit advertising, retention.** Recruiting and retention problems in all the services, but the Marine Corps, were the subject of numerous hearings during the first session of the 106th Congress.

With the active Army expected to fall about 6,000 recruits short of its goal for the year and the Army Reserve expected to fall short 9,000 of its goal, the House is calling for \$103.8 million in recruiting advertising. From that money, the Army will receive \$33 million to test its GED Plus and College First recruitment programs.

In addition, the House is calling in its version of the defense appropriations bill for an additional \$258.76 million to cover various medical programs. The health affairs budget is about \$16 billion.

**Guard, reserve receive boost.** The House version of the defense spending bill is also calling for an additional \$356.6 million for guard and reserve unfunded requirements. Fifty-four million dollars will go into cutting the real maintenance backlog, and \$48.4 million in depot maintenance.

Also, \$45 million more money will go to OpTempo/Flying Hours and \$48 million for the civilian technician shortfall. This would mean an increase from about 90,100 in all categories of support to about 114,000.

It is also calling for an additional \$2.4 billion into the operations and maintenance accounts. The services draw on the \$93.7 billion in those accounts for training.

**House defense spending bill omits F-22.** The House approved July 23 a \$266 billion defense spending bill, but did not provide money for initial production of the Air Force's F-22 fighter.

**House panel calls FY 2000 'potential watershed year' for defense.** The House Appropriations Committee is calling the Fiscal Year 2000 a "potential watershed year" for defense.

The committee in its late July report on the \$266 billion defense spending bill says, "it is significant that there now appears to be a general consensus between the administration and the Congress that the U.S. military's operational, budgetary and programmatic needs call for a steady and sustained increase in defense spending."

But at the same time operations such as Desert Fox and Allied Force and the deployment of U.S. forces as part of the Kosovo Stabilization Force "combine to reinforce serious questions, regarding the prospects for and adequacy of proposed defense budgets."

Among the personnel areas cited was the long-range impact of raising basic military pay by 4.8 percent rather than 4.4 percent as proposed by the president. The continuing costs of peacekeeping missions such as the one now beginning in Kosovo was another factor the committee cited in its report.

What the committee was recognizing in its report were the restrictions imposed on federal spending by the Balanced Budget Agreement of 1997. The agreement between the administration and the Congress set limits on how much could be spent on discretionary programs, such as defense or education. If one program grew, then a corresponding cut would have to be made in another program.

**Manning the force concerns House appropriators.** The House Appropriations Committee said that "the uncertain world situation, the budget environment and many difficult resource allocation issues in each service" are driving the Congress, the administration and the Defense Department to revisit the manpower decisions of the Quadrennial Defense Review.

The panel in its mid-July report says the military services are "not yet properly reconfigured from their old 'Cold War' orientation, or are simply undermanned or underequipped in certain key categories." The report cites Gen. Eric Shinseki's statement of intent upon assuming his duties as chief of staff "in a fundamental restructuring of the Army's heavy and light units" to keep his service's "strategic and tactical relevance."

**Panel asks: 'Where's the money going?'** The House Appropriations Committee was alarmed over the Defense Department's "increasing frequency" of its "neglect of traditional appropriations program practices."

The Air Force's practices drew the panel's closest scrutiny, including "requesting hundreds of millions of dollars in various procurement programs, when in fact the intent is to support operations and funding needs (in violation of DoD policy)." The committee did not approve providing money for the Air Force's top priority—the F-22 fighter. The full House went along with the committee July 22. The Senate did provide \$1.8 billion for the initial buy. The committee in its late July report on the defense spending bill cited the Army for:

- "Entering a new multi-year production contract for the Family of Medium Tactical Vehicles, despite committee direction to defer such action.
- "Negotiating a multi-year production contract for the TOW Improved Acquisition System despite both Fiscal Year 1999 committee and appropriations conference committee direction explicitly denying approval.
- "In conjunction with OSD, explicitly ignoring Fiscal Year 1999 conference committee direction and using Advanced Concept Technology Demonstration Funds for the Line-of-Sight Tank program.

**24th Infantry Division reactivated.** The 24th Infantry Division was reactivated June 5 at ceremonies held on Fort Riley, Kan. The new "integrated division" and the 7th Infantry Division will lead three enhanced National Guard brigades each. Leading those brigades means overseeing their training and readiness. The enhanced brigades are trained and ready to deploy within 90 days after being called up. They are organized and equipped to be compatible with any army corps or division.

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**Top Democrat: 'We are wearing them out: Why we need to increase Army troop strength'**

The senior Democrat on one of the military's key congressional panels said the armed forces are stretched too thin and that the Army, in particular, needs to increase its strength by up to 60,000 soldiers to meet its operating tempo.

Rep. Ike Skelton, D-Mo., ranking minority member of the House Armed Services Committee, said, "Service members are not leaving the force simply or mainly because they are not being paid enough. Nobody makes the armed forces a career because of the financial rewards. Rather, too many good people are leaving because we are wearing them out."

In making his floor address, Skelton cited Gen. Eric K. Shinseki, now Army chief of staff, and Lt. Gen. Ted Stroup, USA, Ret., vice president for education at the Association of the United States Army, on the need to raise active Army end strength to meet an increasing operating tempo.

At the same time, he said, "We need to work on measures to improve the way in which reserve components can help, even more than they have, to ease the strains on the active part of the force.

Skelton added, "For too many service members, in too many key military specialties, their lives have become a never-ending and often unpredictable cycle of stand-ups and stand-downs; of preparation for exercises, exercises and recovery from exercises; of preparation for deployment abroad, deployment in often tense missions overseas, and of recovery from deployment; of temporary duty assignments to fill out units engaged in exercises or in missions abroad, or of working doubly hard at home to take up the slack caused by the loss of people on temporary duty assignments; and on and on and on." He said while all the services suffer from the same overwork problem, "The Army today is too small. It not big enough to carry out all of the responsibilities assigned to it without wearing out too many of its best people. We need a bigger Army."

Skelton said the information collected by the Army at his request shows especially severe personnel shortfalls in units deployed in Europe, more isolated and less serious problems in some other later-deploying divisions, and generally good personnel levels in early-deploying divisions.

**VFW marks centennial.** The Veterans of Foreign Wars is marking its centennial in 1999. The VFW was founded in September 1899 in Columbus, Ohio, by veterans of the Spanish-American War. Its emphasis then was on providing medical care for soldiers, sailors and marines wounded in Cuba and the Philippines.

By 1914, similar veterans groups had been formed in Denver and Altoona, Pa., and the Veterans of Foreign Wars was adopted as the group's name.

Thomas A. Pouliot, commander in chief of the VFW, said the organization's key legislative initiatives are:

- mandated long-term care for veterans
- adequate VA funding
- the new GI Bill for the 21st century
- increasing defensive readiness and the well being of our armed forces.

**China announces it has neutron bomb.** The Chinese government announced in mid-July that it had developed on its own the ability to make neutron bombs and miniature atomic weapons. The announcement came shortly after Taiwan said it would no longer adhere to a policy that the island was a province of the Chinese mainland.

China said that it reserves the right to reunify Taiwan with the mainland by force if necessary.

The announcement also came in the wake of a congressional inquiry that accused China of stealing America's nuclear secrets.

**House passes amendment against flag burning.**

The House overwhelmingly passed a bill creating a constitutional amendment banning desecration of the American flag. The June 24 vote was 305-124, 19 more than the two-thirds needed.

The House passed a similar measure last year, but the Senate never voted on the question. This year, Senate Majority Leader Trent Lott, R-Miss., said he expected a vote this summer. But the bill, which does not ban desecration outright but allows Congress to regulate destruction of the flag, is two votes short of the necessary two-thirds majority in the Senate. AUSA supports this legislation.

**Caldera stresses innovative ways to reach Latino youth.** Reaching out to the Hispanic community in southern California a week ago, Secretary of the Army Louis Caldera asked key influencers to listen to what the Army has to offer and to convey the message to Latino youth that our nation needs them.

“The Army is only as strong as our ability to bring out the best in our soldiers,” Caldera cautioned, addressing the luncheon audience at the Latino Leadership Conference, held June 4 in Los Angeles.

“We must challenge our youth today to serve our country,” he said. “We have not done enough as civic leaders to communicate to our young people their obligation to preserve the freedoms we all enjoy.

Soldiers tell me that they feel, in humanitarian missions, that they have gotten more than they’ve given. But they are making a difference and that teaches them to appreciate the blessings of the United States of America, to see how others live.”

**Employers, reservists need catalogue of remedies to ease impact of callups.** Employees and employers are discovering that “no good deed goes unpunished” when it comes to presidential selected reserve callups, the head of the National Employer Support for the Guard and Reserve told AUSA chapter presidents June 25.

Kenneth U. Jordan, executive director and a former head of the Tennessee Air National Guard, the callups “have an adverse affect on members, to their households... and to their employers.”

Adding, “there is something fundamentally wrong” with a system that has both the employee and employer suffering because “someone who wants to serve their country” is called to active duty.

For the first time, employers will be systematically surveyed on the impact of having guardsmen and reservists on their payroll, he said.

These surveys, which will be conducted annually, likely would provide the basis for legislation to help both employees and employers when there is a presidential call-up.

**Estimating costs of Kosovo.** Congress asked this spring when it was debating a supplemental appropriation to cover military operations against Yugoslavia for estimates from the Defense Department and other budget officials as to how much it would cost to send a peacekeeping force in Kosovo for a year.

While those numbers have not yet surfaced, DoD did have figures on the peacekeeping operations in Bosnia. The first three years’ total bill was \$6.7 billion. The bill for Fiscal Year 2000 is \$1.8 billion. The biggest part of that bill comes from the army. Army personnel costs for Bosnia for FY 2000 is more than \$292 million; its operations and maintenance spending is more than \$1.04 billion. The size of the Army forces in Bosnia is about the size of the projected Kosovo Force — 7,000 soldiers.

**Air Force pilot, technician shortage expected to grow.** The Air Force, despite increase aviation bonuses, are projecting a shortage of 2,000 pilots by 2002. The outgoing commander of the Air Combat Command, Gen. Richard E. Hawley, testified this spring that “many pilots see the bonus as an attempt to bribe them to serve their country.”

He said the reason pilots are leaving are the high operational tempo, not pay. Even increasing initial pilot training programs won’t end the shortage immediately.

In addition, he said the Air Force now had a less experienced maintenance force in his command. The reason is the more experienced maintenance technicians are increasingly deployed, leaving the less well trained on bases in the United States. Shortfalls are particularly acute in F-15 and F-16 crew chiefs and avionics technicians, air traffic controllers, command-and-control systems personnel and security police, he said.

Complicating the maintenance problems is the increasing age of the aircraft. The average age of the F-15 and F-16 fighters in the inventory is 20 years. The average age of the B-52 fleet is about 40 years.

(Editor’s note: For the latest developments on Capitol Hill, check out the What’s Hot and News Desk sections of the AUSA Web Site. Bookmark: [www.ausa.org](http://www.ausa.org). For AUSA’s electronic legislative newsletter, E-mail John Molino at [jmolino@ausa.org](mailto:jmolino@ausa.org).)