Calendar No. 79

97TH CONGRESS, 1st Session } SENATE { REPORT No. 97-58

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 1982

REPORT

[To accompany S. 815]

ON

AUTHORIZING APPROPRIATIONS FOR FISCAL YEAR 1982, FOR PROCUREMENT OF AIRCRAFT, MISSILES, NAVAL VESSELS, TRACKED COMBAT VEHICLES, TORPEDOES, AND OTHER WEAPONS, FOR RESEARCH, DEVELOPMENT, TEST, AND EVALUATION, AND FOR OPERATION AND MAINTENANCE FOR THE ARMED FORCES, FOR CIVIL DEFENSE, TO PRESCRIBE THE AUTHORIZED PERSONNEL STRENGTH FOR EACH ACTIVE DUTY COMPONENT AND THE SELECTED RESERVE OF EACH RESERVE COMPONENT OF THE ARMED FORCES AND FOR CIVILIAN PERSONNEL OF THE DEPARTMENT OF DEFENSE, TO AUTHORIZE THE MILITARY TRAINING STUDENT LOADS, AND FOR OTHER PURPOSES

TOGETHER WITH

ADDITIONAL VIEWS

AND

MINORITY VIEWS

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

MAY 6 (legislative day, APRIL 27, 1981.—Ordered to be printed

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CONTENTS

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MAY 6 (legislative day, APRIL 27, 1981.—Ordered to be printed

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Mr. TOWER, from the Committee on Armed Services, submitted the following

REPORT

together with

ADDITIONAL VIEWS

and

MINORITY VIEWS

[To accompany S. 815]

The Committee on Armed Services, to which was referred the bill (S. 815) to authorize appropriations during the fiscal year 1982 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, and research, development, test and evaluation, and operation and maintenance for the Armed Forces, for civil defense, and to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and the military training student loads, and for other purposes, having considered the same, reports favorably thereon with an amendment in the nature of a substitute to the text of the bill and recommends that the bill as amended do pass.

COMMITTEE AMENDMENT IN THE FORM OF A SUBSTITUTE

The committee amended the bill by striking all after the enacting clause and substituting a new bill reflecting changes as recommended by the Committee on Armed Services.

PURPOSE OF THE BILL

This bill would for fiscal year 1982:

(1) authorize appropriations for (a) major procurement, (b) research, development, test and evaluation by the Department of Defense, (c) operations and maintenance, and (d) civil defense;

(2) authorize the personnel end strength for each military active duty component of the Armed Forces;

(3) authorize the personnel average strengths for the Selected Reserve of each of the Reserve components of the Armed Forces;

(4) authorize civilian end strengths for each military department of the Department of Defense;

(5) authorize the annual average military training student load for each of the active and reserve components of the Armed Forces;

(6) impose certain reporting requirements;

(7) impose certain limitations with regard to specific procurement and R.D.T. & E. actions and manpower strengths; provide certain additional legislative authority, make certain changes to existing law, and for other purposes.

OVERALL BUDGET IMPACT OF COMMITTEE BILL

The revised budget request for the National Defense function of the Federal budget for fiscal year 1982 is for $226.3 billion in budget authority. Of this total, $136.491 billion is requested for authorization of funds for procurement, research and development, operation and maintenance, and civil defense.

The bill as reported by the committee includes a recommended amount of $136.521 billion for procurement, research and development, operation and maintenance, and civil defense, an increase of $29.9 million above the President's request. Changes in manpower strengths recommended in the bill will result in a decrease of $47.0 million below the President's request.

The net impact of the bill is, therefore, $17.1 million below the President's request.

BUDGET IMPACT OF COMMITTEE BILL

	Millions
Funds authorized for procurement, RDT&E, operation and maintenance, and civil defense	+$29.9
Fund impact of manpower authorization	−47.0
Total budget impact	−17.1

An overall summary of the funding and manpower provisions of the bill are as follows:

SUMMARY OF FUNDS AND MANPOWER AUTHORIZED IN COMMITTEE BILL

[Dollar amounts in millions; years are fiscal years]

	1981 authorization [1]	1982 March amended request	Change from request	Committee recommendation
Procurement	$35,770	$51,751	$−47	$51,704
R.D.T. & E.	16,888	21,324	−210	21,114
Operation and maintenance	([2])	63,283	+293	63,576
Civil defense	120	133	−6	127
Total funds authorized	52,778	136,491	+30	136,521
Manpower (in thousands):				
Active duty	2,065.4	2,119.9	−5.3	2,114.6
Selected Reserve	861.7	926.4	0	926.4
Civilian	986.0	1,024.9	−.7	1,024.2
Total manpower authorized	3,913.1	4,071.2	−6.0	4,065.2

[1] Does not include Mar. 11, 1981, supplemental authorization request for fiscal year 1981, for procurement and R.D.T. & E. in the amount of $2,958,594,000 and for manpower totaling 37,900.
[2] Prior to fiscal year 1982, authorization for operation and maintenance was not required.

SUMMARY OF FUNDS RECOMMENDED FOR AUTHORIZATION

[Dollar amounts in thousands; years are fiscal years]

	1981 revised [1] current program	1982 January request	1982 March amended request	Senate committee: Change from request	Senate committee: Recommendation
Procurement:					
Aircraft:					
Army	$1,204,400	$1,361,700	$1,797,400	+$39,300	$1,836,700
Navy and Marine Corps	6,254,307	6,960,300	9,352,500	−20,800	9,331,700
Air Force	10,390,768	9,469,900	14,751,898	+318,900	15,070,798
Subtotal	17,849,475	17,791,900	25,901,798	+337,400	26,239,198
Missiles:					
Army	1,546,800	1,650,500	2,842,500	−373,400	2,469,100
Navy	2,221,806	2,229,500	2,555,000		2,555,000
Marine Corps	102,289	88,200	223,024		223,024
Air Force	3,350,286	4,274,600	4,658,246	+60,500	4,718,746
Subtotal	7,221,181	8,242,800	10,278,770	−312,900	9,965,870
Naval vessels	7,801,300	6,639,600	10,290,100	−171,500	10,118,600
Tracked combat vehicles:					
Army	3,072,000	2,395,000	3,487,300	+50,000	3,537,300
Marine Corps	57,929	281,000	281,739		281,739
Subtotal	3,129,929	2,676,000	3,769,039	+50,000	3,819,039
Torpedoes: Navy	322,859	283,000	516,600		516,600
Other weapons:					
Army	306,200	324,800	655,400		655,400
Navy	193,467	205,300	200,200		200,200
Marine Corps	42,149	56,900	136,344		136,344
Air Force			3,047		3,047
Subtotal	541,816	587,000	994,991		994,991
Army National Gnard equipment				+50,000	50,000
Total procurement, title I	36,866,560	36,220,300	51,751,298	−47,000	51,704,298
Research, development, test, and evaluation:					
Army	3,166,257	3,577,200	3,905,200	−12,100	3,893,100
Navy	[2] 5,042,009	[2] 5,869,371	[3] 6,086,371	+68,630	[3] 6,155,001
Air Force	7,106,711	8,669,400	9,398,100	−268,000	9,130,100
Defense agencies	1,295,602	1,674,800	1,881,400	+1,150	1,882,550
Director, test, and evaluation	42,100	53,000	53,000		53,000
Total R.D.T. & E., title II	16,652,679	19,843,771	21,324,071	−210,320	21,113,751
Operation and Maintenance: [4]					
Army			17,214,300	+276,000	17,490,300
Navy			21,918,049	+11,900	21,929,949
Air Force			19,249,340	+25,080	19,274,420
Defense agencies			4,901,351	−19,800	4,881,551
Total, operation and maintenance, title III		[5] 61,492,000	63,283,040	+233,180	63,576,220
Total procurement, R.D.T. & E. and operation and maintenance	53,519,239	117,556,071	136,358,409	+35,860	136,394,269
Civil defense, title VIII	116,837	134,000	132,842	−6,000	126,842
Grand total	53,636,076	117,690,071	136,491,251	+29,860	136,521,111

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for procurement and R.D.T. & E. for fiscal year 1981, in the amount of $2,958,594,000.
[2] Includes $2,760,000 in special foreign currency.
[3] Includes $3,083,000 in special foreign currency.
[4] Prior to fiscal year 1982, authorization for operation and maintenance was not required.
[5] The operation and maintenance request in the January submission was stated only as a total amount for the Department of Defense.

SUMMARY OF RECOMMENDED MANPOWER AUTHORIZATION

The table below shows the changes from the requested strengths for each active, reserve, and civilian component recommended by the committee:

ACTIVE DUTY MANPOWER, FISCAL YEAR 1982

[End strengths in thousands]

	March amended request, fiscal year 1982	Committee recommendation, fiscal year 1982	Change from request
Army	786.3	785.8	−0.5
Navy	554.7	554.3	−.4
Marine Corps	192.1	192.1	0
Air Force	586.8	582.4	−4.4
Total	2,119.9	2,114.6	−5.3

SELECTED RESERVE PERSONNEL, FISCAL YEAR 1982

[Average strengths in thousands]

	March amended request, fiscal year 1982	Committee recommendation, fiscal year 1982	Change from request
Army National Guard	392.8	392.8	0
Army Reserve	235.3	235.3	0
Naval Reserve	87.6	87.6	0
Marine Corps Reserve	37.6	37.6	0
Air National Guard	98.6	98.6	0
Air Force Reserve	62.8	62.8	0
Coast Guard Reserve	11.7	11.7	0
Total	926.4	926.4	0

CIVILIAN PERSONNEL, FISCAL YEAR 1982

[End strengths in thousands]

	March amended request, fiscal year 1982	Committee recommendation, fiscal year 1982	Change from request
Army	381.7	381.2	−.5
Navy/Marine Corps	313.0	312.6	−.4
Air Force	247.4	249.0	+1.6
Defense agencies	82.8	81.4	−1.4
Total	1,024.9	1,024.2	−.7

HIGHLIGHTS OF COMMITTEE ACTION

The committee recommends a total of $136.5 billion to be authorized for procurement, research and development, operation and maintenance, and civil defense for the 1982 fiscal year. The amount recommended is an increase of $30 million to the request.

PROCUREMENT CHANGES

Addition of 20 Army AH–1S Helicopters

Addition of $64.4 million to procure 20 AH–1S attack helicopters.

Reduction in Funds for Blackhawk Helicopters

Reduction of $25.1 million for procurement of Blackhawk helicopters.

Deletion of 5 Navy F–18 Fighter Aircraft

Reduction of $147.1 million to procure 58 rather than 63 F–18 fighter aircraft.

Addition of 12 Navy C–9 Aircraft

Addition of $50 million for procurement of 12 C–9 aircraft available as excess from commercial airlines.

Addition of 2 P–3C Aircraft

Addition of $46 million for procurement of 2 P–3C ASW patrol aircraft.

Addition of 12 Air Force A–7K Aircraft

Addition of $163.8 million for procurement of 12 A–7K combat trainer aircraft.

Addition of 12 Air Force C–130 Aircraft

Addition of $172 million for procurement of 12 C–130 transport aircraft.

Reduction in Advance Procurement Funds and Bill Language for B–52 Companion Trainer Aircraft

Reduction of $2.9 million for advance procurement for B–52 Companion Trainer Aircraft and restriction on expenditure of program funds until source selection decision has been submitted to the Congress.

Reduction in Funds for Modification of F–106 Interceptors

Reduction of $15.6 million for modification of F–106 interceptors.

Reduction in Funds for Modification of B–52 Aircraft

Reduction of $12.1 million for modification of B–52 aircraft.

Addition of Funds for Procurement of Mark–12A Warheads

Addition of $53.7 million to begin procurement of 510 Mark–12A warheads for the retrofitting of Minuteman III missiles.

Reduction in Funds for Patriot Missile System

Reduction of $373.4 million for procurement of the Patriot air defense missile system.

Reduction in Funds for an Ohio-class Submarine

Reduction of $985.8 million for procurement of the tenth *Ohio*-class Trident submarine. Retains $75 million in additional long-lead funds.

Addition in Long-Lead Funds for the Eleventh Ohio-class Submarine

Addition of $35 million in long-lead funding for the eleventh *Ohio*-class Trident submarine.

Deletion of Funds for Reactivation of USS Oriskany

Reduction of $364 million in procurement to reactivate USS *Oriskany* (CV–34) aircraft carrier.

Addition of Funds for Reactivation of USS New Jersey

Addition of $79 million to fund fully reactivation of USS *New Jersey* (BB-62) battleship.

Addition of Funds for FFG–7 Class Frigates

Addition of $700 million to procure three additional FFG–7 class frigates.

Addition of Funds for LSD–41 Class Dock Landing Ships

Addition of $301 million to procure one LSD–41 in fiscal year 1982 and the addition of $73.3 million in advance procurement to support construction of two LSD–41's in fiscal year 1983.

Deletion of Funding for a Hospital Ship (T–AH) Conversion

Deletion of $10 million requested for advance procurement to convert the SS *United States* to a hospital ship.

Addition of Funds for Fighting Vehicle System

Addition of $50.0 million to evaluate a second source producer for the Infantry Fighting Vehicle.

Addition of Funds for Army National Guard

Addition of $50 million for Army National Guard equipment procurement.

Addition of Funds for Procurement Relating to Strategic Command, Control and Communications

Addition of $20.3 million in support of procurement initiatives relating to strategic command, control and communications.

RESEARCH AND DEVELOPMENT CHANGES

Addition of R. & D. Funds for Materials Technology

Addition of $2 million for development of Navy materials technology.

Addition of R. & D. Funds for Strategic Technology

Addition of $2 million for research on carbon-carbon materials by the Defense Advanced Research Project Agency.

Reduction of R. & D. Funds for Experimental Evaluation

Reduction of $8 million in DARPA program for experimental evaluation of major innovative technology.

Reduction of R. & D. Funds for Strategic Technology

Reduction of $10 million in DARPA strategic technology programs.

Reduction of R. & D. Funds in Materials Processing Technology

Reduction of $3 million for DARPA materials processing technology.

Addition of R. & D. Funds for Blue-Green Laser

Addition of $20 million for DARPA blue-green laser initiatives in strategic technology.

Addition of R. & D. Funds for Advanced Non-Nuclear Engine Designs

Addition of $5 million to support hardware demonstrations of advanced non-nuclear ship propulsion designs.

Addition of R. & D. Funds for Strategic Command, Control and Communications Research and Development

Addition of $82.45 million for research and development initiatives relating to strategic command, control and communications systems.

Reduction in R. & D. Funds for Advanced Warning Systems

Reduction of $2.4 million for advanced warning systems.

Reduction in R. & D. Funds for Testing of B–52 Aircraft

Reduction of $16.6 million for EMP testing of B–52 intercontinental bombers.

Addition of R. & D. Funds for V/STOL Aircraft Research

Addition of $10 million to continue component testing of the AV–8B+ concept.

Addition of R. & D. Funds for F–18

Addition of $51.5 million for F–18 research and development.

Reduction of R. & D. Funds for F–15 Air-to-Ground Enhancements

Reduction of $27.3 million for F–15 air-to-ground enhancements. Retains $5 million.

Reduction of R. & D. Funds for C–X Aircraft

Reduction of $244.7 million for full-scale development of C–X airlift aircraft. Retains $1.0 million.

Deletion of R. & D. Funds for Navy Infra-Red Maverick Program

Deletion of $19.7 million requested for Navy development of IR Maverick. Navy peculiar requirements are to be developed under Air Force IR Maverick program.

Addition of R. & D. Funds for Air Force IR Maverick

Addition of $17 million to Air Force IR Maverick program for development of Navy peculiar requirements.

Reduction of R. & D. Funds for Navy Medium Range Air-to-Surface Missile (MRASM)

Reduction of $19.1 million for the Navy's MRASM program.

Addition of R. & D. Funds for I²R HARPOON

Addition of $38 million for development of an I²R seeker for the Harpoon missile.

Restoration of R. & D. Funds for Weaponizing (Prototype)

Restoration of $2.044 million for Weaponizing (Prototype).

Reduction of R. & D. Funds for Ship Development (Engineering)

Reduction of $22.8 million in ship contract design R. & D. for ships that have been deleted by the committee or are undefined.

Reduction of R. & D. Funds for Advanced Submarine Development

Reduction of $13.771 million for future and follow-on attack submarine development.

Addition of R. & D. Funds for Diesel-Electric Submarine Research

Addition of $5 million for research into conventional submarine design and basic propulsion component technology.

Addition of R. & D. Funds for Light Carrier Designs

Addition of $23 million to continue design and component work on a new class aircraft carrier.

Reduction of R. & D. Funds for FFX Advanced Frigate Design

Reduction of all but $1 million requested for design of FFX class advanced frigate.

Addition of R. & D. Funds for LHDX (VSS) Amphibious Assault Ship Design

Addition of $4.0 million for preliminary design of a new amphibious assault ship, LHDX (VSS), incorporating enhanced V/STOL support capabilities.

Addition of R. & D. Funds for Anti-Submarine Warfare (ARAPAHO)

Addition of $3 million for continued research on the ARAPAHO concept of containerized ASW support for merchant ships.

Addition of R. & D. Funds for Ship Systems Engineering (SEAMOD)

Addition of $8 million for continued research into the integration of modular system concepts into Navy ships.

Addition of R. & D. Funds for Battle Group Anti-Air Warfare Coordination (BGAAWC)

Addition of $10.6 million to continue research in Battle Group AAW Coordination.

Addition of R. & D. Funds for High Horsepower Engine

Addition of $9.46 million for Marine Corps development of high horsepower engines for advanced combat vehicles.

76-244 O - 81 - 2

Reduction in R. & D. Funding of the Army's Mobile Protected Gun (Far-term)

Reduction of $17.8 million in the Army's Mobile Protected Gun (Far-term) R. & D. program.

Reduction of Navy R. & D. Funds (Undistributed)

Undistributed reduction of $19 million in overall Navy R. & D. programs.

Addition of R. & D. Funds for Full Medical Support for Amphibious Assaults

Addition of $1.0 million to study alternative programs to provide full medical support for amphibious assaults.

Reduction of Navy Defense-wide Mission Support R. & D. Funds (Undistributed)

Undistributed reduction of $23 million in Navy Defense-wide mission support R. & D. programs.

Reduction in R. & D. Funds for F–106 Interceptor Simulators

Reduction of $9.6 million for F–106 simulator development.

Reduction of R. & D. Funds for Utah Test Range

Reduction of $10 million for range facilities expansion.

Reduction of Air Force Defense-wide Mission Support R. & D. Funds (Undistributed)

Undistributed reduction of $23 million in Air Force Defense-wide mission support R. & D. programs.

OPERATION AND MAINTENANCE CHANGES

Addition of O. & M. Funds for Army Real Property Maintenance

Addition of $100 million for Army real property maintenance to reduce the current backlog of maintenance and repair.

Addition of O. & M. Funds for Army Depot Maintenance and Supply Activities

Addition of $143 million for Army maintenance, industrial preparedness, and transportation activities.

Addition of O. & M. Funds for the Army Guard and Reserve

Addition of $40 million for procurement of organizational clothing and equipment.

Reduction of O. & M. Funds for the USS Oriskany

Reduction of $8 million associated with reactivation of the *Oriskany* air wing.

Addition of O. & M. Funds for the Marine Corps

Addition of $24.7 million for real property maintenance, medical and dental supplies, and a repair program for tracked vehicles.

Additional O. & M. Funds for the Air Force

Addition of $25.08 million for additional civilians and in support of strategic command, control, and communications initiatives.

Reduction of O. & M. Funds for Defense Agencies

Reduction of $19.8 million for civilian support and efficiencies.

Denial of the Request for Repeal of the Annual O. & M. Report Requirement

The committee denied DoD's request that the requirement for an annual O. & M. report be repealed.

Flexibility to the Appropriations Committee

The committee authorized the Appropriations Committee to make other O. & M. appropriations, above the amount authorized in this bill, as necessary to meet unbudgeted inflation and fuel cost increases.

ACTIVE DUTY MILITARY MANPOWER CHANGES

Army

Decrease of 500 in various management and operational headquarters below the requested end strength of 786,300.

Navy

Decrease of 400 in various management and operational headquarters below the requested end strength of 554,700.

Marine Corps

Approval of the requested end strength of 192,100.

Air Force

Decrease of 4,400 from the requested end strength of 586,800, including 3,400 military personnel positions which are to be converted to civilian positions, 700 in the medical support area, and 300 in training associated with the requested increase in medical support.

Restriction on the Number of Recruits Without High School Diplomas

Approval of an amendment that renews for fiscal year 1982 the requirement that at least 65 percent of new Army male recruits be high school graduates.

SELECTED RESERVE MILITARY MANPOWER CHANGES

Reserve Component Strengths

Approval of the requested levels for Selected Reserve manpower of all the Reserve components.

Full-Time Reserve Manpower

Approval for all service components of the requested levels of full-time active duty Reserves who support the Reserve forces.

CIVILIAN MANPOWER CHANGES

Army

Decrease of 500 in various management and operational headquarters from the requested end strength of 381,700.

Navy/Marine Corps

Decrease of 400 in various Navy management and operational headquarters from the requested end strength of 313,000.

Air Force

Net addition of 1,600 to the requested end strength of 247,400, including an increase of 2,200 for civilian functions formerly performed by military personnel, a decrease of 300 from the Foreign Military Sales program, and a decrease of 300 from commissary positions.

Defense Agencies

Decrease of 1,400 from the requested end strength of 82,800, including a reduction of 1,000 for overhead in the Office of the Secretary of Defense and a decrease of 400 in various management and operational headquarters.

Contracting Out Proposals

Approval of an amendment that exempts contracting out proposals involving functions of less than 50 Defense Department personnel from several reporting requirements.

MILITARY TRAINING STUDENT LOAD CHANGES

Training Load Levels

Approval of the requested training loads, except for an increase of 647 for the Air National Guard and an amendment to provide a separate authorized training load to be used solely for Army One Station Unit Training.

ATTACK RELATED CIVIL DEFENSE CHANGE

Authorizes $126.842 million for attack-related civil defense program, a reduction of $6 million.

GENERAL PROVISION CHANGES

Restriction of Funds for Long-Range Combat Aircraft

Restricts the use of funds for the full-scale engineering development or procurement of a long-range combat aircraft until the President submits a written report to the Congress containing his decision on a specific program for the development or procurement of a long-range combat aircraft and the Secretary of Defense submits a written report justifying the President's decision.

Report on Allied Contributions to the Common Defense

Requires a report by the Secretary of Defense on the extent to which non-U.S. NATO nations and Japan have assumed fair and equitable shares of the mutual defense burdens.

Authorization of Other Procurement and Ammunition

Requires authorization of Other Procurement and Ammunition accounts beginning in fiscal year 1983.

Increase in the Contract Cancellation Ceiling of Multiyear Procurement Contracts

Increases the contract cancellation ceiling imposed on multiyear contracts by section 810 of the Department of Defense Appropriations Authorization Act of 1976 by increasing the current $5 million ceiling to $50 million; and invites the Secretary of Defense to submit a report identifying specific programs which, in his judgment, are suitable candidates for multiyear contracts and which may require an exemption from the restrictions of section 810.

Prohibition on Use of Funds to Relieve Economic Dislocations

Prohibits the Department of Defense from using funds for the procurement of goods and services for the purpose of relieving economic dislocations.

Procurement of Automatic Data Processing Equipment

Requires that Department of Defense procurement regulations alone shall govern the acquisition of automatic data processing equipment and services used for specified, critical national security missions.

Requirements Relating to the Award of Sole-Source Contracts

Requires the Department of Defense to give a 30 day public notice prior to awarding certain sole-source contracts and also requires that the Secretary of Defense submit an annual report to Congress setting forth various statistics relating to awards of sole-source contracts.

Cost-of-living Adjustment of Military Retirement Pay

Approval of an amendment to provide a once-a-year cost-of-living adjustment in military retirement pay contingent upon a similar change in current law for Federal civil service retirement pay.

Civilian Personnel Management

Prohibits application of work-year ceiling by Department of Defense and requires that the Department of Defense submit a report by 15 December 1981 analyzing the potential impact of such controls on industrially funded, and other Department of Defense activities.

Liability of the United States in Tort for Certain Actions of Members of the National Guard

Imposes liability on the United States in tort for certain actions of members of the National Guard while such members are performing within the scope of their official duties.

Established by Law the Position of Director of the Defense Security Assistance Agency

Requires that the Director of the Defense Security Assistance Agency be appointed by and with the advice and consent of the Senate.

Requirement for Annual Report on National Guard and Reserve Component and Equipment

Requires the Secretary of Defense to submit an annual report to Congress concerning the equipment of the National Guard and the Reserve components of the Armed Forces.

Military Cooperation with Civilian Law Enforcement Officials

Authorizes the Secretary of Defense, at his discretion, to permit military personnel to provide indirect assistance to Federal, State and local civilian law enforcement officials when such assistance does not adversely affect military preparedness and is conducted in the normal course of military operations and training.

Amendments to the Military Selective Service Act

Permits the Director of the Selective Service System to have access to certain personal information about individuals in order to provide better enforcement of the registration requirement of the Military Selective Service Act.

Senior-Grade Civilians

Deferral of the scheduled 6 percent reduction in senior-grade civilians until the end of fiscal year 1982 with specific management directives.

Flag and General Officers

Denial of the requested repeal of the reduction in the number of flag and general officers.

Assistance to Yorktown Bicentennial Celebration

Authorizes the Secretary of Defense to provide certain assistance in connection with the observance on October 19, 1981 of the 200th anniversary of the surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia.

SUMMARY OF REPORTS OR STUDIES REQUESTED

Procurement

1. A comprehensive acquisition strategy for additional airlift capability.
2. A report from the Secretary of the Navy regarding steps being taken to eliminate and prevent the further occurrence of problems with the construction of Trident and attack submarines. An interim report is also requested.
3. A source selection decision by the Secretary of Defense on the B–52 Companion Trainer Aircraft.
4. A report by the Secretary of Defense providing justifications for the required presidential decision on the Long Range Combat Aircraft.

Research and Development

1. A review by the Secretary of Defense of ongoing military laser programs analyzing means of improving the effectiveness of the management of these programs and reducing the length of time involved in bringing laser weapons on line.
2. A study by the Secretary of Defense of the alternatives to the present means of performing the TACAMO mission.
3. An assessment by the Secretary of Defense of the feasibility and cost effectiveness of using the Maverick Tri-service laser seeker on the Army's Hellfire missile.
4. A report from the Secretary of Defense by 15 December 1981 on the cost effectiveness of the development of the SOTAS system as compared with other reasonable alternatives.

5. A report from the Navy on available light carrier designs.
6. A report from the Navy on the progress of diesel-electric submarine technology research, including program recommendations.
7. A study by the Navy of alternative programs to provide full medical support for amphibious assaults.
8. A study by the Marine Corps of high horsepower engine options for use in advanced combat vehicles.
9. A study by the Secretary of Defense concerning the costs and other requirements of handling and disposing of the obsolescent U.S. chemical warfare stockpile.
10. A study by the Secretary of Defense as to whom among his senior subordinates should be charged with unified responsibility for strategic command, control and communications policy, research and development and procurement.
11. A study by the Secretary of Defense as to whom among his senior subordinates should be charged with unified responsibility for chemical warfare policy, research and development and procurement.
12. A report by the Secretary of Defense providing justifications for the required presidential decision on the MX missile basing mode.

Operation and Maintenance

A report from the Department of the Army by 15 December 1981 describing the Army's plan for execution of fiscal year 1982 budget increases in the area of real property maintenance.

Manpower

1. A report by the Department of Defense by February 1, 1982, on the requirement and supply of trained manpower for mobilization.
2. A report by the Secretary of Defense by October 1, 1981, on the recommendations of the Reserve Forces Policy Board.
3. A report by the Department of Defense by December 31, 1981, on the implementation of the new position management program of the Department of Defense for senior-grade civilians.
4. A report to be included in the fiscal year 1983 Manpower Requirements Report on the long-term manpower needs of the Navy.
5. A report by the Department of the Army by September 30, 1981, on the allocation of civilians in replacement of borrowed and diverted military manpower.

SUMMARY OF PROGRAM INITIATIVES

Procurement

1. Urges Air Force to re-evaluate its decision not to procure A–10 aircraft after fiscal year 1982.
2. Expects Air Force to structure future procurement requests for F–16 aircraft to take maximum practicable advantage of efficient production rates.
3. Expects Air Force to reduce the scope of the B–52 modification program so as to lower the level of effort on the B–52D aircraft.
4. Urges the Air Force to proceed with modifications and upgrades required to improve the effectiveness of the Minuteman II and III missiles and to fund adequately the Minuteman Extended Survivable Power program.

5. Assigns to the Secretary of the Navy responsibility for management and direction of the program for procurement of Light Armored Vehicles.

6. Expects the intelligence community to invest greater resources in the collection and analysis of intelligence regarding the chemical warfare threat.

7. Recommends that war reserve spares for new Army equipment receive funding in the early phases of modernization.

8. Directs that the Navy and Department of Defense provide consistent funding to meet War Reserve Munitions shortfalls.

9. Urges the Air Force and Department of Defense to begin funding of Other War Reserve Material in fiscal year 1983.

10. Restricts the expenditure of funds for Long-Range Combat Aircraft until stipulated requirements are fulfilled.

Research and Development

1. Indicates the committee's desire that the EC–130Q overweight condition be addressed promptly.

2. Expects to have at least $5 million expended for concept validation of a transportable submarine communications system utilizing ELF technology.

3. Urges the maximization of Air Force and Navy cooperation in design and development of Adaptive High Frequency communications techniques.

4. Recommends cooperative development to insure inter-service operability of Extremely High Frequency terminals and communications packages.

5. Expects the particle beam weapons development program to focus on those technologies having the most promising military applications.

6. Directs the Department of Defense to proceed with development of a Trident II missile designed for maximum performance at a pace consistent with an orderly, moderate risk program and leading to an initial operational capability in 1989.

7. Expects a minimum of $6 million to be dedicated to research on hardened ballistic missile defense materials.

8. Requests Air Force provide complete justification for improving the air-to-ground capabilities of the F–15.

9. Advises Navy and Air Force that the committee discourages the development of exclusive-use aircraft to replace current jet trainers.

10. Expects Army to pursue the development of the Fire and Forget capability for the Hellfire missile.

11. Insists on strong oversight from the Secretary of Defense of the various anti-armor, stand-off weapons including Assault Breaker, Wide Area Anti-armor Munitions and Corps Support Weapon system.

12. Assigns to the Secretary of the Navy full responsibility for the program for development of lightweight armored vehicles for use by ground combat forces.

13. Restricts the expenditure of funds for the MX missile until stipulated requirements are met.

14. Restricts funds for ship, submarine, and boats technology until receipt of requested report on survey of diesel-electric submarine designs.

15. Restricts funds for ship contract design R. & D., until receipt of requested report on light carrier designs.

16. Restricts funds for DDGX design until Navy provides the committee with a concise program definition.

Operation & Maintenance

1. Urges the Joint Chiefs of Staff to enforce joint service priorities in the budget and defense planning process.

2. Encourages the Joint Chiefs of Staff to develop more comprehensive and accurate measurements of force capability.

Manpower

1. Requests that no further changes be made in categories used in the annual Manpower Requirements Report until the effects of such changes have been fully explored with the committee.

2. Expects the Secretary of Defense to use his discretion to exceed the authorized civilian end strength by up to 2 percent to accommodate the delayed conversion of 467 Air National Guard civilian positions to full-time military positions.

3. Expects that the Selective Service System will begin without further delay its registration enforcement program.

4. Recommends that the Department of Defense revise its Position Management Directive to encompass certain guidelines for senior-grade civilians.

5. Expects that the Defense Department will conduct simplified cost comparisons for contracting out proposals involving fewer than 50 Defense Department personnel.

6. Expects that the new enforcement authority recommended by the committee for the Selective Service will be used to conduct only face-to-face registration.

Attack Related Civil Defense

1. Raises limit on annual Federal contributions to the States for personnel and administrative expenses from $40 million to $45 million.

2. Urges the Federal Emergency Management Agency, the Department of Defense, and the National Security Council to work together to find a meaningful way to identify and to measure the progress of the civil defense program.

ORGANIZATION OF THE COMMITTEE ON ARMED SERVICES

In January 1981 at the beginning of the 97th Congress, the committee reorganized its ad hoc subcommittees to permit analysis on a continuing basis of those broad areas which have the most direct impact on the national security of the United States.

The committee believed that it could better carry out its responsibilities if key defense mission areas were fully encompassed in the charter of appropriately organized subcommittees. To that end the committee organized four new subcommittees, three of which reflected a mission orientation.

These three mission oriented subcommittees are:

—Strategic and Theater Nuclear Forces Subcommittee with responsibility for U.S. nuclear forces;

—Tactical Warfare Subcommittee with responsibility for tactical air and ground forces; and

—Sea Power and Force Projection Subcommittee with responsibility for the shipbuilding program and the projection of force to distant places.

A major change from past practice was that these three mission-oriented subcommittees were assigned responsibilities for both R&D and procurement for their areas. This change has enabled them to examine more effectively the overall program for countering existing and emerging threats in each mission area.

Beginning with the 97th Congress, the Operation and Maintenance (O&M) account was included in the defense authorization request; in response, the committee formed a Preparedness Subcommittee. One of the primary responsibilities of the Preparedness Subcommittee is to provide the full committee with general oversight of readiness and sustainability issues.

Finally, the committee, given the continuing importance of certain resource areas, retained two resource-oriented subcommittees: Manpower and Personnel and Military Construction.

This new subcommittee structure has served the committee well in its review of the defense authorization request for fiscal year 1982. It has provided new and valuable perspectives on key missions and issues. Moreover, it has provided the opportunity for full integration of R&D and procurement programs in the hope of fielding weapon systems more rapidly and more efficiently.

This reorganization reflects the committee's effort to insure that the budget authorization process is even more closely linked to improvements in force capability and the pursuit of overall national security objectives.

NATIONAL SECURITY PERSPECTIVES

Budget Perspectives

President's Amended Budget Request

President Reagan's March amended fiscal year 1982 defense budget request and 5-year defense projection is indicated in table 1 in comparison to President Carter's budget submitted in January, 1981.

TABLE I

[In billions of dollars, except percent; fiscal years]

	1981	1982	1983	1984	1985	1986
President Reagan's March budget:						
TOA[1]	178.0	222.2	254.8	289.2	326.5	367.5
Outlays	158.6	184.8	221.1	249.8	297.3	336.0
TOA growth (percent)	12.4	14.6	7.3	7.0	7.0	7.0
President Carter's January budget:						
TOA[1]	171.2	196.4	224.0	253.1	284.3	318.3
Outlays	157.6	180.0	205.3	232.3	261.8	293.3
TOA growth (percent)	7.8	5.3	5.0	5.0	5.0	5.0
Reagan budget over Carter budget:						
TOA[1]	6.8	25.8	30.8	36.1	42.2	49.2
Outlays	1.0	4.8	15.8	17.5	35.5	42.7

[1] TOA=total obligational authority.

The March amended fiscal year 1982 request is $25.8 billion in obligational authority above the January submission, and the total 5-year projection contains $184.1 billion more for defense through fiscal year 1986. Actual defense expenditures are estimated to be $4.8

billion greater for fiscal year 1982 and $116.3 billion greater through 1986. This significant and sustained commitment to increased funding for defense is consistent with the concern expressed last year by this committee and the Senate that the U.S. defense budget was not sufficient. In fact, last year the Senate adopted a First Concurrent Budget Resolution for fiscal years 1981, 1982, and 1983 with report recommendations by the Budget Committee through 1985 that projected $117.6 billion more for the National Defense Function through fiscal year 1985 than President Carter's proposal. The committee thus applauds this requested increase in defense spending.

Defense vs. *Non-Defense Spending*

Figure 1 illustrates the growth in U.S. non-defense spending relative to defense spending since fiscal year 1950 and projected through 1986. In 1955 defense spending equaled non-defense spending, whereas for 1980 nondefense spending was more than three times defense.

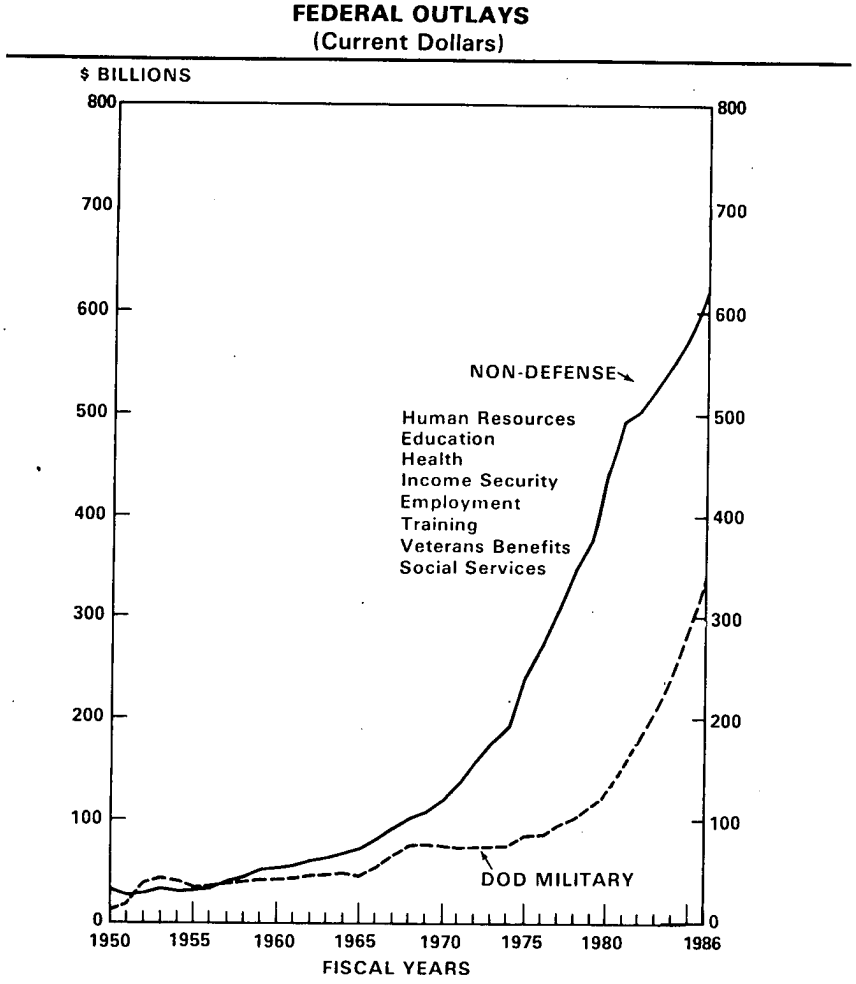


FIGURE 1

Figure 2 shows Department of Defense expenditures as a percentage of total Federal expenditures and as a percentage of Gross National Product (GNP) from 1950 to 1980, with estimates through 1982. As a percentage of GNP, defense spending decreased from a level over 10 percent in the early 1950's to 5 percent in the late 1970's. DOD expenditures for fiscal year 1982 as amended are estimated to be less than 6 percent of the GNP.

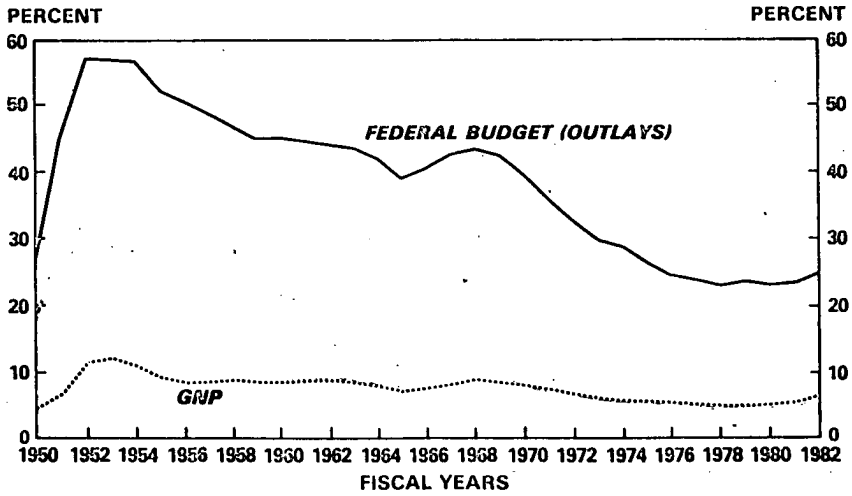
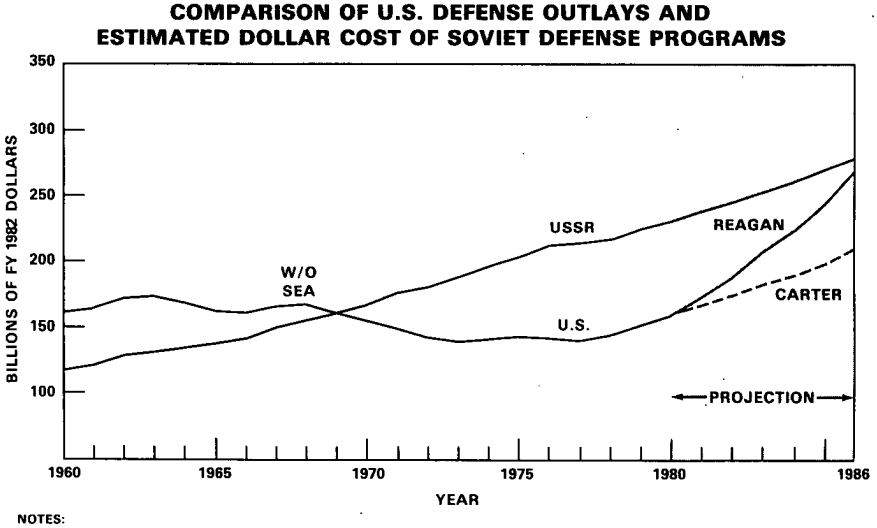


FIGURE 2

Soviet versus U.S. Defense Spending

A comparison since 1960 of U.S. defense spending (excluding Southeast Asia expenditures) with the estimated dollar cost of Soviet defense program is included in figure 3.

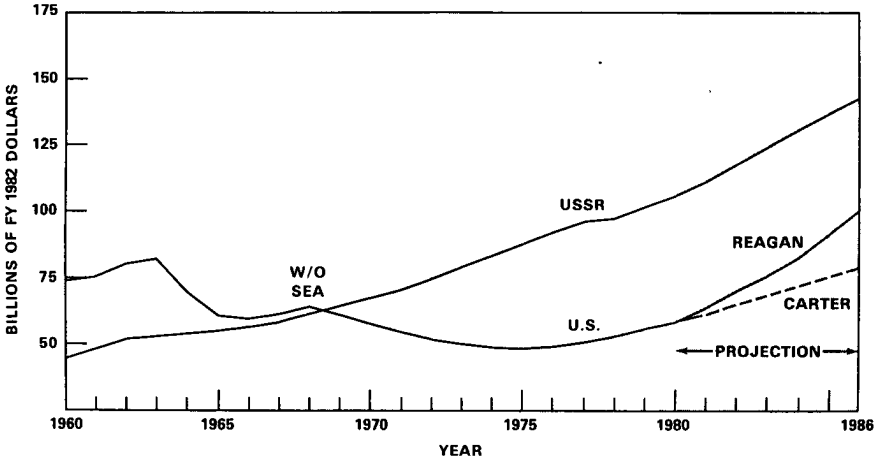


NOTES:
1. U.S. OUTLAYS EXCLUDE RETIREMENT PAY, INCLUDE DEPARTMENT OF ENERGY AND COAST GUARD DEFENSE OUTLAYS.
2. ESTIMATED SOVIET COSTS ARE BASED ON WHAT IT WOULD COST THE U.S. TO PRODUCE AND MAN THE SOVIET MILITARY FORCE AND OPERATE IT AS THEY DO.
3. PROJECTIONS ARE BASED UPON THREE PERCENT ANNUAL REAL GROWTH FOR USSR. FOR U.S., REAL GROWTH IN OUTLAYS IS PROJECTED AT ABOUT NINE PERCENT FOR REAGAN PROPOSAL.

FIGURE 3

By 1970 the cost of the Soviet defense effort had surpassed the U.S. effort and in 1980 exceeded the U.S. program by over $70 billion. Even with the revised 5-year defense projection recommended by President Reagan, the estimated cost of the Soviet program will continue to exceed planned U.S. defense expenditures. Moreover, the projected disparity through 1986 between the United States and Soviet defense programs, persists to an even greater degree when a comparison of actual military investment (procurement, research and development, military construction) is made, which excludes costs of manpower and operations (Figure 4). From 1970 to 1980, the total cost of the Soviet defense program exceeded the U.S. program by $532 billion, including $350 billion more for military investment. The value of the Soviet research and development effort alone—which reflects an investment in tomorrow's defense systems—was $90 billion more than the U.S. effort.

COMPARISON OF U.S. MILITARY INVESTMENT OUTLAYS AND ESTIMATED DOLLAR COST OF SOVIET MILITARY INVESTMENT



NOTES:
1. INVESTMENT INCLUDES RDT&E, PROCUREMENT, AND MILITARY CONSTRUCTION.
2. PROJECTIONS ARE BASED ON FIVE PERCENT ANNUAL REAL GROWTH FOR USSR. FOR U.S., REAL GROWTH INVESTMENT OUTLAYS PROJECTED AT ANNUAL RATES OF ELEVEN PERCENT FOR REAGAN PROPOSAL.

FIGURE 4

Impact of Inflation on Defense Programs

The committee is convinced that a sustained and increased defense effort is required. Moreover, it is the commitment to defense programs—not to a defense funding level—that is essential. In this regard, the committee is concerned about the potential impact of underestimates in inflation on the execution of defense programs. The President has embarked on an ambitious economic recovery program intended to curb the increase in inflation. There is substantial disagreement, however, between the inflation projected by the Congressional Budget Office (CBO) and that of the President. Based on the Congressional Budget Office estimates of inflation, additional spending as indicated in table 2 will be required to execute the President's

planned defense programs. The committee found no basis for accepting the CBO estimates of inflation instead of the President's estimates. The Secretary of Defense and the Director of the Office of Management and Budget (OMB) have committed to fully supporting the programs if estimates in inflation do not prove accurate. The committee accepts this commitment and intends to insist that these vitally needed programs are executed.

TABLE 2.—DIFFERENCES IN DEFENSE BUDGET WITH CBO ESTIMATES OF INFLATION

[In billions of dollars, fiscal years]

	1981	1982	1983	1984	1985	1986
National defense function:						
Budget authority	2.1	6.7	13.9	22.7	34.1	48.7
Outlays	1.0	3.6	8.9	15.5	24.3	35.8

Defense Outlay Estimates

There is also considerable disagreement in the defense outlays or expenditures estimated by the Congressional Budget Office and those estimated by the Office of Management and Budget and the Office of the Secretary of Defense (table 3). Methods for estimating outlays are not exact, and the resulting estimates of out year expenditures are historically inaccurate. Projected expenditures depend on the rate of spendout assumed and on the assumed composition (for example, procurement, research and development, operating expenses, pay) of the budget.

TABLE 3.—NON-ECONOMIC DIFFERENCES IN DEFENSE OUTLAYS WITH CBO ESTIMATING METHODS

[In billions of dollars, fiscal years]

	1981	1892	1983	1984	1985	1986
National defense function: Outlays	+0.5	+5.1	+2.1	+7.4	−6.3	−7.7

It is important to emphasize that the Congress authorizes and appropriates funds consistent with the obligational or budget authority required to implement programs. Actual expenditures or outlays, on the other hand, are a product of the rate-of-spendout of obligated funds and of the exact program content of the defense requests. Defense spending in a given year is in large part due to the expenditure of funds obligated in prior years for programs already authorized. Estimates of current year defense spending, and especially projected defense spending, are uncertain. Moreover, current defense "expenditures" do not reflect new commitment to defense but are the result of past commitments. Fluctuations in defense spending can result simply from changing spending patterns, reflecting no change in defense programs.

As previously stated, the committee is strongly committed to the execution of defense programs and will insist on the budget authority to execute these programs. Nonetheless, the differences between CBO and OSD/OMB estimated outlays are a concern to the committee. The contribution of defense spending to total Federal spending must be

accounted for in the attempt by the President and by Congress to balance the Federal Budget. The committee considered the difference in outlay estimates but found no better basis of estimating defense outlays than that provided by the Office of the Secretary of Defense. It is clear, however, that future coordination between CBO, OSD, and the Office of Management and Budget will improve the ability of each to arrive at a common method of estimating outlays.

Global Perspectives

Introduction

American military strength postured against that of the Soviet Union both in reality and perception eroded significantly during the 10-year period ending in 1980. In this period, the United States:

—lost the superiority of her strategic forces and faced the certain loss of essential equivalence with the Soviet Union;

—lost theater nuclear superiority in Europe;

—permitted an unfavorable shift in the overall U.S.–U.S.S.R. conventional balance as the Soviets surpassed U.S. defense spending early in the 1970's and built a sizable advantage during the remainder of the decade;

—suffered a devastating loss in Vietnam causing both friend and foe to perceive flaws in America's strength and a deterioration of her commitment and resolve;

—became vulnerable to disruptions in the supply of foreign oil and experienced the use of "hostile oil" as a weapon against America's foreign policies and interests;

—suffered with the revolution in Iran the collapse of the U.S. security policy in the Persian Gulf region;

—lost the initiative in Third World affairs to a bolder, more adventuresome Soviet Union assisted by aggressive proxies; and

—lost a united front in NATO for dealing with critical East-West issues.

There were signal offsetting successes for the United States during this period. Normalization of relations between the United States and the People's Republic of China, with its dramatic implications for the global equilibrium of power, was one of the most significant events of the 1970's. In the Middle East, precluding a Soviet role in the Arab-Israeli peace process served U.S. interests as did improved relations with militarily strong Egypt. Also on the positive side, gaining access to military facilities in Oman, Somalia, and Kenya improved the military potential of the United States in the critical Persian Gulf region.

Trends in the International Security Environment

The world has become a much more dangerous place in which to live. Increasing terrorism, regional arms races, and nuclear proliferation are all symptoms of rising world militarization and instability.

At the same time, economic interdependence gives international impact to regional crises. The delicate balance of the supply and demand for oil causes events in oil-rich nations to be of critical concern to the entire world, but especially to industrialized nations. The free flow of other raw materials and trade is also of vital importance to nearly every world region, especially in light of the world's economic slow-

down. Disruptions of this free flow can have substantial economic, and hence political, repercussions.

The struggle between the United States and the Soviet Union for power and influence has become global in nature. Growth in Soviet military strength, especially in capabilities for distant naval deployments, has enabled Moscow to challenge Washington in areas long dominated by American forces and in areas where neither superpower previously had a sizable military presence, like the Indian Ocean. These new Soviet challenges have been supported by:

—a new Soviet boldness and adventurism in Third World affairs;

—a successful Soviet use of proxies in Africa, Latin America, the Near East, and Southeast Asia; and

—American restraint in Third World affairs attributable in part to the Vietnam experience.

Given that these Soviet and Soviet-sponsored threats are emerging in world regions not covered by Western alliances and given the new economic vulnerabilities of the industrialized world, the geographic scope of U.S. security challenges has grown substantially.

The political cohesion that previously characterized old alliances has lessened. In America's case, the strains of the crises in Southwest Asia during 1979 accelerated this process. Although lessening of Soviet control has not yet been felt, the unrest in Poland is a key example of the critical problems that the Soviets are likely to face in the near future.

In addition to a weakening in the political cohesion of major alliances, power in the world has also been somewhat diffused by:

—the Sino-Soviet geopolitical rivalry;

—the economic wealth of the oil-producing states and their influence over the world's economy;

—growth in the military strength of regional powers; and

—an increase in nationalism in Third World countries serving to lessen traditional influences.

In sum, the international security environment that faces us has the following characteristics:

—rising militarization;

—increasing instability;

—increasing exposure of the West's economic vulnerabilities;

—expanding geographic scope of U.S.-U.S.S.R. military competition;

—reduced level of cooperation by the Western alliances; and

—increasing diffusion of power and influence.

For the United States, these characteristics have produced a situation where:

—the limited numerical strength of U.S. military units—especially naval units—has been stretched thin to cover expanding geographic responsibilities;

—the United States has been forced to assume the greatest share of the burden of meeting challenges to Western interests outside traditional alliance areas; and

—the United States has had to develop the capability to take

rapid military action to protect vital, distant areas from substantial threats.

Soviet Union

The disparity in the resources committed by the two superpowers to defense spending in recent years has ominous implications for the world, especially when available evidence suggests that Soviet defense spending will continue to grow for the next 5 years at approximately the same rate as it has in the past.

Perhaps the most remarkable aspect of the Soviet military buildup during the past decade is the degree to which the Soviets have sacrificed the well-being of their economy to sustain it. The Soviet economy's rate of growth—measured by increases in the gross national product (GNP)—has continuously declined since the 1950's. The average annual rate of about 6 percent during the 1950's declined to 5.2 percent in the 1960's, to 3.8 percent from 1971–1975, and to 3.1 percent from 1976–1979. A further slowdown of the Soviet economy is expected in the future. By the mid-1980's, the rate of growth may drop to only 1 or 2 percent.

The plunging performance of the Soviet economy is attributable to growing energy constraints, labor shortages, and to lagging productivity. Energy and manpower constraints have a great impact on the growth of the Soviet economy because growth in the Soviet Union has been fostered by a simple expansion in resources rather than productivity. In fact, overall Soviet productivity with the exception of defense industry is declining and prospects for a turnaround are bleak. In this regard, Soviet economic development differs from that of other modern industrial nations, whose growth has been sustained by increases in productivity.

Leonid Brezhnev, now 74, has led the Communist Party of the Soviet Union for almost 17 years and for at least 10 years has been the nation's undisputed leader. The widely held expectation that Brezhnev, whose health is poor, will leave the Soviet political scene within 2 years has focused attention on his replacement. Brezhnev has prevented any of his colleagues from acquiring the status or power necessary to have a claim on his position.

The succession crisis in the Soviet Union will be further complicated by the fact that most of the members of the Politburo are likely to be replaced over the next 5 years due to their advanced age. It is unlikely that replacement of so many key leaders in so short a time will create a political climate that will lead to a stable consensus on Soviet policies.

Given the range and seriousness of political and economic problems facing the Soviet Union during the 1980's, the likely absence of a strong, unified leadership may preclude effective action on controversial issues.

While much attention has been focused on the eroding American position in the world, Soviet problems have not been extensively addressed.

Given recent world events especially in the last 2 years, the Soviets may see themselves as surrounded by hostile forces with no strong allies to assist them.

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Of the 16 nations with the largest defense budgets as of 1978, seven, including the United States, are members of NATO, one (Japan) has a bilateral defense treaty with the United States, and three (China, Saudi Arabia and Israel) are strongly anti-Soviet or pro-Western in orientation. Only three of these countries (U.S.S.R., East Germany, and Poland) are members of the Warsaw Pact, another (India) is pro-Soviet in orientation. The sixteenth nation—Iran—is both anti-Western and anti-Soviet; moreover, her defense efforts and strength have been greatly reduced since 1978. Of the nations allied with or leaning toward the Soviet Union, East Germany ranks highest in defense spending in twelfth place, just behind the Netherlands.

Soviet fears of the People's Republic of China (PRC) have grown in the last 3 years as the PRC improved her relations with Japan and the United States. These developments are likely to be seen as highly unfavorable to the Soviets. Moreover, the Soviets have failed to improve their cool relations with Japan which has been a major foreign policy setback for them.

Afghanistan has become a quagmire. It is draining Soviet military resources and attention. It has caused some discontent at home. Moreover, it has strained Soviet relations with the Islamic world, including possibly Soviet Muslims, and the West. Much of the Muslim world is already strongly opposed to "godless" communism.

To the West, developments in East Europe must be of concern. Labor unrest and economic problems, especially in Poland, are challenging East European governments and Communist ideology. Should events there create domestic turmoil, it could destabilize an area that has long been relatively passive from the Soviet viewpoint.

Combined with her own economic problems and her impending leadership crisis, the Soviet Union may see these international setbacks as posing serious challenges.

NATO

The United States and most of her European allies have come to hold divergent views on the world situation and on strategies for countering the Soviets' military buildup. Many Americans have concluded that the Soviet Union sought to take advantage of détente and that there are troublesome connections between Soviets in Afghanistan, Cubans in Africa, Vietnamese in Cambodia, and Libyans in Chad. The United States has awakened to the real threats to Western interests in the Persian Gulf region. Concern and alarm over these realizations have been translated into a determined revitalization of U.S. defense capabilities and a more confrontational approach to destabilizing Soviet behavior.

The mood in NATO Europe is quite different. While there is clearly concern, the threats to European interests are seen as less ominous. Many Europeans continue to have unrealistic expectations of détente. Western Europe does not now appear to be prepared to deal with the strategic vulnerability of its excessive dependence on Persian Gulf oil.

Clearly the costs and risks to Western Europe of a more confrontational approach to Moscow are greater than for the United States. Their economic and human ties to the east are more widespread. Moreover, should this strategy backfire, the resulting battleground will include Western Europe.

Given this context, strong anti-defense sentiments have made themselves felt on the security policies of leading European member states of NATO. There are even troubling undercurrents of neutralism and pacifism. Progress on important NATO military initiatives—in particular real growth in annual defense spending and theater nuclear force (TNF) modernization—has been slowed by these political forces.

Clearly, the greatest challenge confronting the Alliance is implementation of the TNF modernization decision of December 1979. That decision called for the pursuit of arms control in parallel with modernization. The limited prospects for initiation of meaningful arms control negotiations have substantially weakened the European commitment to modernization.

Of all volatile issues in the European region, the form that the resolution of Poland's domestic problems takes will have by far the greatest implications for the future direction of West-East relations. Soviet intervention in Poland would be likely to produce dramatic changes in Western European opinion on many security issues.

On a positive note, the strength of the southern flank of NATO has improved markedly in the past year. Greece has been reintegrated into NATO's military command structure. The military government in Turkey has restored order and has made progress on the nation's economic difficulties. Turkey continues, however, to require substantial economic assistance.

Persian Gulf and Middle East

The release on January 20, 1981 of American hostages held captive by Iran has enabled the United States to turn her attention to other critical issues in the region. The Middle East and the Persian Gulf region have been plagued by instability for an extended period of time. The Arab-Israeli disputes have been a major source of instability.

In the past year, the region's instability has been heightened by conflicts and disputes among Muslim nations: the Iran-Iraq war, controversies involving Syria and Jordan, Libyan-Egyptian animosities, and escalating internal strife in Lebanon to name a few. These clashes and serious differences have provided new openings for the Soviets and others who seek to destabilize the region. Moderate Arab states, recognizing this fact, have given increased attention to the threat from the Soviet Union and her regional proxies.

Effective resistance to Soviet control of Afghanistan continues. The Islamic world has continued heavy criticism of the Soviet invasion. The Soviet presence in Afghanistan has been particularly troublesome to Pakistan, now a front-line state bordering Soviet controlled territory. Indo-Pak relations have not improved, further adding to Pakistan's anxieties.

Implementation of the Camp David Accords has continued relatively smoothly thus far. The final withdrawal of Israel from the Sinai Peninsula in April 1982 requires the formation of a multinational force to insure the peace between Egypt and Israel. U.S. participation in this multinational force is likely. Negotiations on Palestinian autonomy have failed so far. Progress may be possible after the Israeli national elections in June 1981.

In the past year, Libya's behavior has become markedly more aggressive. The Libyan-backed raid into Gafsa, Tunisia in January 1980 was the first major indication of Libya's expansionist activities. In late 1980, Libyan troops intervened in Chad's protracted civil war, and in January 1981, Colonel Qadhafi announced a merger of the two states. While this merger has been put aside, many African and non-regional states have come to believe that Libya's intention is to create a Pan-Islamic state in Saharan Africa under Libyan control. Libya's efforts to extend her influence, financed by her vast oil revenues, represents a serious threat to regional stability and to American interests.

In early 1981, fighting in Lebanon intensified further destroying the fabric of this nation. The complex domestic situation and the presence of Syrian forces have precluded the formulation of effective and lasting solutions to Lebanon's problems.

In February 1981, six Persian Gulf states—Saudi Arabia, Oman, Bahrain, Kuwait, United Arab Emirates, and Qatar—completed the formation of a Gulf Cooperation Council. This effort at regional cooperation is an important step in the enhancement of the region's security and stability.

East Asia and the Pacific

East Asia continues to be vital to U.S. interests. U.S. trade with this area is greater than with any other world region. Japan continues to be the largest overseas trading partner for the United States and economically our most powerful ally.

The military relationship between Japan and the United States continues to improve although the relationship has been plagued by the American disappointment in the modest increases in Japan's low level of defense spending.

South Korea has completed a troubled period of transition following the assassination of President Park. A new constitution has been ratified by the public and President Chun and a new National Assembly have been elected. While stability has been restored, economic stagnation, resulting primarily from the worldwide economic recession, continues.

Relations between the United States and the People's Republic of China (PRC) have steadily improved. The United States has also continued to fulfill her moral obligation to the well-being of the people of Taiwan without damaging her important strategic relationship with the PRC.

The human tragedy of Indochina continues. Vietnam and her Kampuchean surrogates have been unable to eliminate the resistance of the remnants of the Pol Pot regime. The United States and other concerned nations have sought to strengthen Thailand against further Vietnamese aggression.

Sub-Saharan Africa

Like North Africa, the portion of the continent south of the Sahara Desert has been the target of Soviet-instigated military activity. Sub-Saharan Africa provides strategic materials that are critical to the

industrial and defense efforts of the Western World. Left unattended, southern Africa could become the next "Persian Gulf" for the West with access to the region's resources placed at considerable risk.

Soviet strategic aims in southern Africa benefitted from American restraint in the Third World in the period following the fall of Saigon and from the stultifying inhibition of the Clark amendment. There is growing concern that Soviet and Cuban excesses in Africa will seriously endanger access to essential minerals and the important shipping lanes from the Persian Gulf around Africa. There are an estimated 46,000 Cubans today operating on the African continent, primarily in Angola and in the Horn of Africa.

The Republic of South Africa represents one of the most delicate political issues in Africa now facing the United States. This is so because South Africa, a long-time U.S. ally and source of vital strategic minerals, maintains a highly volatile legalized policy of racial discrimination.

Given the importance of the region, the United States and other western nations must develop effective strategies for countering Soviet efforts in Africa and for finding peaceful solutions to southern Africa's problems.

Latin America

El Salvador has become the benchmark of a new determined effort by the United States to resist the spread of Soviet-backed, Cuban-inspired insurgency throughout Latin America. Like Africa, Latin America has suffered through a prolonged period of relative inattention by the United States. Given that many societies in Latin America are unstable and vulnerable to insurgent activities, the United States must increase her attention to the security situations of her Western Hemisphere neighbors.

On the whole, the 1970's saw a net erosion of the U.S. position in the world. Combined with growing international instability and the geographic expansion of threats to Western interests, this erosion has magnified challenges to our security efforts in the 1980's. The next several sections provide additional insights into challenges that the United States faces in key force and resource areas.

U.S. Military Force Structure

The following table shows the force structure of U.S. active military forces for selected years, in order to provide perspective on the budget for fiscal year 1982. Estimated figures are given for the end of the current fiscal year and for the end of fiscal year 1982. For comparison, similar figures are provided for fiscal years 1964 and 1980. To complete this general overview of the size and structure of American active military forces, a summary of inventories of major equipment is provided for each year. The summary shows graphically that few changes in the level of our active forces have occurred in recent years, and the U.S. forces are well below 1964 levels in many categories.

SUMMARY OF SELECTED ACTIVE MILITARY FORCES

	Actual		Estimated	
	June 20, 1964	Sept. 30, 1980	Sept. 30, 1981	Sept 30, 1982
Strategic forces:				
Intercontinental ballistic missiles:				
Minuteman	600	1,000	1,000	1,000
Titan II	108	54	54	54
Polaris-Poseidon-Trident missiles	336	576	496	544
Strategic bomber squadrons	75	25	25	24
Aircraft (PAA)[1]	1,115	376	376	376
Manned fighter interceptor squadrons	40	6	6	5
General purpose forces:				
Land forces:				
Army divisions	16	16	16	16
Combat brigades	56	52	50	50
Marine Corps divisions	3	3	3	3
Regiments	12	12	12	12
Tactical air forces:				
Air Force wings	21	26	26	26
Aircraft (PAA)[1]	1,712	1,680	1,692	1,732
Navy attack wings[1]	15	12	12	12
Aircraft (PAA)[1]	1,212	914	978	980
Marine Corps wings	3	3	3	3
Aircraft (PAA)[1]	510	406	406	406
Naval forces:				
Attack and ASW carriers	24	13	12	13
Attack submarines	104	79	88	95
Other warships	279	177	188	195
Amphibious ships	133	63	59	60
Airlift and sealift forces:				
Strategic airlift squadrons:				
C-5A squadrons	0	4	4	4
Aircraft (PAA)[1]	0	70	70	70
C-141 squadrons	0	13	13	13
Aircraft (PAA)[1]	0	234	234	234
Tactical airlift squadrons:				
C-130 squadrons	28	14	14	14
Aircraft (PAA)[1]	436	218	218	218
Troopships, cargo ships, tankers	100	49	47	47
Equipment inventories:				
Total Army tanks	2,205	8,049	8,545	8,545
Total Navy active fleet	917	456	469	487
Total Navy aircraft	7,595	4,708	4,809	4,803
Total Air Force aircraft	12,689	7,034	7,133	7,265

[1] PAA (primary aircraft authorization) is aircraft provided for the performance of a flying mission.

Strategic Force Perspectives

The strategic nuclear forces of the United States consist of intercontinental ballistic missiles, sea-launched ballistic missiles with the nuclear-powered submarines which launch them, long-range bombers and the sophisticated warning and communications system which support the offensive forces. Today these forces are at a crossroads. The Nation faces difficult choices about expensive long-term programs which are required if America's nuclear deterrent is again to meet stated requirements and counter Soviet forces and capabilities.

For much of the last two decades, planned modernization of these systems has been reduced in scale, delayed, deferred or canceled outright. Consequently, weapon systems designed in the 1950's and 1960's have served as the backbone of the U.S. strategic deterrent into the 1980's. While it is true that important modifications to these systems have been undertaken, the Nation's nuclear Triad nonetheless consists of aging ships, bombers and missiles.

During the same period, Soviet strategic forces have undergone a systematic, comprehensive and continuing modernization program. One recent study by the Rand Corporation concluded that the U.S.S.R.

had outspent the United States by $104 billion in strategic arms alone during the period 1968–1978. Over the past decade as a result of this level of investment, successive generations of increasingly capable and ever more numerous Soviet nuclear systems have been introduced. Today, the U.S.S.R. has hundreds of modern, reliable, large throw-weight ICBM's; their new SLBM's feature MIRVed warheads, improved accuracies and great range; and the Soviet Union is producing substantial quantities of sophisticated bombers fully capable of performing intercontinental missions against the United States. Furthermore, the U.S.S.R. has diversified and improved the endurance of most of its strategic command, control and communications system as it has improved its capabilities.

Current static measurements of United States vs. Soviet strategic forces—while more alarming than those of past years—continue to understate the worsening imbalance which clearly favors the Soviet Union. For example, the American advantage in intercontinental bombers is increasingly offset by advances in Soviet air defenses. Similarly, the apparent U.S. lead in numbers of warheads fails to reflect adequately the disparity which exists in numbers of time-urgent, hard-target kill capable warheads deployed by each side. The large number of these ICBM-delivered warheads deployed in the Soviet arsenal, their high levels of readiness, and the relative probability of them reaching and destroying their targets constitute an important advantage for the U.S.S.R. The increasing numbers and improved capabilities of the warheads in the Soviet ICBM force have now made adoption of a survivable basing mode for the U.S. land-based deterrent force a fundamental requirement.

The United States-U.S.S.R. strategic relationship is evolutionary, with no guarantees that a balance can be maintained. Over the past 13 years, due in no small part to the disparity in the levels of resources allocated by the United States and the Soviet Union to strategic force modernization, the strategic balance has evolved in favor of the U.S.S.R. Other factors contributing to this evolution have been unilateral U.S. decisions to exercise restraint in support of arms control initiatives and the tendency to undersize our strategic forces as a result of underestimating elements of the Soviet's massive military buildup.

The cumulative effect of these decisions and the changing strategic balance which they have promoted have presented the United States with major—and very expensive—programmatic choices in the strategic area. The Subcommittee on Strategic and Theater Nuclear Forces held a series of hearings on these issues and, based on these hearings, the committee has made specific recommendations which are contained elsewhere in this report. The committee believes, however, that testimony presented to the Strategic and Theater Nuclear Forces Subcommittee coupled with the funding requests found in the fiscal year 1982 budget amendments reflects a new commitment to modernize and upgrade U.S. strategic forces.

Sea Power Perspectives

Rebuilding American Sea Power

Geographic Perspective. The United States exists today as an island-nation. That is a fact of geography and economics. As an

island-nation, America is dependent on the trading nations of the world and on the free use of the seas for the daily sustenance of its commerce and industry. Without that free use of the seas, our ability to survive militarily and economically would be in serious jeopardy.

The Soviet Union, on the other hand, is and remains a potentially absolute autarky—economically self-sufficient and dependent for trade on no one but itself—a true continental power. They have expanded from their Russian center outwards over land routes, not sea routes, gathering essential resources from within their own borders or those of their contiguous buffer states.

The Soviets, theoretically at least, have no need for a navy or a merchant marine. And yet, the naval forces of the Soviet Union have been expanding in scope and mission ever since the Second World War. From relatively humble beginnings as a force useful only for protecting the nation's few exposed coastal waters, the Soviet Navy has grown increasingly powerful, operating more and more frequently in the open ocean areas of the world to better support the exploits of its political leaders in distant parts of the world. With each passing year the Soviets have been able to provide an increasingly more viable threat to America's free and essential use of the seas at the time and place of their choosing. Moreover, the Soviet merchant marine has grown so remarkably that in 1978 it ranked seventh in terms of dead weight tonnage among all of the merchant marines of the world. By contrast, the merchant marine of the United States, a nation absolutely dependent on seaborne commerce, ranked only ninth. On the basis of numbers of ships over 1,000 gross tons, the Soviets ranked 2d while the United States ranked 11th.[1]

A very real challenge of this decade, therefore, is the rebuilding of America's essential naval and maritime strength. U.S. sea power must once again become capable of providing an unambiguously positive force to improve the national defense and strengthen the national will; it must once again be capable of providing naval support to its friends and allies in order to deter its potential adversaries from attempting to deny the free and peaceful use of the seas.

Reversing the Trend.—Accomplishing that task will not be easy. By 1980, depending on how ships are counted, the Soviet Union had three times as many total naval vessels as the United States, even though total Soviet naval tonnage was less than that of the United States. But of concern for the future is the fact that the Soviets are delivering more ships to their fleet annually than the United States is delivering to her fleet. Over the past 5 years the Soviet Union delivered two major surface combatants for every one constructed by the United States, five submarines for each U.S. submarine, and 29 "other" naval ships for every U.S. ship.

It was not surprising, therefore, that this year the Chief of Naval Operations stated in his posture statement before the committee that:

> While I am pleased with the high quality of the ships, aircraft, and weapons entering the fleet, my enthusiasm is notably tempered by the pace of modernization displayed by the

[1] Heine, I. H. "The U.S. Maritime Industry in the National Interest," National Maritime Council, 1980, pp. 259–260.

> Soviets. On a comparative basis I would have to say that while we had a very good year in 1980, the Russians had a spectacular one.

Further, the Chief of Naval Operations stated:

> This year I have very carefully reassessed the state of the naval balance, in consultation with my senior operational commanders. The judgments that emerged from that process have led me to conclude that it would be misleading to continue speaking of a "narrow margin" (of superiority over the Soviet Union) when, in fact, we have entered a period in which any reasonable estimate of the balance falls within the range of uncertainty. In other words, the situation today is so murky one cannot, *with confidence*, state that the U.S. possesses a margin of superiority. If we do, it is so cloudy and tenuous as to be unreliable—both as a deterrent, and as assurance of our ability to prevail at sea in a conflict with the Soviets.

In spite of these problems, the turn-around for American sea power has begun, due in part to the concerns of this committee and the Congress. In the original fiscal year 1981 budget approved by the Congress last year, this committee was responsible for supporting the additional procurement of three new naval combatants, eight sealift ship conversions, and advance procurement funds for several other ships. In total, in fiscal year 1981 the committee recommended the addition of over two billion dollars in the Navy shipbuilding and conversion procurement requests alone.

In the original Defense Department request for fiscal year 1982, a shipbuilding plan was proposed that included $6.6 billion for eighteen ship procurements and conversions. The amended request has added about $3.7 billion for an additional 15 procurements and conversions for a total request for 33 ships and $10.3 billion. The committee applauds and supports this obvious change in the direction of the Nation's defense posture.

Potential Obstacles.—In view of the recent history of Navy shipbuilding, however, expanding the size of our naval forces significantly has at least three potentially serious problems—the affordability of future shipbuilding plans, the sustainability of the growth in the shipbuilding budget, and the capability of the American shipbuilding industrial base.

First, the basic affordability of a particular shipbuilding plan is primarily a function of controlling unprogramed cost growth and inflation. Within a fixed budget for some number of ships, inflation that is greater than what is planned will naturally cause the planned number of ships within the program to be decreased. Similarly, unprogramed cost growth can erode a shipbuilding program equally as fast. Unprogramed cost growth is also undoubtedly more responsible than any other factor for causing "bow waves" of unrealistic planning for the later years of the five-year defense plan. The solutions to both problems lie in increased management attention within both the Department of Defense and industry. The administration's stated desire to experiment with multiyear contracting is one encouraging sign.

The second major problem area is the ability of the administration to sustain the planned real growth in the levels of defense spending in general, and in the Navy shipbuilding account specifically. Since the 1950's, defense spending has been an ever decreasing portion of both total federal spending and the GNP. Not until the past year or two has that trend been reversed. And in an era where the growth of domestic spending now faces constant attack, concentrated and continuous attention will be required to keep that trend from reverting to its old ways.

Finally, there is the question of the nation's shipbuilding capability. In response to a request by this committee, Defense Secretary Weinberger forwarded an Institute for Defense Analyses study entitled, *The Shipbuilding Industries of the U.S. and U.S.S.R. as Bases for National Maritime Policies: Current Capabilities and Surge Demand Potential.* The study was, in part, a comprehensive examination of the U.S. shipbuilding industry and its possible response to several levels of Navy shipbuilding effort required to achieve four separate fleet sizes: a 500-, 600-, 700- and an 800-ship Navy. The study's results hold several important implications for the plans of the current administration:

> It is concluded that shipbuilding, due to the unprofitable nature of its product, is an industry which survives in the U.S. only because of direct and indirect subsidization and naval work. Indications are that the continuation of recent trends (less than a 500 ship Navy) will lead to attrition of yards from the industry in the next decade. Increased profit margins on naval work and more stable yard workloads might reduce this risk.
>
> It appears that sufficient facilities exist to accommodate a substantial surge in overall demand. . . . (R)egional shortages (of labor) could occur over the short-to-medium term. Priorities, incentives, or outright government production might be necessary to ensure provision of materials, components, and weapon systems.
>
> (T)he current U.S. industry is capable of effecting significant increases in Navy force levels, although such buildups would require at least ten to seventeen years, depending on assumptions. . . . Large or rapid buildups would require reentry of naval and many repair-only yards into new construction work due to a shortage of nuclear, complex-combatant, and large hull capacity.

Thus, the U.S. shipbuilding industry does appear capable of sustaining the growth to a 600-ship navy currently envisioned. In fact, anything less will apparently force some yards out of the new construction business. Without proper planning, even the 600-ship goal does not insure against that. Recently, both the Secretary of the Navy and the Secretary of Defense have spoken of even higher goals for Navy force levels. While the study did not address the affordability of building a 700- or 800-ship Navy, it did say they were industrially achieveable within certain limitations.

Therefore, if the results of this study are correct, the administration can achieve its shipbuilding goals, in terms of capacity,

but areas of concern exist that must be addressed. At the very least, the study indicates that no matter what final goal is chosen, the administration must improve the methods used to conduct long-term shipyard workload planning and the subsequent awarding of shipbuilding contracts. It must also exercise better management control of financial and overall incentive policies. A realistic examination of the long-range affordability of the nation's shipbuilding plans and improved management of the nation's private and public shipyard resources could, however, produce the results that are necessary to insure that America regains its essential maritime role in the world.

Conclusion.—The necessity for a strong U.S. Navy is absolute, given American dependence on overseas mineral and energy resources and on the trading patterns of the Nation's industries. With this and last year's defense authorizations and the entire thrust of the new administration's defense policies, the reversal in the downward trend in U.S. naval sea power has begun. The trend will remain positive, however, only if the potential obstacles of affordability, sustainability, and industrial capability are fully understood and overcome.

Navy Ship Inventory

The Navy ship operating forces at the end of fiscal year 1981 will total 542 ships. This compares to a fiscal year 1964 ship operating force of 1,003.

During fiscal year 1982, there is estimated to be a net gain of 13 ships; this includes a gain of 18 ships in the active force, a loss of three in the reserves, and a loss of two in the Fleet Auxiliary force. The active force increases will be led by the addition of an attack carrier and a net gain of seven attack submarines. There will also be small net gains in destroyers, frigates, amphibious ships, and patrol combatants. The only net losses will occur in the Strategic Submarine Force in Auxiliaries.

NAVY SHIPS

	Fiscal year 1964		Fiscal year 1968		Fiscal year 1981		Fiscal year 1982	
	Active	Reserve	Active	Reserve	Active	Reserve	Active	Reserve
Strategic submarine (SSBN)	21	0	41	0	36	0	34	0
General purpose forces	896	85	935	75	433	45	453	42
Attack submarines (nuclear and diesel)	104	0	105	0	88	0	95	0
Attack carriers	15	0	15	0	12	0	13	0
ASW carriers	9	0	8	0	0	0	0	0
Other combatants:								
Cruisers	28	0	34	0	27	0	27	0
Destroyers	213	13	222	16	82	9	84	4
Frigates	40	27	50	19	79	0	84	4
Amphibious	133	0	157	0	59	6	60	6
Patrol combatants	6	9	9	6	1	0	6	0
Mine warfare	85	13	84	12	3	22	3	22
Auxilaries	263	23	251	22	82	8	81	6
Total ships	917	85	976	75	469	45	487	42
Fleet auxiliary force	1		4		28		26	
Total ship operating force	1,003		1,055		542		555	

Force Projection Perspectives

Force projection is an important instrument of foreign policy. It encompasses the projection of military power—by various means—to distant areas. Traditional power projection forces include:

Airborne and amphibious forces;

Military and commercial airlift and sealift, prepositioning of military equipment and supplies, and amphibious shipping;

Sea-based tactical air, naval gunfire, out-of-area deployments of combatants, and underway replenishment ships and other auxiliaries to support these naval forces; and

Inflight refuelable bomber, attack, and fighter aircraft and tankers to support them.

In addition, there are less direct means of projecting power:

Military support of allies and friends such as military assistance, sales, advisors, and training;

Use of proxy forces;

Treaties and other security agreements;

Basing rights and facilities access agreements; and

Unconventional warfare.

Since World War II, the United States has maintained impressive traditional force projection capabilities and has at times projected formidable military power to distant world areas. In contrast, Soviet traditional force projection capabilities have, until recently, been limited to areas contiguous to the Soviet Union. Moreover, there are no examples to date of the Soviets projecting a major Soviet fighting force to a world region remote from their borders although the Soviets have supported major power projection efforts in distant areas by their proxies.

At the present time, the United States has substantial advantages over the Soviet Union in traditional power projection forces. The United States is far more capable of inserting and sustaining a military force in distant areas. While the Soviets have larger airborne forces and a militarily more capable merchant marine—especially in terms of its coordination with naval forces—the majority of Soviet forces suitable for power projection are embryonic compared to U.S. forces. The U.S. advantages in sea-based tactical air, amphibious forces and shipping, airlift, and inflight refuelable aircraft are substantial. However, some of these advantages are offset, at least in part, by the greater proximity of the Soviet Union to key world trouble spots—the Persian Gulf, Middle East, and Korea.

In projecting power in the past, the Soviets have sought to maintain a relatively low military profile and have effectively used proxy states to achieve their objectives. They have maintained substantial stockpiles of war materials that could be rapidly transferred to nations seeking assistance. The aggressive activities of Soviet surrogates have in recent years seized the initiative despite American strengths in traditional power projection capabilities.

While the power projection balance now favors the United States, there is substantial evidence that the Soviets have embarked upon a determined effort to substantially improve their projection forces. Much like the increasing reach of her sea power, the force projection

capabilities of the Soviet Union have received increasing attention in the Soviets' drive to become a true worldwide power. The Soviets seem intent on developing force projection capabilities that enable them to effectively compete for power and influence in critical world areas and to challenge Western interests anywhere in the world.

This effort by the Soviets has added a new and troublesome dimension to the military competition between the West and the Soviet Union. The decade of the 1980's is likely to see substantially increased competition with Moscow, not in traditional alliance areas, but in Third World areas. It is in these areas where the Western World has recently recognized the seriousness of its strategic vulnerabilities with respect to access to oil and other essential raw materials. Moreover, the West has not previously had to contend with the relatively new aspect of Soviet power projection capabilities. The task confronting the United States is to devise an effective strategy to meet this emerging Soviet threat. In recognition of this need, the committee has formed a Sea Power and Force Projection Subcommittee to review the entire force projection mission which not only cuts across all Service lines in the Department of Defense but also involves the programs of other Departments.

The creation of the Rapid Deployment Joint Task Force (RDJTF) was an important step in revitalizing U.S. force projection capabilities. Given the importance of the Persian Gulf region, the efforts of the RDJTF have been formally directed to that region. The committee is concerned, however, about the absence of an organized effort to plan and provide for possible power projection requirements in other Third World areas which are also critical to U.S. interests. In addition, the committee is concerned about the present command and control relationships of the RDJTF with the National Command Authority. There is widespread belief that the current relationships are unworkable and ineffective. In this regard, the committee views with favor the Secretary of Defense's announcement on April 24, 1981 that the RDJTF should evolve within several years into a separate unified command with its own geographic responsibilities, Service components, forces, intelligence, communications, logistics facilities and other support elements. While the creation of a separate unified command in the future will solve current deficiencies, the committee remains concerned about what command and control relationships will apply in the interim.

Tactical Warfare Perspectives

The committee's review of the tactical air forces has revealed improvements in both force modernization and projected readiness levels for most weapons systems. With a few notable exceptions, such as F–16 aircraft procurement, the amended fiscal year 1982 request restores modernization rates to earlier projections, and provides increased funding for spare parts and support equipment which should enhance operational readiness and combat sustainability. The committee remains determined to ensure that future defense authorizations address with equal concern the needs of modernization, readiness and combat sustainability. Modernization should proceed concurrently

with improvements to readiness levels, not at the expense of readiness, or vice versa.

Industrial Base

The committee strongly endorses the Administration's efforts to procure aircraft and other weapons at efficient production rates. Years of inefficient procurement rates and unreliable forecasts of outyear production plans have caused the subcontractor base to atrophy and have led to unacceptably long lead times for such vital components as castings, forgings and micro-circuitry components. Increased weapon system procurement rates along with an unequivocal commitment to outyear plans should help to revitalize and stabilize our industrial base. This committee believes it is essential to the defense posture of the United States to increase both the capacity and stability of the plete understanding of its ramifications. Accordingly, the committee will conduct a special series of hearings to assess the state of our industrial base and to formulate recommendations.

Cost Growth

The committee continues to be concerned over the excessive cost growth reflected in revised estimates of total program development and procurement costs for many of our major weapon systems. It is recognized that a substantial portion of "cost growth" is due to revised inflation estimates, the effect of which is particularly apparent for those programs just entering production and therefore facing extensive outyear procurement. However, cost growth has also been apparent in some programs that are in more mature stages of procurement. The Blackhawk helicopter for example is entering its fifth year of production and has experienced a program cost growth (from the fiscal year 1981 budget submit to the fiscal year 1982 projection) in excess of $2.5 billion.

In general, the factors contributing to cost growth other than revised inflation assumptions, include changes in requirements, changes in program scope, revised engineering and production estimates, and schedule changes. Whatever the cause, such significant cost growth discredits the defense establishment and jeopardizes the future of vital programs.

While the responsibility for controlling cost growth is shared equally by the services and industry, each service and the Office of the Secretary of Defense bear a responsibility for increased management attention at every stage of the acquisition process. At the minimum this increased management attention should ensure (1) the complete and accurate determination of system requirements, (2) a realistic projection of cost and development schedule, (3) close monitoring of actual development and production costs, and (4) the earliest possible identification of problem areas.

When cost growth is excessive it is the responsibility of each service in conjunction with OSD to re-examine its requirements and re-assess

the capabilities of alternative systems. A less capable alternative, when it is also less expensive, may be preferable to a program development so distended with cost growth that it can be continued only at the expense of other vital requirements.

Commonality

In addition to seeking economies in cost-effective alternatives, the services should pursue commonality in systems and subsystems to the greatest extent practicable. At a minimum, this effort should include missile systems and subcomponents, aircraft subsystems and major combat vehicle subsystems. Expensive, unique systems with only limited applications can expect only unique and limited support from Congress.

Equipment Readiness

Low mission-capable rates continue to plague our tactical air forces. This situation is due largely to inadequate funding of spares and support equipment in prior years, and the difficulty each of the services has experienced in retaining skilled maintenance personnel. Additionally, the pursuit of incremental gains in performance through development of systems on the leading edge of technology has, in isolated instances, led to unacceptable system reliability and durability.

The problems of spares funding, personnel retention and support equipment maintenance are being addressed. The problems associated with highly sophisticated technology, however, are more elusive and cannot be solved simply by increasing expenditures. This committee believes that the U.S. must continue to exploit its technological advantage over the Soviets—the numerical superiority enjoyed by Soviet forces compels this decision. But in order to obtain the full benefit from this technological advantage, industry and the Services must strive to improve not just capability, but reliability and maintainability as well, through the application of sophisticated technology. Technology should be applied to build in reliability and simplify maintenance, not just to improve performance.

Stand-Off Weapons

The committee believes that future developmental efforts should continue in the direction of improving standoff capability in both target detection and weapons delivery. Such programs as NATO Identification, Advanced Identification Techniques, SOTAS and Pave Mover are all designed to enable the early detection or identification of enemy forces. This long-range detection capability is essential against a numerically superior threat.

Moreover, standoff weapons, such as cruise missiles and precision guided munitions, are necessary to insure the survivability of launch platforms or reduce risk to ground forces. The Tomahawk, MRASM, WAAM, Harpoon, Maverick, GBU–15, and Copperhead are all designed for stand-off delivery with the intent to reduce exposure to enemy defenses.

Aircraft and Helicopter Inventory

The following table summarizes Air Force, Army, Navy, and Marine Corps aircraft and helicopter inventories:

	Fiscal year 1964		Fiscal year 1968		Fiscal year 1981		Fiscal year 1982	
	Active	Reserve	Active	Reserve	Active	Reserve	Active	Reserve
Tactical Fighter/attack	5,493	806	6,496	579	5,496	1,287		
Army attack helicopters	0	0	304	0	950	31	951	43
Navy/Marine Corps aircraft	2,907	342	2,786	279	1,796	282	1,812	273
Air Force aircraft	2,586	464	3,406	300	2,750	974	2,839	1,031
Strategic	2,461	593	1,358	444	551	175	555	176
Air Force:								
Bombers	1,509	2	779	0	412		409	
Strategic interceptors	952	591	579	444	139	175	146	176
Patrol/reconnaissance/electronic warfare	1,772	461	2,099	400	890	393	901	372
Army aircraft	164	0	211	0	165	62	163	61
Navy/Marine Corps aircraft	1,013	269	879	233	399	140	399	139
Air Force aircraft	595	192	1,009	167	326	191	339	172
Airlift/tanker	3,769	1,082	3,425	827	1,493	608	1,488	565
Navy/Marine Corps aircraft	444	71	400	75	115	49	108	42
Air Force aircraft	3,325	1,011	3,025	752	1,378	559	1,380	523
Utility/support/other	12,122	1,384	16,593	1,205	9,169	3,560	9,257	3,524
Army:								
Aircraft	2,062	663	1,772	397	231	122	228	124
Helicopters	3,107	342	7,294	487	4,311	2,969	4,393	2,956
Navy/Marine Corps:								
Aircraft	2,088	103	2,308	86	1,311	79	1,294	85
Helicopters	1,143	11	1,411	34	1,188	148	1,190	138
Air Force:								
Aircraft	3,321	265	3,343	201	1,898	207	1,923	187
Helicopters	401	0	465	0	230	35	229	34
Total, aircraft	20,966	3,973	20,497	2,934	10,920	2,840	11,040	2,813
Total, helicopters	4,651	353	9,474	521	6,679	3,183	6,763	3,171

Ground Forces Balance and Capability

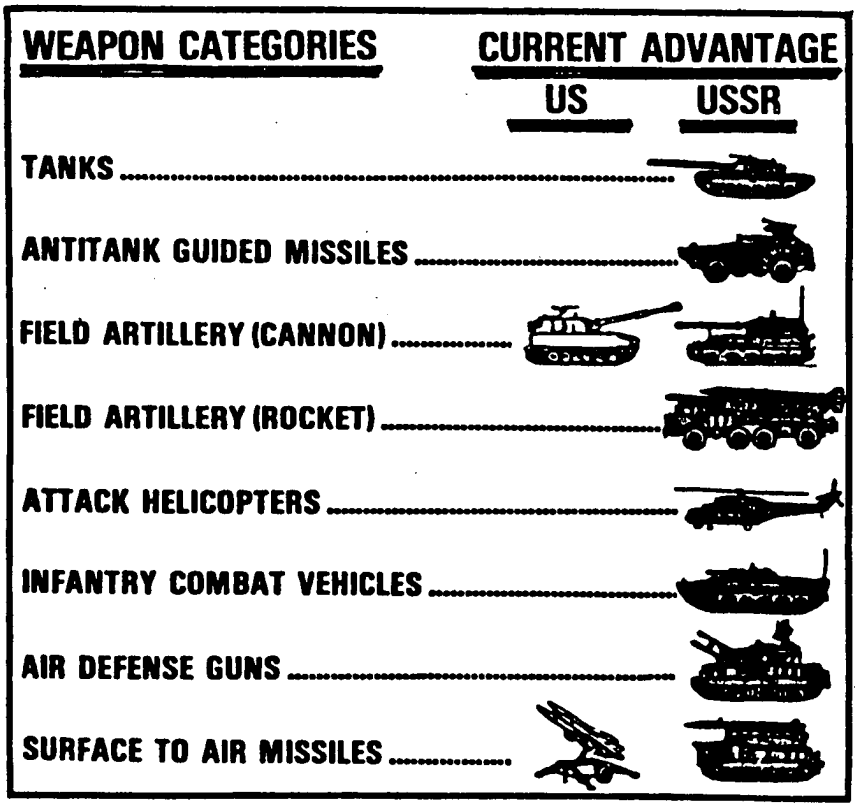
As a result of funding constraints in prior years there exist shortfalls in the inventory of ground combat vehicles for both the active and reserve forces. War reserve stocks, required to ensure sustainability in the event of conflict, are also deficient. And finally, the surge capacity of the defense industrial base has been allowed to atrophy to the point where the nation's ability to meet war time equipment demands with new production hardware is in serious question.

When considered in context with the steadily expanding capability of Soviet forces confronting NATO forces in Europe these shortfalls are of great concern. The Soviets now enjoy a numerical advantage in ground combat vehicles which the United States is not expected to overcome. Instead, the United States must rely on technological superiority to offset this numerical disadvantage.

However, an examination of the Army's current ground combat weapon system assets reveals not only a quantitative disadvantage but a qualitative disadvantage as well. Unlike our naval and air forces, which have in general maintained some technological or performance advantage over their Soviet counterparts, Army and Marine Corps

inventories of tanks, armored personnel carriers, and other tracked and rolling stock are not only outnumbered but are also technologically outmatched by Soviet hardware (see Table I). According to Army testimony, it will take several years for the United States to regain this qualitative edge.

TABLE I.—COMPARISON OF QUALITATIVE ADVANTAGE BETWEEN U.S.-U.S.S.R. LAND FORCES



Ground Forces Modernization

Table II provides a break-out of active and reserve inventories of ground combat vehicles and artillery for fiscal years 1964, 1968, 1981, and 1982.

The near-term fielding of the M–1 Main Battle Tank and the Infantry Fighting Vehicle will initiate major modernization improvements of the Army's inventory of ground combat vehicles. These systems are considered equal or superior to their Soviet counterparts.

The procurement of a family of in-production lightweight armored vehicles in the early 1980's will further enhance the combat capability and deployability of both Army and Marine forces. For the late 1980's the committee supports the development by the Marine Corps of a new

76-244 O - 81 - 4

generation of advanced lightweight armored vehicles for use by the ground combat forces of the United States.

These efforts, together with improvements in anti-armor precision guided weapons and with the fielding of the Patriot, Roland, and Divad air defense systems are expected to restore a margin of qualitative superiority in U.S. ground forces over that of the Soviet Union.

TABLE II—GROUND COMBAT VEHICLES AND ARTILLERY INVENTORY

	Fiscal year 1964		Fiscal year 1968		Fiscal year 1981		Fiscal year 1982	
	Active	Reserve	Active	Reserve	Active	Reserve	Active	Reserve
Tanks	2,672	70	3,588	70	8,998	3,059	8,998	3,059
Army	[1] 2,205		[1] 3,121		8,545	2,936	8,545	2,936
Marine Corps	467	70	467	70	453	123	453	123
Armored personnel carriers	8,487	144	10,364	144	8,288	4,042	8,288	4,042
Army	[1] 7,803		[1] 9,680		7,461	3,938	7,461	3,938
Marine Corps	684	144	684	144	827	104	827	104
Artillery	4,619	1,758	6,327	1,901	4,028	1,919	4,314	1,917
Army	4,313	1,650	5,859	1,793	3,452	1,806	3,643	1,804
Marine Corps	306	108	468	108	576	113	671	113

[1] A breakout of Active and Reserve equipment is not available.

Chemical Warfare

The committee has become increasingly concerned about the serious imbalance which exists in United States versus Soviet chemical warfare capabilities. In connection with action on the fiscal year 1981 Military Construction Authorization bill, the committee heard testimony which graphically depicted the severity of that imbalance and the urgent need for a modern, effective U.S. offensive chemical capability to offset the current Soviet advantage. Subsequently, the Congress enacted legislation providing funds for construction of a binary chemical weapons production facility at Pine Bluff, Ark. This action was a necessary first step toward restoring credibility to the U.S. chemical deterrent.

The committee is pleased to note that the Reagan administration has included a request for $20 million to procure equipment needed for this facility. It is the hope of the committee that affirmative congressional action will be forthcoming.

While the committee supports the various initiatives contained in the January and amended Presidential requests for chemical defensive systems, it recognizes that in no other area of weaponry is the cost effectiveness ratio more skewed to the advantage of the offense. Whereas millions of dollars can be spent trying to provide chemical protection to a command post, an air base, or an aircraft carrier, it will only cost a few thousand dollars to produce and deliver a chemical weapon which will result, at the very least, in a reduction of the mission effectiveness of these critical facilities and systems. Consequently, the committee believes that it is essential for the United States to have the capability to deter the first use of chemical weapons by any adversary. Only a credible, effective retaliatory capability provides such a deterrent.

The committee also believes that several important steps must be taken in the area of chemical warfare by the Department of Defense and other Government agencies. A greater allocation of resources to the collection and analysis of intelligence about the chemical warfare capabilities of our potential adversaries is essential. Whatever confidence we have in our chemical defensive capabilities is, and must be, directly related to our confidence in understanding the threat.

The committee endorses the finding of the 1980 Defense Science Board Summer Study on chemical warfare issues, which concluded that a critical need exists for a single focal point for chemical policy, R. & D., and procurement in the senior levels in the Office of the Secretary of Defense. A study is now underway to determine which official within the Office of the Secretary of Defense should be tasked with this responsibility. The Secretary of Defense should inform the Senate Committee on Armed Services of the results of such study as soon as is practicable, but certainly not later than at the time of submission of the fiscal year 1983 authorization request.

The committee is gravely concerned about the Nation's imminent need to begin to dispose of thousands of tons of obsolete chemical agents in a program which will take a decade to complete. The need for and difficulty in disposing of these highly toxic chemicals makes manifest the desirability of introducing binary weapons into the stockpile both from the standpoint of improved safety and ease of disposal. The pressing demilitarization problem also requires that the U.S. proceed promptly with binary production so as not to put the Nation in a position of unilaterally disarming as it disposes of its obsolescent chemical stockpile.

The committee regards the chemical demilitarization problem as a national issue which will require the devotion of substantial resources over the next decade. While the Army has been charged with managing and controlling this lethal stockpile, the cost attending the needed demilitarization program is clearly beyond the Army's ability to absorb within its budget. The committee requests that a study be conducted by the Secretary of Defense and provided to the committee by December 1, 1981. This study should examine the total costs and other requirements of handling and disposing of the United States' obsolete chemical stockpile together with a funding plan and profile for accomplishing this necessary action within the next 10 years.

Preparedness Perspectives

One of the primary interests of the committee this year was to focus on readiness and sustainability issues. The development of this interest reflects the committee's increasing desire to relate more effectively the budget authorization process to improvements in overall force capability.

The committee's hearing structure was designed to assess the individual Services' ability to identify readiness problems experienced by major field commands; to formulate priorities and to develop solutions to these problems within the budget planning and programing process; and to execute Service priorities within a time frame relevant to the field commander. The subcommittee received testimony on the operational readiness of major commands, on the budget program-

ing and resource allocation process, and on the operation and maintenance budgets. The subcommittee's assessment of this testimony was measured against the broad categories of force structure. modernization, readiness, and sustainability.

Without question, the testimony received regarding the operational readiness of U.S. forces is cause for concern. Senior commanders testified that the Army is incapable of executing a one-and-one-half war strategy; fleet commanders confirmed that today's Navy is not capable of fulfilling all of its peacetime missions simultaneously; and Air Force generals testified that current shortages in spare parts and selected munitions would seriously constrain combat sustainability in the event of conflict.

While the Army and Navy face serious personnel problems, underlying deficiencies in material and force structure also degrade readiness. The Army has critical shortfalls in war reserve stocks for major end items which, in the event of a sudden emergency or mobilization, cannot be overcome within a revelant time frame. In addition, the extreme shift in combat service support from the active force to the Reserve forces raises the sensitive question of how active Army units can receive adequate combat service support short of mobilization.

The current operational tempo within the Navy is high and the fleet is stretched thin. Very little surge capability remains, and a continuation of the current operating tempo will inevitably degrade manpower and material readiness. The only solutions to this problem appear to be an increase in the number of ships in the inventory, a reduction in stated foreign policy and national security requirements, or some combination of the two.

Apart from the limitations on our capability to quickly deploy balanced and prepared units, and engage hostile forces wherever necessary, the current lack of combat sustainability among U.S. land, sea, and air forces requires the attention of the highest levels of the defense establishment.

Across the board, the testimony received supports the view that past budgetary pressures to meet current operational requirements, and the desire to expand force structure and/or pursue modernization, have undercut or even eliminated funding for various war reserve stocks, spares, and munitions. A truly balanced defense effort cannot develop without consistent attention to war reserve requirements.

The Joint Chiefs of Staff must continue to identify key joint service requirements and shortfalls, but must improve their capability to enforce joint service priorities, and to impose these priorities, during the budget and defense planning process.

Strategic lift, fuel handling and distribution support, munitions, and command/control/communications, are examples of factors which widely impair effective and sustained joint service operations. However, the committee has noted that the priority of these issues in service budgets varies considerably. The committee is also concerned about potential inconsistencies between the combat sustainability of different services within the same theaters of operation. If joint planning is to produce the desired results, then national military priorities and objectives must be more clearly delineated and enforced in the budget process.

The committee recognizes the Unit Status Report (C-Ratings) system as a helpful but inherently limited management tool in assessing unit readiness. While providing vital information on the personnel and equipment strength of individual units, the Unit Status Reports cannot (and were not intended to) reflect other operational factors or circumstances which can potentially enhance or degrade unit performance in combat. The committee encourages the Joint Chiefs of Staff to continue efforts toward development of more comprehensive and accurate measurement of force capability.

Specific Conclusions and Recommendations

Based upon testimony identifying key readiness and sustainability problems, the committee makes the following conclusions and recommendations:

Army.—The committee noted that an increasing demand for resources within the Army budget has reduced the funding available for necessary war reserve spares. The committee also noted that a continuing rise in the average age of wheeled combat and administrative use vehicles has increased the Army's demand for peacetime operating stocks of spare parts, further reducing the resources available for war reserves. The committee thus concluded that the Army's combat sustainability is seriously constrained by insufficient war reserve stocks.

The committee will continue to scrutinize increases in the procurement of major end-items to insure that they are accompanied by increased procurement of secondary and support items. The committee recommends that war reserve spares for new equipment receive consideration in the early phases of modernization, consistent with the deployment priority of the receiving units and the rate of introduction of new equipment in the inventory. The committee will also consider further hearings to assess the availability and distribution of war reserve munitions and material, especially in light of new RDF requirements.

Navy.—The committee is aware that high operating tempos and lack of sufficient maintenance and repair support are driving continued cannibalization of major end items throughout the fleet.

The committee is concerned about the lack of sufficient accountability for Navy spares, and the lack of responsiveness of the supply system to operational deficiencies. The committee is also concerned over the Navy's ability to track spare parts through revolving accounts. It is recommended that funding for aircraft spares receive more balanced and consistent attention in future Navy budgets.

In assessing war reserve munitions, the committee reviewed the availability of selected missiles against war reserve requirements. The committee identified significant shortfalls in Standard and Harpoon missiles. Harpoon shortfalls are of particular concern.

The committee is also concerned over the continuing shortfall in war reserve torpedoes, and directs the Navy and the Department of Defense to provide more consistent funding to address this shortfall.

Navy/Air Force.—Both the Navy and Air Force have severe shortfalls in key war reserve munitions, including Sparrow and Sidewinder missiles. The committee is concerned that these shortfalls would significantly degrade Navy and Air Force sustainability in

air-to-air cambat, and believes that such shortfalls should be redressed as soon as practicable.

Air Force.—The committee noted that the increasing average age of aircraft and expanding operational requirements have had a negative impact on material readiness and have produced a significant near-term demand for spares. The committee fully endorses current Air Force efforts to redress readiness deficiencies through timely and full funding of Peacetime Operating Stocks and War Readiness Spares Kits requirements. However, the committee is concerned over the serious sustainability problems implied by the recent lack of attention to Other War Reserve Materiel funding. The committee urges the Air Force and Department of Defense to extend the current commitment to Peacetime Operating Stocks and War Readiness Spares Kits funding to the Other War Reserve Materiel area in the fiscal year 1983 budget.

Civilian Personnel.—The committee received strong testimony emphasizing the importance of civilian personnel support to military manpower and material readiness.

Requests for additional civilian personnel in the amended budget were thus evaluated against the major civilian-related readiness deficiencies identified by the services in their testimony on the fiscal year 1982 (January) budget. For the Army, these deficiencies centered around borrowed and diverted military manpower; for the Navy and Air Force, depot maintenance activities.

Based upon this gross analysis, the committee was satisfied that the emphasis and direction of requests for additional civilian personnel is consistent with the manpower and material readiness deficiencies identified in testimony. The committee therefore endorsed the DOD request for additional civilian personnel with only minor changes.

Force Manning Perspectives

The United States began the All-Volunteer Force era in 1973 with certain strategic and political factors underlying the conceptual and ideological bases for its military manpower policies. For the most part these fundamental assumptions remain valid.

The principal potential manpower-intensive military emergency involving U.S. forces which has formed the planning base for manpower requirements since the transition to an All Volunteer Force began is a major war with the Soviet Union and its Warsaw Pact allies in Europe, the Mediterranean, and the North Atlantic, with ancillary action worldwide. Such a war would require the concomitant mobilization of civilian industry, massive manpower mobilization—particularly to meet ground force requirement for replacements—and force expansion to continue the war as long as necessary.

Using this scenario as a starting point, a series of assumptions shaped current military manpower policies since the early 1970's.

—The United States needs enough conventional forces to permit responses to threats without resorting to strategic nuclear war.

—The United States faces a long-term challenge from the presence of large Soviet conventional forces in Europe and the USSR that are configured to pose a direct threat to NATO forces in Europe, the

Mediterranean, and the North Atlantic, and to U.S. national interests in the Middle East and East Asia.

—Active duty military strength needs to be maintained at least at 2.2–2.3 million, along with combat-ready and responsive Reserve components, to ensure a prudent minimum level with which to meet initial U.S. national security commitments worldwide.

—Major military manpower assets would be required and furnished by our NATO allies in the event of a conflict in Europe.

—The manpower requirements for any contingencies more limited than a full-scale United States/Soviet conflict would be less than those for the broader contingency.

—Any military action anywhere in the world other than a comparatively minor show of force would probably require the augmentation of active duty forces with Reserves and/or draftees; a NATO/Warsaw Pact conflict is projected to require immediate reinstitution of conscription.

When the All Volunteer Force began in 1973, the basic strategy of policies designed to provide adequate military manpower to meet anticipated contingencies was that of manning both the active and Reserve forces with volunteers in peacetime, with a standby Selective Service System theoretically capable of quick reactivation to provide draftees in an emergency. Several of the underlying assumptions on which those manpower policies are based, however, have changed since the AVF began in 1973. Soviet military capabilities have increased substantially, in terms of: quantity and quality of manpower; quantity and sophistication of material; command, control, communications, and intelligence capability. In light of these increased Soviet capabilities, as well as other doctrinal and technical reevaluations of NATO/Warsaw Pact war scenarios, the projected tempo, intensity, and duration of such a war have all increased. At the same time, U.S. active duty military strength has dropped from the levels envisioned when the transition to an All-Volunteer Force began. Reserve force strengths have also declined—in the case of the Individual Ready Reserve, the drop has been drastic. The current shortage of over a quarter of a million trained people could result in the utilization of Selected Reserve assets as "fillers" rather than as cohesive units.

Finally, the United States has acquired military and strategic responsibilities in the Persian Gulf-Indian Ocean-Southwest Asia regions which it did not have in the early 1970's. The likelihood of military action in these areas, which are in general those least accessible from North America, has greatly expanded the scope of contingencies which the U.S. Congress must take into account in evaluating manpower requirements. The Armed Services Committee is particularly concerned about the Navy's ability to man the increasing number of ships with the required number of personnel, particularly in the technical and supervisory positions, to meet its increased commitments. The Navy is already short a significant number of petty officers. If the shortages persist the Navy will be unable to man the new ships entering the fleet.

The committee believes that the greatest challenge for the Services in the years ahead will be to man an increasing force structure with a shrinking pool of service eligible youth. The male youth population is

projected to decline 16 percent during the decade of the 1980's. To meet this challenge the Services must successfully compete with the civilian marketplace to attract qualified individuals into the Armed Forces. Such successful competition will require establishment and continuous maintenance of adequate levels of military compensation relative to competing employers for the limited quality youth market. Various compensation initiatives last year have had a positive impact on near term recruiting and retention. The committee believes, however, that further future adjustments and initiatives will be required to sustain current favorable manning trends.

TITLE I—PROCUREMENT

Background on Procurement Authorization

In 1959, section 138, title 10, United States Code, was amended by enactment of section 412(b) of Public Law 86–149, which required annual congressional authorization of appropriations for the procurement of aircraft, missiles and naval vessels. Over the years, the law has been amended to require annual authorization of additional items such as tracked combat vehicles, torpedoes and related support equipment, and various other weapons.

During the period January 28, 1981 through March 30, 1981, the committee and its various subcommittees held hearings on the Department of Defense fiscal year 1982 procurement request. Based on supporting testimony and other information provided to the committee, an exhaustive review of the many procurement programs and related requirements has been made. The committee's recommendations appear in subsequent pages of this report.

Summary of Recommended Funding Changes

The tables below show comparisons of the amounts appropriated (revised current program) for procurement for fiscal year 1981 with amounts requested for authorization in the President's budget for fiscal year 1982 and those recommended by the committee.

SUMMARY OF ADJUSTMENT TO FISCAL YEAR 1982 PROCUREMENT AUTHORIZATION REQUEST BY WEAPONS CATEGORIES

[Dollar amounts in thousands; years are fiscal years]

	1981 revised current program[1]	1982 March amended request	Change from request	Committee recommendation
Aircraft	$17,849,475	$25,901,798	+$337,400	$26,239,198
Missiles	7,221,181	10,278,770	−312,900	9,965,870
Naval vessels	7,801,300	10,290,100	−171,500	10,118,600
Tracked combat vehicles	3,129,929	3,769,039	+50,000	3,819,039
Torpedoes	322,859	516,600		516,600
Other weapons	541,816	994,991		994,991
Army National Guard equipment			+50,000	50,000
Total	$36,866,560	$51,751,298	−$47,000	$51,704,298

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for procurement for fiscal year 1981, in the amount of $2,360,294,000.

SUMMARY OF ADJUSTMENT TO FISCAL YEAR 1982 PROCUREMENT AUTHORIZATION REQUEST BY SERVICE

[Dollar amounts in thousands; years are fiscal years]

	1981 revised current program[1]	1982 March amended request	Change from request	Committee recommendation
Army	$6,129,400	$8,782,600	−$234,100	$8,548,500
Navy (including Marine Corps)	16,996,106	23,555,507	−192,300	23,363,207
Air Force	13,741,054	19,413,191	+379,400	19,792,591
Total	$36,866,560	$51,751,298	−$47,000	$51,704,298

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for procurement for fiscal year 1981 in the amount of $2,360,294,000.

TACTICAL FIGHTER/ATTACK AIRCRAFT

Committee Recommendations for Changes

AH–1S (Cobra) Attack Helicopter

The Army made no request for procurement of AH–1S attack helicopters for the Army National Guard. The AH–1S Cobra is the only deployable anti-armor attack helicopter in the Guard inventory, yet the Guard currently has on-hand only 12 percent of its requirement for this aircraft. The committee recognizes and fully supports the need for a strong National Guard and consequently recommends authorization of $64.4 million for the procurement of 20 AH–1S helicopters.

A–7K (Corsair II) Attack Aircraft

The Air Force requested no funding for A–7K attack aircraft for the Air National Guard. The committee has consistently supported the Guard's requirement for the two-seat, combat-capable A–7K trainer aircraft and recommends authorization of $163.8 million for the procurement of 12 A–7K aircraft. This recommended procurement completes the purchase of the final aircraft needed to meet the Guard requirements.

F–18 (Hornet) Fighter/Attack Aircraft

The committee continues to support the F–18 fighter/attack aircraft. Reliability and maintainability demonstrations and engine performance have been most encouraging. However, as with any test program, certain technical problems have been encountered. Aircraft range in the attack configuration has yet to be demonstrated and solutions are being sought to resolve software problems associated with the radar and aircraft computer. These considerations, along with continued program cost growth, warrant a cautious approach in production rate build-up.

The March amended procurement authorization request was $1,890.1 million for 63 F–18 aircraft, an increase of $147.1 million for procurement of 5 additional aircraft above the January request. The committee recommends the deletion of $147.1 million for the procurement of the 5 additional aircraft. This would result in the procurement of 58 aircraft in fiscal year 1982 as per the January request.

Recommended for Approval as Requested

AH–64 Attack Helicopter

The AH–64 Advanced Attack Helicopter will be the Army's quick-reacting, mobile, anti-tank weapon. The AH–64 will be capable of low-level navigation and attack at night or in adverse weather, and will be the Army's primary attack helicopter in the future.

A–6E (Intruder) Attack Aircraft

The A–6E Intruder is a two place, carrier based, medium attack aircraft. It is the Navy's only all-weather attack aircraft.

AV–8B (Harrier) V/STOL Attack Aircraft

The AV–8B is a V/STOL aircraft designed for light attack and close air support missions with the Marine Corps. The AV–8B represents significant improvements in performance over the AV–8A.

A–10 Attack Aircraft

The committee endorses the Air Force request for 60 A–10 aircraft, 14 of which will be two-seat models for use in training. The A–10 is a single seat, close-combat support aircraft designed primarily for anti-armor attack.

The Air Force has requested no long lead funding to continue the procurement of A–10 aircraft beyond fiscal year 1982. The committee is concerned over the termination of production of this low-cost, capable aircraft at a time when the Air Force is actively seeking to convert the very expensive F–15 air superiority fighter into a ground attack aircraft. The committee encourages the Air Force to re-evaluate its future requirements for tactical aircraft and to reconsider the advisability of terminating A–10 production.

F–14 (Tomcat) Fighter Aircraft

The F–14 Tomcat is a two place, variable geometry, fleet defense fighter. With its long range Phoenix missiles, the F–14 is capable of protecting the fleet from the threat posed by Soviet Backfire bombers.

F–15 (Eagle) Fighter Aircraft

The F–15 is an air superiority fighter with a potential secondary ground attack mission. In testimony before the Tactical Warfare Subcommittee, the Air Force indicated that it plans to procure 42 F–15's in fiscal year 1982 with advance procurement for another 42 F–15's in fiscal year 1983, an increase of 24 aircraft above the original program buy of 729 aircraft. The Air Force has stated these additional aircraft are intended for the air defense mission. The committee recommends authorization of this request with the understanding that the additional 24 aircraft are to be dedicated to the air defense mission and are not to be used to augment currently authorized tactical fighter forces.

F–16 (Falcon) Fighter/Attack Aircraft

The F–16 is a highly maneuverable, fly-by-wire, air superiority fighter. In fiscal year 1981, the committee authorized the advance procurement of 180 F–16 aircraft. This procurement level was supported by the Air Force and was selected because it was more efficient than any lower production rate. Nonetheless, the Air Force has chosen to request only 120 F–16's in fiscal year 1982. The committee approves the request for 120 F–16 aircraft but expects the Air Force to structure its future procurement plans to take the greatest practicable advantage of economies available from efficient production rates.

STRATEGIC AIRCRAFT

Committee Recommendations for Changes

B–52 Companion Trainer Aircraft

The fiscal year 1982 amended authorization requests $18.7 million in R.D.T. & E. and $3.9 million in advance procurement funding for the Air Force B–52 Companion Trainer Aircraft (CTA) program. This authorization would permit concept design and would fund advance procurement for 22 aircraft in fiscal year 1983. The CTA program was initiated by the Air Force to provide greater in-flght train-

ing for Strategic Air Command combat crews in the face of rising fuel costs. CTA would be off-the-shelf, commercial jet aircraft modified to replicate B–52 flight operations for pilots, navigators, and other crew members. The Air Force believes that the CTA program would extend the service life of the aging B–52 aircraft and might save as much as one hundred million gallons of fuel per year.

In its CTA R. & D. program, the Air Force seeks to evaluate the effectiveness of B–52 substitute training in a smaller aircraft and will clarify its CTA requirement in the context of possible commonality with a new tanker/transport/bomber trainer and a T–39 replacement. The B–52 CTA selection process is likely to be highly competitive with aircraft companies from around the world offering different purchase and lease options. The committee believes that the Air Force should carefully refine its requirements to achieve the most cost effective program possible. The committee recommends approval of the $18.7 million requested for R.D.T. & E., but recommends a reduction of $2.9 million for advanced procurement and will review reprograming requests after a CTA program has been defined. The committee also recommends that the Department of Defense be prohibited from obligating or expending any funds for advanced procurement until 60 days after a source selection decision has been submitted to the Committees on Armed Services of the Senate and the House of Representatives.

Recommended for Approval as Requested

Multirole Strategic Bomber

Last year, the Congress directed the Secretary of Defense to pursue vigorously full-scale engineering development of a strategic multirole bomber. Such a multirole aircraft is expected to maximize range, payload and capability to perform the missions of a conventional bomber, a cruise missile launcher, and a nuclear weapons delivery system in both the tactical and strategic role. The Congress authorized $300 million in R.D.T.&E. for that purpose and called for an initial operational capability as soon as possible, but in no case later than 1987. Candidate aircraft were to include the B–1 bomber or a B–1 derivative and a stretched FB–111B/C aircraft as well as advanced technology designs. A mid-March 1981 status report was required of the Secretary of Defense.

The new administration has not yet made a recommendation for a new multirole bomber, but the administration's fiscal year 1982 defense budget amendment requests $2.1 billion in procurement and $302 million in R.D.T.&E. for a Long Range Combat Aircraft (LRCA). The committee believes that a new manned strategic bomber is needed not only to replace the aging B–52 bombers as penetrating bombers for the strategic Triad, but also in demanding conventional roles. Furthermore, controversy over the future reliability and pre-launch survivability of B–52 aircraft may make it prudent to have a follow-on cruise missile carrier airframe, particularly since air-launched cruise missiles are to become an indispensable part of our strategic nuclear deterrent. A mixed force of cruise missile carriers and penetrating bombers makes the bomber leg of the Triad a strong and flexible force. Concern over the future of the ICBM and SLBM components of our strategic forces

makes it all the more urgent that our strategic bomber force be modernized. A bomber force capable of escaping attacks on its home bases and carrying weapons with a high probability of reaching their targets is a powerful deterrent force. It is also a stabilizing force in that the long flight times required to reach intercontinental distance permit the bombers to be recalled, thus reducing the chance of an accidental confrontation.

The committee supports the development and procurement of a new manned bomber and recommends approval of the authorization requested. However, the committee believes that the decision to procure a new strategic aircraft involves one of the largest investment decisions of this decade. For this reason, the committee recommends the adoption of a statutory provision which requires the President to submit to Congress his decision on the development and/or procurement of a long range combat air craft and requires the Secretary of Defense to submit a justification of such decision. The President's decision may be reversed by a resolution of disapproval in both Houses of Congress.

PATROL/RECONNAISSANCE/ELECTRONIC WARFARE AIRCRAFT

Committee Recommendations for Change

P–3C (Orion) Patrol Aircraft

The committee recommends the addition of $46 million for the procurement of two additional P–3C aircraft to be used by the Naval Air Reserve. The Reserve Anti-Submarine Warfare (ASW) squadrons perform operational missions on a routine basis and are charged with providing qualified P–3C aircrews to regular Navy ASW squadrons upon mobilization. The reserve inventory consists primarily of older and less capable P–3A/B aircraft, although initiatives have been taken by the committee to upgrade the avionics configuration of these aircraft. Procurement of two new P–3C aircraft for the Reserves will further improve their capabilities and will provide them with dedicated platforms to better perform operational missions and train reserve aircrews.

Recommended for Approval as Requested

SH–60B (ASW HELO) Seahawk

The committee supports the LAMPS III procurement request of $585.6 million for 18 LAMPS III helicopters and $155.3 million for advance procurement. Nevertheless, the program's long history of significant cost growth, coupled with recent and dramatic cost increases, has caused the committee to give this program a detailed review prior to recommending this funding authorization.

The committee's continued support for the program is based on several important factors: (1) the Navy has been forthright in its explanation of the problems and sincere in its effort to find solutions; (2) R. & D. costs for the LAMPS III program have closely adhered to original forecasts; (3) the helicopter and its equipment have performed with near perfection during tests; and (4) the capabilities of this system are critically needed in the fleet. Without LAMPS III,

the Navy's anti-submarine warfare capability will be seriously compromised vis-a-vis the enormous qualitative improvements which the Soviets have made in their submarine force. With it, the full potential of U.S. escort ships can be realized, and they will be able to keep pace with the developing Soviet threat.

This does not mean, however, that the committee believes that the rapidly rising program costs are justified or that future increases will be tolerated. To the contrary, the committee is very concerned about the performance of the two major contractors, IBM and Sikorsky. Future program cost increases which cannot be justified may compel the committee to recommend a delay or cancellation of the program.

EA–6B (Prowler) Electronic Aircraft

The EA–6B Prowler is a carrier based, electronic jammer aircraft designed to protect strike aircraft by jamming enemy radars.

TR–1 Surveillance Aircraft

The TR–1 is a single crew, single engine, fixed wing aircraft designed as a platform for high altitude standoff surveillance.

AIRLIFT/TANKER AIRCRAFT

Committee Recommendation for Change

C–9 (Skytrain) Airlift Aircraft

The Naval Reserve seeks to replace its old and inefficient C–118's. The Navy intends to procure 12 aircraft described as "airline excess" which are available at a considerable savings over new procurement aircraft. The committee recommends the authorization of $50 million for the procurement of these 12 C–9 aircraft.

C–130H (Hercules) Airlift Aircraft

The committee recommends the addition of $172.2 million for the procurement of 12 C–130H aircraft for the Air National Guard and Air Reserve. These aircraft are needed to replace older, less capable tactical airlift aircraft.

Recommended for Approval as Requested

KC–10A

The KC–10A Advanced Tanker/Cargo Aircraft (ATCA) is a military derivative of the commercial DC–10 wide-body aircraft. Authorization for $437.0 million to procure eight KC–10A's is requested. As a tanker, its primary mission will be to support long-range, non-stop deployments of tactical fighter and strategic airlift forces. Its cargo capabilities also enable the KC–10A to augment U.S. strategic airlift forces.

UTILITY/SUPPORT/OTHER AIRCRAFT

Committee Recommendation for Change

UH–60 (Blackhawk) Utility Helicopter

The UH–60 Blackhawk is the Army's squad-carrying helicopter designed to lift an infantry squad of 11 combat equipped soldiers in tactical assaults and related combat support missions.

Inaccurate cost estimates and failure to achieve projected efficiencies with program maturity have resulted in significant and continued cost increases in the Blackhawk program. This cost growth, occurring in the fifth year of aircraft production, raises serious questions about the performance of the contractor, and the program management of the Department of Defense and the Department of the Army. Since versions of the Blackhawk are intended or are being considered for use in several helicopter programs (e.g. SOTAS, H–X, Quick Fix, LAMPS III) the committee expects considerable improvement in program management in order to stabilize cost and protect the future of the Blackhawk program.

The committee has learned that as a result of recent negotiations with the prime contractor, and a favorable "Should Cost" study conducted by the Army, a surplus in the Blackhawk program of $11 million in fiscal year 1981 and $14.1 million in fiscal year 1982 is expected. The total surplus, $25.1 million, is therefore deleted from the fiscal year 1982 authorization for Blackhawk procurement with the understanding that $11.0 million is a recoupment from the fiscal year 1981 authorization.

Recommended for Approval as Requested

CH–53E (Super Stallion) Helicopters

Seven of the force of 17 Airborne Mine Countermeasures (AMCM) RH–53D helicopters were lost in the raid into Iran. Four of the CH–53E's to be procured in fiscal year 1982 will be equipped and dedicated for the AMCM mission. Three additional AMCM helicopters are planned for procurement in fiscal year 1983 to fully replace the losses. At a later date, these seven helicopters will be further modified to an MH–53E configuration with improved AMCM capabilities.

EC–130Q Aircraft

The EC–130Q is a C–130 airframe modified and equipped with advanced communication gear used to provide airborne communication linkage between national command and control authorities and

the strategic submarine force. The committee recommends authorization of the $74.9 million requested for procurement of two additional EC–130Q aircraft in view of the requirement to provide greater TACAMO coverage for Atlantic and Pacific Ocean operations.

The committee believes, however, that the current EC–130 airframe is only marginally capable of performing this important command, control and communications mission due to the fact that the present TACAMO payload exceeds the maximum weight permitted by such EC–130 aircraft. The electromagnetic pulse hardening program now underway adds additional weight which further aggravates this problem. The committee believes that the Navy should proceed expeditiously to resolve these difficulties and, in conjunction with other strategic command, control and communication initiatives recommended by the committee, has requested a report on improved TACAMO options.

AIRCRAFT MODIFICATIONS

Committee Recommendations for Changes

F–106 Modifications

The Air Force requested $35.9 million in fiscal year 1982 to initiate a new program to modernize the radar, Instrument Landing System, and X-band transmitter assembly of existing F–106 strategic interceptors and to make various reliability improvements. This program is scheduled to take several years to complete and will cost over $115 million. In the amended fiscal year 1982 request, the Air Force proposes to increase its buy of F–15 aircraft and now plans to introduce this modern aircraft into the strategic defense mission in the next few years, thus permitting the earlier retirement of the aging F–106 aircraft. The committee, therefore, recommends a reduction of $15.6 million in the request for F–106 modifications which do not involve safety related improvements.

B–52 Modification

In 1978 the decision to terminate B–1 bomber production was accompanied by a large supplemental authorization request for air-launched cruise missile development and for B–52 modifications. These modifications were to provide a mixed bomber force containing both standoff B–52 cruise missile carriers and enhanced B–52 penetrators. In light of the fiscal year 1982 budget amendment requesting procurement authorization for a long range combat aircraft, the committee recommends a reduction in the scope of the B–52 modification program for B–52D model aircraft which are not included in the Air Launched Cruise Missile program and recommends an authorization reduction of $12.1 million.

P–3 Tactical Navigation Modification

The effectiveness of the Naval Reserve P–3A antisubmarine warfare aircraft is limited by the older configuration of its avionics suite. The

committee recommends the addition of $30.3 million to continue to upgrade the Reserve fleet to the P–3C avionics configuration. This modification will significantly improve the current capability of Reserve P–3's and ensure operational compatibility with active force assets.

Recommended for Approval as Requested

C–5, C–141, and C–130 Modifications

The committee supports the modification programs to improve the capabilities and to extend the life of the fleet of existing strategic and tactical airlift. Key among these programs is the C–5 wing replacement and the C–130 Service Life Extension Program (SLEP). The authorization request includes $384.5 million for these modification programs.

Civil Reserve Air Fleet (CRAF) Enhancement

Under the CRAF program, there are 231 passenger aircraft and 111 cargo-carrying aircraft from U.S. commercial airlines committed to use by the Department of Defense in time of war or national emergency. The CRAF Enhancement program would modify wide-body passenger aircraft to enable them to carry cargo in a crisis. This program is the least costly method of increasing U.S. cargo airlift capabilities, costing only 10 percent of the cost of acquiring and operating dedicated military airlift. For this reason, the committee recommends authorization of the requested funding and supports the Department of Defense's plans to modify new and inservice wide-body aircraft.

SUMMARY OF AIRCRAFT PROCUREMENT

FISCAL YEAR 1982 ARMY AIRCRAFT PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Rotary:						
AH–64 attack helicopter	14	$415.8				
Less: Advance procurement (PY)		−50.8				
Net		365.0			14	$365.0
AH–64 attack helicopter: Advance procurement (CY)		64.4				64.4
AH–1S attack helicopter		0	+20	+$64.4	20	64.4
UH–60A (Black Hawk)	96	532.2				
Less: Advance procurement (PY)		−23.5				
Net		508.7		−25.1	96	483.6
UH–60A (Black Hawk): Advance procurement (CY)		60.6				60.6
Modification of aircraft		449.8				449.8
Aircraft spares and repair parts		220.7				220.7
Aircraft support equipment and facilities		128.2				128.2
Total Army aircraft	110	1,797.4	+20	+39.3	130	1,836.7

76–244 O - 81 - 5

Fiscal Year 1982 Navy Aircraft Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Combat aircraft:						
A-6E (attack) Intruder	12	$281.7				
Less: Advance procurement (PY)		−11.8				
Net		269.9			12	$269.9
A-6E (attack) Intruder: Advance procurement (CY)		7.3				7.3
EA-6B (electronic warfare) Prowler	6	244.7				
Less: Advance procurement (PY)		−15.2				
Net		229.5			6	229.5
EA-6B (electronic warfare) Prowler: Advance procurement (CY)		16.8				16.8
AV-8B (V/STOL)	12	663.9				
Less: Advance procurement (PY)		−88.7				
Net		575.2			12	575.2
AV-8B (V/STOL): Advance procurement (CY)		49.0				49.0
F-14A (fighter) Tomcat	30	1,034.5				
Less: Advance procurement (PY)		−145.8				
Net		888.7			30	888.7
F-14A (fighter) Tomcat: Advance procurement (CY)		159.1				159.1
F-18 Hornet	63	2,016.7				
Less: Advance procurement (PY)		−126.6				
Net		1,890.1	−5	−$152.0	58	1,738.1
F-18 Advance procurement (CY)		236.4		+4.9		241.3
CH-53E (helicopter) Super Stallion	14	250.3			14	250.3
Advance procurement (CY)		22.8				22.8
SH-60B Seahawk	18	690.6				
Less: Advance procurement (PY)		−105.0				
Net		585.6			18	585.6
SH-60B Advance procurement (CY)		155.3				155.3
P-3C (patrol) Orion	12	427.1				
Less: Advance procurement (PY)		−46.9				
Net		380.2	+2	+46.0	14	426.2
P-3C (patrol) Orion: Advance procurement (CY)		84.3				84.3
E-2C (early warning) Hawkeye	6	246.1				
Less: Advance procurement (PY)		−19.8				
Net		226.3			6	226.3
E-2C (early warning) Hawkeye: Advance procurement (CY)		20.5				20.5
SH-2F Seasprite	18	232.3				
Less: Advance procurement (PY)		−19.7				
Net		212.6			18	212.6
SH-2F Seasprite: Advance procurement (CY)		20.0				20.0
Airlift aircraft:						
C-9 transport aircraft		0	+12	+50.0	12	50.0
UC-12B		.2				.2
C-2 Advance procurement (CY)		32.0				32.0
Trainer aircraft:						
T-34C	60	53.2			60	53.2
TH-57	30	15.8			30	15.8
Other aircraft:						
EC-130Q (TACAMO) Hercules	2	74.9			2	74.9
Modification of aircraft		977.3		+30.3		1,007.6
Aircraft spares and repair parts		1,546.9				1,546.9
Aircraft support equipment and facilities		372.3				372.3
Total Navy aircraft	283	9,352.5	+9	−20.8	292	9,331.7

FISCAL YEAR 1982 AIR FORCE AIRCRAFT PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Tactical forces:						
A-7K trainer aircraft		$0	+12	+$151.6	12	$151.6
A-10	60	624.2				
Less: Advance procurement (PY)		−81.8				
Net		542.4			60	542.4
F-5F	3	23.7				
Less: Advance procurement (PY)		−7.0				
Net		16.7			3	16.7
F-5F: Advance procurement (CY)		6.3				6.3
F-15A/B/C/D	42	1,232.0				
Less: Advance procurement (PY)		−130.2				
Net		1,101.8			42	1,101.8
F-15A/B/C/D: Advance procurement (CY)		125.4				125.4
F—16A/B	120	1,555.1				
Less: Advance procurement (PY)		−166.8				
Net		1,388.3			120	1,388.3
F-16A/B: Advance procurement (CY)		268.6				268.6
Strategic offensive:						
Long range combat aircraft		1,632.0				1,632.0
LRCA: Advance procurement (CY)		310.0				310.0
Survivable enduring communications		0		+3.5		3.5
AFSATCOM Terminal		0		+10.0		10.0
Other combat aircraft:						
KC-10A (ATCA)	8	437.0			8	437.0
MC-130H: Advance procurement (CY)		33.3				33.3
E-3A	2	236.0				
Less: Advance procurement (PY)		−66.0				
Net		170.0			2	170.0
E-3A: Advance procurement (CY)		100.0				100.0
Trainer aircraft:						
B-52 companion trainer		3.9		−2.9		1.0
Helicopters:						
UH-60A helicopter	12	63.0			12	63.0
Tactical airlift:						
C-130H aircraft		0	+12	+163.4	12	163.4
Other aircraft:						
TR-1	6	111.2				
Less: Advance procurement (PY)		−7.1				
Net		104.1			6	104.1
TR-1: Advance procurement (CY)		9.6				9.6
Modification of Inservice aircraft		2,132.1		−27.7		2,104.4
Aircraft spares and repair parts		4,266.1		+21.0		4,287.1
Aircraft support equipment and facilities		2,041.3				2,041.3
Total Air Force aircraft	253	14,751.9	+24	+318.9	277	15,070.8

MISSILE PROCUREMENT

AIR-TO-AIR MISSILES

Recommended for Approval as Requested

AIM-7M Sparrow

The AIM-7M Sparrow missile is a joint Navy/Air Force medium-range, air-to-air missile with semi-active radar guidance. To address inventory shortfalls, both the Navy and the Air Force have increased

their procurement rates for the AIM–7M missile which incorporates the latest technical improvements.

AIM–9L/M Sidewinder

The Sidewinder is a joint Navy/Air Force short range, air-to-air missile with heat-seeking (infrared) guidance. The AIM–9M is the newest version of the Sidewinder missile. It incorporates an improved infrared (IR) seeker which is less susceptible to countermeasures.

AIM–54A/C Phoenix

The AIM–54A/C Phoenix is the Navy's long range air-to-air interceptor missile employed by the F–14 fighter. The AIM–54C will incorporate advanced digital electronics and an improved target detector designed to enhance current operational capabilities.

AIR-TO-GROUND MISSILES

Recommended for Approval as Requested

AGM–88 HARM

The HARM missile is an air-to-ground defense suppression weapon designed to destroy enemy radar units. Both the Air Force and Navy will procure the HARM missile in fiscal year 1982 at a total authorization level of $243.6 million. The HARM missile is the only lethal defense suppression missile now in production and represents a considerable extension of present capability. The committee strongly supports the procurement of this weapon.

SURFACE-TO-AIR MISSILES

Committee Recommendation for Change

Patriot Air Defense System

The Army's Patriot Air Defense Missile System is a surface-to-air missile system intended to provide for low and medium altitude area air-defense coverage for ground combat forces.

	Millions
January request	$527.1
March request	900.5
Recommended authorization	527.1
Change	−373.4

The committee recommends denial of the amended budget request for an additional $373.4 million for the procurement of the Patriot air defense system. The Patriot system has experienced reliability and maintainability difficulties as well as problems wtih the fire control software. Last year, the committee asked the Secretary of Defense to certify to the Congress prior to commitment of production funding that the Patriot system was suitable for hardware production. Subsequently, the Secretary of Defense notified Congress on November 17, 1980, that the Patriot system would be released only for limited production with additional testing required prior to a decision to increase production. The amended budget request would restore funding to a level beyond that which is required for "limited production." The committee fully supports the requirement for the Patriot air defense system but believes that only limited production funding should be

approved since further specified testing must be completed to resolve existing problems.

Recommended for Approval as Requested

Roland Air Defense System

The Roland is an all weather, short-range surface to air missile system designed for point defense of rear areas against low altitude targets.

Stinger Air Defense Missile

The Stinger is a short range, clear weather, shoulder fired surface-to-air missile (SAM) that will replace the Redeye missile. Stinger is being procured by both the Army and Marine Corps.

Rapier Air Defense System

In a joint program with the British government, the Air Force will procure the Rapier air defense system for defending U.S. air bases in the United Kingdom. It is the committee's understanding that the Air Force will procure the missile systems and the British will provide and pay for the manpower to operate the Rapier units. The committee fully supports this cooperative effort to provide improved air defense for these bases.

SURFACE-TO-SURFACE MISSILES

Recommended for Approval as Requested

TOW Missile

The TOW is a guided, anti-tank assault weapon system intended to provide a heavy fire capability against armored vehicles and fortified point targets. TOW missiles are being procured by both the Army and Marine Corps.

Multiple Launch Rocket System (MLRS)

The Multiple Launch Rocket System consists of a tracked, self-propelled vehicle, fire control equipment, and disposable pods of 230mm rockets. The MLRS will supplement conventional artillery in attacking area targets.

Harpoon Missile

The AGM–84A Harpoon Missile is an air/surface/sub-surface-launched antiship missile with radar guidance. Propelled by a turbojet engine, Harpoon provides an all-weather, standoff capability against enemy surface ships.

STRATEGIC MISSILES

Recommended for Approval as Requested

Trident I Missile

The Trident I missile is the latest generation of strategic submarine-launched ballistic missiles developed by the United States. The Trident I provides a significant improvement in range and accuracy over its predecessors, the Polaris and Poseidon missile systems. While the Trident I was originally intended to be deployed onboard *Ohio*-class submarines, delays in deliveries of *Ohio*-class submarines have

resulted in the Trident I missile going to sea first on backfitted Poseidon submarines. The completion in fiscal year 1982 of this retrofit program with the outfitting of a squadron of 12 Poseidon submarines will represent a significant enhancement of the U.S. sea-based strategic deterrent.

Air-Launched Cruise Missile (ALCM)

In fiscal year 1982 the air-launched cruise missile will become operational with America's strategic bomber forces. The ALCM is the major American strategic initiative of the early 1980's and, because of uncertainties in the modernization programs for the other legs of our strategic Triad, a successful ALCM program is a critical element of our effort to avoid any further deterioration in U.S. strategic nuclear forces relative to those of the Soviet Union. Uneven results in the ALCM test program both prior to the selection of a production model and in the follow-on extended test program are cause for concern. While the committee recommends approval of the funding request for the program as submitted, it intends to monitor closely the results of the testing and development of the air-launched cruise missile program.

Ground-Launched Cruise Missile (GLCM)

The committee fully supports the theater nuclear forces modernization agreement reached within the NATO alliance in December 1979, which will result in 464 GLCM's being operationally deployed in Europe. The committee believes that this agreement is immutable. This agreement was reached because the Alliance members recognize the threat posed to their security by the current imbalance in theater nuclear forces and because such member nations are determined to redress this imbalance. Cost overruns have resulted from technical problems with the launcher and from underestimates of training hardware requirements, but actual costs of the missile itself are lower than predicted. The committee believes this program deserves the highest priority and therefore recommends approval of the administration's funding request of $329.2 million for GLCM missile procurement.

MK–12A Warhead

The Mark–12A warhead is designed to replace the MK–12 warheads deployed on the MIRVed Minuteman III force. The Mark–12A's higher yield gives these missiles significantly greater damage expectancy. Currently, the Air Force has programed only 300 Minuteman IIIs for retrofitting with the Mark–12A. The MX is also slated for deployment with the MK–12A. While deliveries of the Mark–12A for the presently planned Minuteman retrofit will be completed in mid-1982, the committee notes that production for the MX program will not start until early 1985.

The committee has learned that the Strategic Air Command has requested that an additional 150 Minuteman IIIs be configured with Mark–12A warheads. In light of this requirement for additional Mark–12A warheads and in view of the need to maximize the capabilities of our existing ICBM force, the committee believes that a 34-month gap in the production line is undesirable. Apart from these operational considerations, a substantial cost penalty would result

from a suspension of the MK–12A warhead production effort.

The committee, therefore, recommends the addition of $53.7 million to continue Mark 12–A production at a reduced rate. These funds will initiate the procurement of an additional 510 warheads for 150 additional Minuteman III retrofits, plus the necessary test warheads and spares. At the same time, an active production line for MX warheads will be maintained.

SPACE PROGRAMS

Global Positioning Satellites

In the past, the committee has expressed its support for the NAVSTAR/Global Positioning Satellite system. The committee continues to believe that the NAVSTAR/GPS system holds real promise as a device which can significantly enhance the mission effectiveness of U.S. strategic and tactical forces. The deployment of the full satellite constellation originally planned will optimize the Global Positioning Satellite system's capabilities.

The committee believes that NAVSTAR/GPS may be a candidate for multi-year procurement which could result in substantial savings over the life of the presently planned program and/or an acquisition strategy which could support procurement of the full 24 satellite system for approximately the cost of the 18 satellites presently planned.

SUMMARY OF MISSILE PROCUREMENT

FISCAL YEAR 1982 ARMY MISSILE PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Surface-to-air missiles:						
Chaparral (MIM–72–A/C)		$4.3				$4.3
Hawk (MIM–23–B)		4.7				4.7
U.S. Roland	795	477.0			795	477.0
Patriot (SAM–D)	364	820.8	−234	−$334.7	130	486.1
Stinger	2,544	223.9			2,544	223.9
Air-to-surface missile:						
Hellfire	1,075	128.4			1,075	128.4
Antitank/assault missiles:						
TOW (BGM–71A)	12,000	96.6			12,000	96.6
Pershing	39	191.8			39	191.8
Multiple launch rocket system	2,496	179.3			2,496	179.3
Modifications		440.8				440.8
Spares and repair parts		234.1		−38.7		195.4
Support equipment and facilities		40.8				40.8
Total Army missiles	19,313	2,842.5	−234	−373.4	19,079	2,469.1

Fiscal Year 1982 Navy Missile Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Ballistic missiles:						
UGM-73A (C-3) Poseidon		$18.7				$18.7
UGM-96A (C-4) Trident I	72	783.2				
Less: Advance procurement (PY)		−118.1				
Net		665.1			72	665.1
UGM-96A (C-4) Trident I: Advance procurement (CY)		244.8				244.8
UGM-73A (C-3) Poseidon (modification)		10.1				10.1
Support equipment and facilities		20.2				20.2
Strategic missiles:						
BGM-109 Tomahawk	88	224.9				
Less: Advance procurement (PY)		−14.0				
Net		210.9			88	210.9
BGM-109 Tomahawk: Advance procurement (CY)		14.0				14.0
Tactical missiles:						
AIM/RIM-7 F/M Sparrow	905	144.7			905	144.7
AIM/9L/M Sidewinder	910	49.5			910	49.5
AIM-54 A/C (Phoenix)	72	146.4				
Less: Advance procurement (PY)		−5.6				
Net		140.8			72	140.8
AIM-54A/C (Phoenix): Advance procurement (CY)		26.2				26.2
AGM-84A Harpoon	340	282.7			340	282.7
AGM-84A Harpoon: Advance procurement (CY)		18.0				18.0
AGM-88A Harm	134	107.6			134	107.6
RIM-66B Standard MR	600	164.8			600	164.8
RIM-66C Standard MR	120	61.6			120	61.6
RIM-67B Standard ER	375	215.0			375	215.0
Other missile support		3.8				3.8
Laser Maverick		5.0				5.0
Aerial targets		67.9				67.9
Modification of tactical missiles		39.7				39.7
Support equipment and facilities		43.9				43.9
Total Navy missiles	3,616	2,555.0			3,616	2,555.0

Fiscal Year 1982 Marine Corps Missile Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Guided missiles:						
Improved Hawk	440	$85.1			440	$85.1
Improved Hawk (modification)		18.4				18.4
Stinger missile system	700	38.9			700	38.9
TOW missile	2,666	45.7			2,666	45.7
Improved TOW PIP		23.1				23.1
Cutlass spirit		2.9				2.9
Dragon		.5				.5
Spares		4.7				4.7
Modification kits		3.8				3.8
Total Marine Corps missiles	3,806	223.0			3,806	223.0

FISCAL YEAR 1982 AIR FORCE MISSILE PROCUREMENT REQUEST

[Amounts in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Ballistic missiles:						
LGM-30F/G—MM II/III		$37.9				
Less: Advance procurement (PY)		−3.6				
Net		34.3				$34.3
ICBM C³ integration		56.1				56.1
MK-12A reentry vehicle		0	+510	+$44.7	+510	44.7
Strategic missiles:						
Air launch cruise missile	440	589.7				
Less: Advance procurement (PY)		−1.0				
Net		588.7			440	588.7
Air launch cruise missile: Advance procurement (CY)		1.2				1.2
Ground launch cruise missile	54	313.3				
Less: Advance procurement (PY)		−13.9				
Net		299.4			54	299.4
Ground launch cruise missile: Advance procurement (CY)		29.8				29.8
Emergency rocket communication system		0		+6.8		6.8
Tactical missiles:						
AIM-7F/M Sparrow	1,560	227.0			1,560	227.0
AIM-9L/M Sidewinder	1,800	132.5			1,800	132.5
AGM-65D Maverick	490	232.3			490	232.3
AGM-88A Harm	136	89.1			136	89.1
Rapier		133.0				133.0
Target drones		17.2				17.2
Modification of inservice missiles		139.7		+9.0		148.7
Spares and repair parts		203.5				203.5
Other support		2,474.4				2,474.4
Total, Air Force missiles	4,480	4,658.2	+510	+60.5	4,990	4,718.7

NAVY SHIPS, TORPEDOES, AND OTHER WEAPONS

Navy Shipbuilding and Conversion

The amended authorization request for fiscal year 1982 is for 19 new surface combatant ships and 14 ship acquisitions, reactivations, or conversions. The total shipbuilding and conversion funding request is for $10,290.1 million in fiscal year 1982. Major combatant requests included a Trident submarine, two SSN–668 attack submarines, and three Aegis equipped CG–47 class cruisers. Also included were requests for three frigates, the first MCM–1 class mine countermeasures ship, two salvage ships, the first of a new class of Military Sealift Command (MSC)-manned fleet oilers, four TAGOS class surveillance ships, and the first new construction maritime prepositioning ship. The requests also included the reactivation of the U.S.S. *Oriskany* (CV–34) and U.S.S. *New Jersey* (BB–62), as well as the acquisition and conversion of a number of ships to support sealift and maritime prepositioning forces or to serve as auxiliaries for the combatant forces. Advance procurement is requested for a follow-on *Nimitz* class nuclear-powered aircraft carrier (CVN), a follow-on LSD–41 class dock landing ship, and a hospital ship, as well as funds for the other categories

of landing craft, service craft, outfitting, post-delivery, cost growth and escalation. Most important among these was a request under landing craft for the first three Landing Craft, Air Cushion (LCAC).

Navy Torpedoes and Related Support Equipment

Authorization in the amount of $516.6 million is requested for fiscal year 1982. The request was approved without change.

Navy Other Weapons

In fiscal year 1982, the $200.2 million requested for authorization for other weapons was approved.

Summary of Recommendations

	Millions
Navy shipbuilding and conversion (SCN)	$10,118.6
Navy torpedoes and related support equipment	516.6
Navy other weapons	200.2

The above recommended totals reflect changes to the amended request as follows:

	Quantity	Millions
Oriskany reactivation	−1	−$364.0
New Jersey reactivation		+79.0
FFG–7 frigates	+3	+700.0
LSD–41 dock landing ship	+1+LL	+374.3
TAH hospital ship conversion	−LL	−10.0
Trident SSBN submarine	−1+LL	−950.8

Committee Recommendation for Changes

Ohio Class Fleet Ballistic Missile Submarine (Trident)

The committee is most concerned about problems and delays in deliveries of the *Ohio* class (Trident) submarines now under construction. Only one shipyard is currently qualified to build Trident submarines and it now has contracts for eight SSBNs. This contractor recently advised the Navy that still further delays are to be expected in the lead and follow-on Trident ships. Subsequently the Navy failed to exercise the control option for the ninth Trident submarine, thus necessitating new contract negotiations with an uncertain impact on the Trident schedule. The shipbuilder alleges that faulty government-furnished equipment (GFE) and changes by the Navy in design specifications for the submarines late in the construction cycle of the lead ship are principally to blame. The Navy alleges that poor workmanship and management practices on the shipbuilder's part have resulted in a failure to build submarines efficiently, on time, and according to specifications. Regardless of where the blame lies, the committee finds the continuing construction difficulties in the Trident submarine program to be unacceptable.

The American people expect the Congress to require wise management of our increasing defense investment. Consequently, as important as the Trident submarine program is, the committee believes that sound congressional oversight practice would be undermined by authorization of the tenth Trident prior even to the delivery of the first Trident in

this trouble-plagued program. The committee is, therefore, recommending the deferral of authorization for the tenth Trident submarine.

The committee is, however, authorizing an additional $75 million for procurement of prefabricated sections and components for this vessel. Authorization of these funds, together with the $207.8 million previously authorized for long-lead items, should insure that this ship could be delivered to the Navy at approximately the same time as if it had been fully authorized in fiscal year 1982. This additional funding will also maintain the integrity of the present workforce and subcontractor structure. The committee also recommends a further $35 million for procurement and prefabrication of similar items for an 11th Trident submarine in order to preserve the currently planned submarine construction schedules and achieve economies of scale.

The committee requests that the Secretary of the Navy provide a report accompanying the fiscal year 1983 five-year shipbuilding program which fully assesses the production situation for both Trident and SSN–688 submarine construction. In addition, in view of the urgency the committee attaches to resolving submarine construction problems, an interim progress report should be submitted before the end of fiscal year 1981. The Secretary's report should describe the steps being taken by the Navy to reduce delays in submarine deliveries, minimize workmanship, managerial and other deficiencies and reduce costs of submarine construction.

Aircraft Carrier Reactivation (USS Oriskany)

The committee recommends that the administration's request for $364 million for the reactivation of the U.S.S. *Oriskany* be denied.

As stated in the committee's report on the fiscal year 1981 Supplemental Authorization Request, the 34 to 42 months required to fully reactivate the U.S.S. *Oriskany* does not constitute a creditable near-term improvement to the Navy's offensive capability. Moreover, the modest improvement in capability that would be provided by the reactivation of the U.S.S. *Oriskany* with its proposed airwing of A–4M aircraft does not justify the added strain that will be placed on the Navy personnel system, nor does it justify the rapidly rising cost estimates that are reflected in the total request.

Battleship Reactivation

The committee fully supports the administration's fiscal year 1982 procurement request of $158 million to reactive the U.S.S. *New Jersey*. The committee also recommends approval of the Navy's most recent request for an additional $79 million to provide for increased weapons modernization initiatives. This additional request would bring the total cost ($89 million in fiscal year 1981 and $237 million in fiscal year 1982) for reactivating the *New Jersey* to $326 million—still far less expenive than that required to construct a new ship with a comparable offensive capability.

The committee also approves the request for $88 million for advance material procurement to begin the work required to reactivate a second *Iowa*-class battleship. The reactivation of the *New Jersey* will take 21 months (15 months of industrial effort following a 6-month planning

period). Because the three remaining battleships in the *Iowa*-class have not been reactivated as recently as the *New Jersey*, the procurement costs for reactivation of each will increase to $392 million in fiscal year 1982 dollars. The time required to reactivate each ship will increase from 21 to 24 months.

The Navy's weapons system modernization plan for the *Iowa* class battleships, as provided to the committee, includes the addition of:

—a larger steel helicopter platform aft
—32 Tomahawk cruise missiles (300 to 900 mile range) in armored box launchers
—16 Harpoon anti-ship cruise missiles in four quad-canisters
—4 CIWS/Phalanx automatic rapid-fire guns
—an AN/SLQ–32 electronic warfare equipment package
—an updated, modern communications package
—a new air search radar

The current offensive capability of the *Iowa*-class is embodied in the substantial destructive power of their nine highly accurate 16-inch guns (with its 2,700 pound shell) and their 5-inch guns, as well as in the many survivability features inherent in a class of ship that is better armored below and above the water-line than any of their predecessors or any Navy ship constructed since. When the weapons system modernization improvements are coupled with the ship's impressive basic combat capability, the Navy will gain an extremely credible near-term offensive addition at a cost roughly equivalent to that now required for a frigate.

FFG–7 Guided Missile Frigate

The administration has requested $971.9 million to procure three FFG–7 guided missile frigates. The committee supports the Administration's request and recommends that the request be increased by $700 million in order to procure three additional guided missile frigates. Thus, the total request recommended by the committee is $1,671.9 million for a total of six FFG–7 class frigates.

The FFG–7 class guided missile frigate has proven to be an effective and relatively low cost naval escort vessel for defense against surface, sub-surface, and air attack in a low to moderate threat environment. The requested procurement rate of three frigates is, however, insufficient. The Navy's stated minimum goal for frigate force levels is 101, which will be exceeded with the ships requested in fiscal year 1981. The Navy, however, indicates that it plans to procure frigates for the next several years, and that it will phase out FFG–7 production in favor of an equal annual procurement request for FFX's, a ship whose design, proposed mission, and estimated costs are unknown to this committee.

Since the Navy has not explained satisfactorily how frigate procurement efficiencies can be transferred to other ship types, nor has it presented sufficient justification for a less costly and supposedly less effective FFX, the committee recommends increasing the fiscal year 1982 authorization for the FFG–7 by three ships to a total of six. Since the Navy was already planning on continued procurement of frigates, this recommended action would not increase the force levels over

those planned. It would, however, provide for a more rapid delivery schedule and would maintain the more industrially efficient procurement rate of last year.

Landing Ship Dock (LSD–41)

The LSD–41 class of amphibious ships is a replacement program for 8 LSD–28's which will be retired during the 1984–1987 period. In fiscal year 1981, Congress appropriated $340.7 million to construct the lead-ship of the LSD–41 class. In addition, long-lead funds were appropriated to support the construction of the follow-on ship in fiscal year 1982. In testimony received on the fiscal year 1981 request, the Navy stated that it was not necessary to skip a year between the lead and follow-on LSD–41's, as is the procurement practice for more complex ships. In more recent testimony on the fiscal year 1982 request, the Navy stated a preference to follow the normal ship procurement practice. Accordingly, the authorization request does not include funds for construction of one LSD–41 in fiscal year 1982. However, $34.0 million is requested for long-lead funding of one LSD–41 in fiscal year 1983. By combining this amount with long-lead funds appropriated in fiscal year 1981, the long-lead requirement of $56.0 million would be fully funded.

The committee continues to believe that the LSD–41 program should be expedited given the requirement to revitalize U.S. amphibious warfare capabilities. For years, the committee has been disturbed by the comparative programmatic inattention that has been accorded by the Department of Defense to the steadily widening gap between actual levels of amphibious shipping and requirements postulated by the Joint Chiefs of Staff. The committee believes that the present level of amphibious shipping—capable of lifting the assault echelons of 1.15 Marine Amphibious Forces—is inadequate, especially in the light of emerging new strategic requirements in the Persian Gulf and in other areas of the world where the United States does not enjoy secure military access ashore even in peacetime. The committee hopes that the Department of Defense will review the 5-year amphibious shipbuilding plan with the aim of reducing the disparity between the actual level of amphibious shipping and the stated requirements of the Joint Chiefs of Staff.

With these thoughts in mind, the committee recommends procurement of one LSD–41 in fiscal year 1982 at a cost of $301 million. In addition, the committee favors procurement of two LSD–41's in fiscal year 1983. To support procurement of two ships in fiscal year 1983, the committee recommends authorization of $107.3 million in long-lead funds in fiscal year 1982.

Hospital Ship (T–AH)

Advance procurement funding of $10.0 million is requested in fiscal year 1982 for the activation, modernization, and conversion of the passenger ship, SS *United States*, into a Navy Hospital Ship. Total program cost in fiscal year 1983 is currently estimated to be $380.0 million. This ship is to provide full medical support on a worldwide basis in

support of amphibious assaults by Rapid Deployment Force units. The committee is concerned about the absence of firm cost estimates for this program and about testimony which suggests that medical support alternatives to the Hospital Ship have not been fully explored. For this reason, the committee has deleted advance procurement funds for this program. However, in recognition of the urgent requirement for full medical support for amphibious assaults, the committee has added $1.0 million in R. & D. funds to support detailed analyses of alternative programs.

Recommended for Approval as Requested

CVN Aircraft Carrier (Nuclear)

The committee fully supports the request for $658 million for advance procurement of another follow-on *Nimitz* class nuclear-powered aircraft carrier.

As the locus of the modern battle group, the *Nimitz*-class carrier is one of the most effective, flexible, and survivable warfare platforms in this nation's defense arsenal. Its procurement is the most effective and expeditious means of achieving 15 carrier battle groups, which the Navy has indicated is a prerequisite to its ability to satisfy increasing naval commitments and to keep pace with the alarming qualitative and quantitative advancements which the Soviet navy has made in recent years.

SSN–688 Class Submarine

The committee supports the current request for $1,013.1 million for two SSN–688 class attack submarines.

The committee is most concerned about problems which have occurred in the construction of both strategic and attack submarines. In view of the large and growing threat from the Soviet Navy, and the U.S. Navy's requirement to build to and maintain a minimum force of 100 attack submarines, the necessity to achieve a construction rate of three to four submarines per year takes on added urgency.

The committee has requested a study by the Secretary of the Navy that analyzes the problems which have been encountered in constructing submarines of the *Ohio* and *Los Angeles* classes. The committee looks forward to receiving the Secretary's study. In the event satisfactory progress toward resolving difficulties in submarine construction is not forthcoming, however, the committee may be compelled to seek alternative solutions.

Fast Logistics Ship (T–AKRX)

Funds appropriated in fiscal year 1981 for this program are to be used to buy six of eight available SL–7 containerships. The fiscal year 1982 request will support procurement of the remaining two ships and conversion of all eight ships to a roll-on/roll-off configuration. When converted, the Fast Logistics Ships, which have a speed of 33 knots, will permit rapid transportation of armored and mechanized combat forces. These ships will be manned by civilians, maintained in reduced

operating status in the United States, and be ready for deployment in 5 days.

Given the current plan to fully convert all eight ships in fiscal year 1982, the committee recommends that none of the Fast Logistics Ships undergo mini-modification as previously proposed but not now planned by the Navy. Statutory provisions prohibiting mini-modification have been recommended by the committee. Funds appropriated for conversion in fiscal year 1981 should be used as advance procurement for the fiscal year 1982 conversion program.

Maritime Prepositioning Ships (T-AKX)

There are two Maritime Prepositioning Ship programs in the authorization request. The first is for the lead-ship of a 6-ship new construction program for which $195.0 million is requested. The second program is for the acquisition and conversion of two existing U.S.-flag roll-on/roll-off (RO/RO) ships at a cost of $197.0 million. Four additional RO/RO ships are planned for acquisition and conversion in the future. These 12 Maritime Prepositioning Ships will provide afloat prepositioning of equipment for three Marine Amphibious Brigades.

The committee believes that the Navy should use the advance procurement funds of $53.0 million appropriated in fiscal year 1981 for the new construction Maritime Prepositioning Ship to insure that the ship authorized in fiscal year 1982 can be efficiently constructed. Statutory provisions requiring this action by the Navy are recommended by the committee.

Landing Craft, Air Cushion (LCAC)

The authorization request is for 3 LCAC's costing $76.1 million. The committee views the LCAC program as critical to revitalization of U.S. amphibious warfare capabilities. The LCAC will permit high-speed assaults from extended standoff distances and will greatly increase worldwide beach areas over which amphibious assaults could be conducted.

Auxiliary Lighterage Ship (T-ALS)

One Auxiliary Lighterage Ship is requested for authorization in fiscal year 1982. An existing U.S.-flag Sea Barge ship will be acquired with the requested $54.0 million. Capable of carrying significant numbers of barges, this ship would facilitate the ship-to-shore movement of cargo and equipment in undeveloped areas.

Salvage Ship (ARS)

In fiscal year 1981, the lead-ship of a 5-ship ARS program was authorized. Two additional ARS's are requested in fiscal year 1982 at a total cost of $160.5 million. ARS's provide salvage, rescue towing, diving, and rescue services to the fleet.

Fleet Oiler (T-AO)

The lead-ship of a new class of fleet oilers is requested in fiscal year 1982. Procurement of more than 20 ships of this class is planned. The fleet oiler operates as a unit of an underway replenishment group, furnishing petroleum products to operating forces at sea. The fleet oiler will be built to commercial specifications and manned by a civilian crew.

Combat Stores Ship (T-AFS)

The $37.0 million requested for this program will fund the acquisition of two existing stores ships from the Royal Fleet Auxiliary of the British Navy. If newly constructed, these T-AFS's would cost about $200 million each. T-AFS's furnish refrigerated, dry cargo, and repair parts to the fleet.

Mine Countermeasures (MCM) Ship

The lead-ship of a 14 MCM ship program is requested in fiscal year 1982. U.S. MCM forces are inadequate by a wide margin. This ship construction program is urgently needed to counter the mine threat. The wooden-hulled MCM ship will conduct mine clearance operations in maintenance of sea lines of communications, in defense of ports and harbors, and in support of fleet operations.

Mark-48 Torpedo

For the first time in several years, the administration has requested funding to procure Mark-48 torpedoes. This weapon system is the only heavy torpedo presently in production in the Free World. The committee notes that had it not been for congressional initiatives, there would have been no warm production base for such a torpedo in the United States. The committee applauds the new administration recognition of the requirement for additional heavy torpedoes and recommends the approval of the $133.5 million requested to procure 144 Mark-48 torpedoes.

Mark-60 CAPTOR Mine

CAPTOR is an antisubmarine warfare mine consisting of a MARK-46 torpedo placed in a cylinder and moored in deep water. CAPTOR will interdict and restrict the movement of submerged submarine forces and is capable of attacking even the most advanced diesel and nuclear submarines. The request is for 400 CAPTOR mines at a total cost of $116.9 million.

Mark-67 Submarine Launched Mobile Mine

The Submarine Launched Mobile Mine (SLMM) is a shallow-water, bottom mine designed for covert deployment by a submarine using a converted torpedo. Procurement is to begin in fiscal year 1982 with the request for 119 SLMM's at a total cost of $11.1 million.

SUMMARY OF NAVY SHIPS, TORPEDOES, AND OTHER WEAPONS

FISCAL YEAR 1982 NAVY SHIPBUILDING AND CONVERSION PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Fleet ballistic missile ship:						
Trident (nuclear)	1	$1,268.6				
Less: Advance procurement (PY)		−207.8				
Net		1,060.8	−1	−$985.8	0	$75.0
Trident (nuclear): Advance procurement (CY)		230.7		+35.0		265.7
Other warships:						
CVN aircraft carrier (nuclear): Advance procurement (CY)		658.0				658.0
CV reactivation (U.S.S. Oriskany)	1	503.0				
Less: Advance procurement (PY)		−139.0				
Net		364.0	−1	−364.0		0
SSN-688 class submarine (nuclear)	2	1,163.5				
Less: Advance procurement (PY)		−150.4				
Net		1,013.1			2	1,013.1
SSN-688 class submarine (nuclear): Advance procurement (CY)		213.9				213.9
New Jersey reactivation	1	247.0				
Less: Advance procurement (PY)		−89.0				
Net		158.0		+79.0	1	237.0
Battleship reactivation: Advance procurement (CY)		88.0				88.0
CV SLEP: Advance procurement (CY)		100.8				100.8
CG-47 Aegis cruiser	3	3,054.6				
Less: Advance procurement (PY)		−129.0				
Net		2,925.6			3	2,925.6
CG-47 Aegis cruiser: Advance procurement (CY)		20.7				20.7
Amphibious ship:						
LSD-41 landing ship dock		0.0	+1	+301.0	1	301.0
Advance procurement (CY)		34.0		+73.3		107.3
Mine warfare & patrol ships:						
FFG guided missile frigate	3	971.9	+3	+700.0	6	1,671.9
MCM mine countermeasures ship	1	99.7			1	99.7
Auxiliaries & craft:						
Maritime prepositioning ship (T-AKX)	1	248.0				
Less: Advance procurement (PY)		−53.0				
Net		195.0			1	195.0
Maritime prepositioning ship (T-AKX) RO/RO (conversion)	2	197.0			2	197.0
T-AO	1	200.0			1	200.0
T-AGOS Surtass ship	4	156.5			4	156.5
T-ALS	1	54.0			1	54.0
Fast logistic ship (T-AKRX) (conversion)	8	668.4			8	668.4
T-AH (conversion): Advance procurement (CY)		10.0		−10.0		0
T-AFS (acquisition)	2	37.0			2	37.0
ARS	2	160.5			2	160.5
Service craft		42.4				42.4
Landing craft		133.7				
Less: Advance procurement (PY)		−35.1				
Net		98.6				98.6
Outfitting		73.0				73.0
Post delivery		146.5				146.5
Cost growth		88.0				88.0
Escalation on prior year programs		224.0				224.0
Total Navy shipbuilding and conversion	33	10,290.1	+2	−171.5	35	10,118.6

76-244 O - 81 - 6

FISCAL YEAR 1982 NAVY TORPEDO PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Navy torpedoes:						
Torpedo, MK-48	144	$133.5			144	$133.5
Torpedo, MK-46	288	65.0			288	65.0
MK-60 Captor Mine	400	116.9			400	116.9
Mobile target, MK-30	7	18.7			7	18.7
MK-38 mini-mobile target		.7				.7
ASROC		3.9				3.9
Modifications of torpedoes and related equipment		141.4				141.4
Support equipment		36.5				36.5
Total Navy torpedoes	839	516.6			839	516.6

FISCAL YEAR 1982 NAVY OTHER WEAPONS PROCUREMENT REQUEST

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other weapons:						
MK-15 close-in weapon system	50	$134.7			50	$134.7
MK-75, 76-mm, gun mount	1	4.5			1	4.5
Modification of guns and gun mounts		26.7				26.7
Support equipment		34.3				34.3
Total Navy other weapons	51	200.2			51	200.2

GROUND COMBAT VEHICLES AND OTHER WEAPONS

TRACKED COMBAT VEHICLES

Recommended for Approval as Requested

M-1 Main Battle Tank

The Army has requested $1,924.0 million for the procurement of 720 M-1 Main Battle Tanks, an increase of $577.2 million and 151 vehicles more than the January budget request. Since last year's fiscal 1981 budget submission, the Army has identified an additional funding requirement for fiscal years 1981 and 1982 of almost $1 billion in order to fund the planned procurement quantities (569 vehicles in fiscal year 1981 and 720 vehicles in fiscal year 1982).

This significant increase in program funding is due in part to revised inflation indicies; however, much of the increase is directly attributable to revised engineering estimates. In addition to this significant cost growth, the M-1 Main Battle Tank has suffered from reliability and durability problems. Of particular interest to this committee has been the problem of transmission durability. In the fiscal year 1980 authorization report, the committee requested additional operational testing after the M-1 failed to demonstrate ade-

quate reliability and transmission durability. Last year, the committee again expressed its concern regarding the durability of the tank's power train. The committee is advised that while many of the problems affecting reliability have been satisfactorily addressed, it appears that transmission durability is still an issue. In addition, the Army has expressed serious concern with respect to quality assurance procedures used during assembly of the tank.

Nevertheless, the committee appreciates the necessity of equipping our ground forces with this vitally needed system. Therefore, the committee recommends the authorization of the full request for $1,924 million for the procurement of 720 tanks but with the stipluation that the additional funding requested in the revised March budget of $577 million for the procurement of 151 tanks may not be obligated or expended until the Secretary of Defense certifies in writing to this committee that he is satisfied with the results of the additional RAM–D durability testing to be conducted by the Army.

The committee's review of the M–1 program this year took place against the backdrop of the Army's 18-year effort to field a tank to replace the M–60 series of tanks that our ground-combat forces now employ. The tortured history of the unsuccessful MBT–70 and the XM–803 tank development programs, together with the less-than-desired performance of the power train of the M–1 in recent testing, clearly calls into question the approach we have taken to provide modern equipment to our combat forces.

We have accented revolutionary rather than evolutionary improvements in our tank development programs—while the Soviets have taken a more evolutionary approach that has been supported by a steady level of effort among competing design teams. In some instances, our approach has encouraged the incorporation of immature technologies in key components of our weapons which has contributed to unacceptable combat readiness rates.

The committee believes that terminating the M–1 program, as some have advocated, is not in the best interest of our military forces and, therefore, our national security. On the other hand, while some problems have been resolved, the remaining shortcomings of the M–1 tank are serious, and the committee believes that the Army must take deliberate and long-term action to bring the M–1 to its full combat potential.

The Secretary of the Army is directed, therefore, to provide a written report to the Committees on Armed Services of the Senate and the House of Representatives, not later than January 30, 1982, that describes a plan for long-term evolutionary improvement of the M–1. This plan shall include, but shall not be limited to, the following aspects.

—Side-by-side tests of the M–1 with other tanks, both U.S. and foreign, in field exercises. These exercises should closely simulate actual combat employment of tanks to obtain a real-world assessment of M–1 operational capabilities and shortcomings relative to those of other first-line tanks (such as speed and durability during a long-distance road march on secondary roads, off-road mobility when under attack and performance as a machine-gun platform during an attack). These tests should be structured to

determine those changes in the M–1 that are most urgently needed to improve its operational effectiveness.

—Comprehensive vulnerability tests: (1) to include live-fire tests of tanks fully combat-configured with fuel and ammunition and (2) to determine the shortcomings of the current M–1 that most directly threaten survival of tank crews when the M–1 is hit and penetrated by hostile fire.

—A process through which evolutionary development of the M–1 can best be achieved, preferably through competition among several design teams and through design, development and tests of evolutionary prototypes based on the M–1 design.

Fighting Vehicle System

The Army requested $809.8 million to procure 600 fighting vehicles. The committee recommends that the request be approved so that the badly needed modernization of first-line Army forces can continue. However, the committee is concerned about the continued cost growth in this program.

In part, this concern is generated by the cost growth reflected in the December 1980 Selected Acquisition Report (SAR) in which the projected program cost of the Fighting Vehicle System increased from $7.8 billion (December 1979 SAR) to $13.1 billion (December 1980 SAR).

In its efforts to control this cost growth, the Army is investigating the potential benefits of competition through the development of a second source for manufacture and assembly of the Fighting Vehicle System. The Army does not anticipate second source funding until fiscal year 1983, but the potential savings from competition may be great enough to justify accelerating this decision.

Therefore, the committee recommends approval of a statutory provision which would provide $50 million to prepare a second-source producer for the Fighting Vehicle System if the Army so chooses.

Light Armored Vehicle (LAV)

In fiscal year 1981, the Congress appropriated $17.0 million in R. & D. funds for the Marine Corps to test and evaluate in-production LAV's. This effort was to equip in the near-term a rapidly deployable Marine Corps unit with currently available LAV's. The Marine Corps expects to complete source selection during fiscal year 1981 and has requested $36.2 million to procure 72 LAV's in fiscal year 1982. The committee fully supports this program and is encouraged by the progress that has been made.

The Army now plans to initiate procurement of a light armored vehicle, entitled the Mobile Protected Gun (Near-Term), in the next several years. The committee recommends authorization of the requested R. & D. funding of $1.0 million for the Army to actively monitor the Marine Corps development and procurement efforts.

In recognition of the urgent requirement, the committee directs that the Light Armored Vehicle (LAV) program be executed in the most timely manner possible. In furtherance of this directive, an

acquisition strategy that results in production commencing in fiscal year 1982 is required. Since the Marine Corps' acquisition strategy is one that meets this directive and results in initially equipping the LAV's purchased with the best available weapons system, the Marine Corps shall continue to manage and direct the acquisition of LAV's. At such time that the U.S. Army determines its requirements, the program acquisition management plan should be reevaluated. The statutory provision recommended by the committee requires such action. In addition, the committee believes that only one near-term light armored vehicle design should be procured for use by both the Marine Corps and the Army. This vehicle should be designed such that one can be lifted by a CH–53E helicopter and two can be carried by a C–130 transport aircraft.

LVT–7A1 Amphibious Assault Vehicle

In fiscal year 1982 the Marine Corps will procure the first 30 LVT–7A1 Amphibious Assault Vehicles. Procurement of these new assault vehicles along with the Service Life Extension Program (SLEP) designed to upgrade existing LVT vehicles will significantly improve our amphibious assault capability.

OTHER WEAPONS

Recommended for Approval as Requested

Division Air Defense Gun (DIVAD)

The DIVAD is to be an all-weather short-range air defense system composed of multiple 35 or 40mm cannon with search and track radar mounted on an M–48A5 tank chassis. It will have the capability to move rapidly with forward elements providing air defense fire support against low altitude ground attack aircraft and attack helicopters. DIVAD will replace the Army's present air defense gun, the Vulcan, which lacks the lethality, accuracy, mobility and armor protection of the DIVAD system.

Firing Port Weapon

The Firing Port Weapon is a 5.6mm automatic weapon, a derivative of the M–16 rifle, which provides secondary armament for the Fighting Vehicle System.

M–240 Machinegun

The M–240 is a 7.62mm machinegun used as secondary armament on armored vehicles.

Bushmaster

The Bushmaster, a 25mm automatic cannon, is the main armament of the Fighting Vehicle System.

M–198 Howitzer

The M–198 155mm Medium Towed Howitzer is designed for use by artillery battalions supporting airborne and air assault divisions. It replaces the smaller 105mm Howitzer and will be procured by both the Army and Marine Corps.

SUMMARY OF GROUND COMBAT VEHICLES AND OTHER WEAPONS PROCUREMENT

Fiscal Year 1982 Army Tracked Combat Vehicle Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Tracked combat vehicles:						
Fighting vehicle system	600	$809.8	----	+$50.0	600	$859.8
Fighting vehicle system: Advance procurement (CY)		59.1				59.1
Field artillery ammunition support vehicle: Advance procurement (CY)		4.0				4.0
Recovery vehicle, med, ft, M88A1	180	153.0			180	153.0
Tank, combat, ft, 105-mm gun, M1 series	720	1,759.9				
Less: Advance procurement (PY)		−135.9				
Net		1,624.0			720	1,624.0
Tank, combat, ft, 105-mm gun, M1 series: Advance procurement (CY)		212.1				212.1
Training equipment for XM-1 series tank		50.6				50.6
Modification of tracked combat vehicle		203.1				203.1
Support equipment and facilities		371.6				371.6
Total Army tracked combat vehicles	1,500	3,487.3	----	+50.0	1,500	3,537.3

Fiscal Year 1982 Marine Corps Tracked Combat Vehicle Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Tracked combat vehicles:						
LVT7A1	30	$55.6	----		30	$55.6
LVT7 service life extension program	393	173.6	----		393	173.6
Light armored vehicle	72	36.2	----		72	36.2
Spares and repair parts		9.4				9.4
Modification kits (tracked vehicles)		1.3				1.3
Modification kit, F-8-in howitzer, M110A2		5.6				5.6
Total Marine Corps tracked combat vehicles	495	281.7	----		495	281.7

Fiscal Year 1982 Army Other Weapons Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Weapons and other combat vehicles:						
DIVAD gun	50	$292.9				
Less: Advance procurement (PY)		−10.9				
Net		282.0			50	$282.0
DIVAD gun: Advance procurement (CY)		53.5				53.5
Howitzer, med, towed, 155 mm, M198	200	72.2			200	72.2
Armor machinegun coaxial, M240	5,400	26.3			5,400	26.3
Squad automatic weapon (SAW) 5.56 mm	4,600	14.2			4,600	14.2
Radar chronograph set, M90	120	3.3			120	3.3
Mortar, 81 mm, XM252	60	1.9			60	1.9
Vehicle, rapid fire weapon system Bushmaster	720	31.3			720	31.3
Firing port weapon—IFV	18,850	19.4			18,850	19.4
Modifications of weapons and other combat vehicles		13.9				13.9
Support equipment and facilities for weapons and other combat vehicles		137.4				137.4
Total Army other weapons	30,000	655.4			30,000	655.4

Fiscal Year 1982 Marine Corps Other Weapons Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other weapons:						
Howitzer, M198, 155 mm	159	$58.3			159	$58.3
Spares and repair parts		12.9				12.9
Modification kits (artillery, others)		1.1				1.1
Items less than $900,000		3.7				3.7
Machinegun .50 cal	408	3.7			408	3.7
Machinegun light squad automatic	2,117	6.4			2,117	6.4
Rifle 5.56 mm, M16A1	55,604	18.1			55,604	18.1
Machinegun, 40 mm, MK–19	792	20.6			792	20.6
Machinegun, 7.62 mm M60	3,598	11.5			3,598	11.5
Total Marine Corps other weapons	62,678	136.3			62,678	136.3

Fiscal Year 1982 Air Force Other Weapons Procurement Request

[Amount in millions of dollars]

Program	Fiscal year 1982 amended request		Committee			
			Change from request		Recommendation	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Other weapons:						
M–203 grenade launcher	189	$0.1			189	$0.1
Machinegun, 7.62 mm, M–60	63	.1			63	.1
40-mm machinegun, MK–19	177	2.9			177	2.9
Total Air Force other weapons	429	3.0			429	3.0

National Guard Equipment Initiatives

The Army National Guard represents some 46 percent of the total ground combat power of the United States Army, as measured by the number of combat division bridgades and battalions. It includes 57 percent of the infantry battalions, 50 percent of the artillery battalions and 43 percent of the armored battalions of our ground forces.

The Army National Guard is short some of the total equipment it is authorized in peacetime. These shortages include over 2,300 personnel carriers, 2,000 tanks, 400 artillery pieces, substantial quantities of modern communications and computer equipment and a large amount of the common, everyday equipment it takes to make an Army unit function. The National Guard estimates the dollar value of the equipment shortage to be about $2.6 billion.

The National Guard has over 130 units assigned to the Rapid Deployment Force (or which are planned to deploy within 30 days in an emergency) which are short over $100 million worth of everyday equipment. All eight National Guard divisions and 17 of the 26 separate brigades/regiments are at the lowest readiness rating for equipment on hand. This situation has existed for some time.

While there has been a substantial increase in the defense budget in recent years, there has not been a corresponding increase in the procurement of equipment for the Army National Guard.

In an effort to improve the equipment situation of the Army National Guard, the committee recommends a plan for a $400 million addition to the total Army procurement budget to be used for the National Guard in the next few years. As an initial step, the committee recommends the authorization of an additional $50 million in fiscal year 1982 to the Army procurement budget for the Army National Guard. The Army and National Guard leaders should allocate the additional funds to equip units in a way that will provide the most military capability for the money.

The recommended $400 million plan includes items that are authorized annually as well as items that are not. The following items are included in each appropriation category covered by the plan:

	Millions
Tracked combat vehicles and other weapons (authorized annually):	
Tracked carriers	$101
Artillery pieces	16
Tank recovery vehicles	43
Other tracked vehicles and equipment	25
Total	185
Missile procurement (authorized annually):	
Tow carriers	29
Shop and test equipment	1
Total	30
Other procurement (not authorized annually):	
Night vision equipment	60
Chemical alarms	6
Communications and electronic equipment	30
Automatic data processing equipment	6
Trucks	45
Other tactical vehicles	16
Other support equipment	22
Total	185
Total (approximate)	400

Report on Inventories of Major Weapons

The committee requests the Secretary of Defense to submit an annual report by January 30th of each fiscal year on the past and present inventories of major weapons that equip U.S. forces.

Such report shall contain tables identical in format to those printed in the Senate Committee on Armed Services Report Number 96–826 on the following pages:

Aircraft and Helicopter Inventory—page 40.

Navy Ship Inventory—page 35.

Ground Combat Vehicles and Artillery Inventory—page 42.

The data shall be reported for each fiscal year from fiscal year 1964 through the fiscal year in which the report is made. In addition, such report shall contain a projection of inventory data, in the same format as that for the other fiscal years reported, for one year beyond the then current fiscal year.

The historical inventory data reported by the Secretary shall be consistent with those printed in Report 96–826 and shall include, for all appropriate types of weapons for which a report is required, the total inventory of all such weapons in service—to include, for example, those used for training and maintenance-pipeline purposes. Weapons in storage in inactive-inventory status, shall not be counted in the reported data.

TITLE II—RESEARCH AND DEVELOPMENT

Background on Research and Development Authorization

Annual authorization of appropriations for all research, development, test and evaluation conducted by the Department of Defense has been required by law since 1963 (Public Law 88–174). Appropriate subcommittees of the full committee conducted hearings and reviewed information on various research and development program requests including, but not limited to, the following: Army General Purpose Programs; the M–X Program and Ballistic Missile Defense; tactical and strategic aircraft and associated systems; Army Anti-Tank Weapons and Electronic Warfare; the Trident and various other submarine programs; the Rapid Deployment Force; the C–X aircraft; New Ships and Related Ship Programs; lasers and particle beam technology; Strategic Command, Control and Communications (C^3); and various land, air, and sea-launched missiles and missile systems. The committee's recommendations appear in subsequent pages of this report.

Summary of Recommended Funding Changes

The tables below show comparisons of the amount authorized and appropriated (revised current program) for research, development, test and evaluation for fiscal year 1981 with the amounts requested for authorization in the President's budget for fiscal year 1982 and those recommended by the committee.

RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—COMPARATIVE SUMMARY OF ACTIONS ON AUTHORIZATION REQUEST

[In thousands of dollars]

	Fiscal year 1981		Fiscal year 1982	
	Authorization	Revised current program[1]	March amended request	Committee recommendation
Army	$3,248,005	$3,166,257	$3,905,200	$3,893,100
Navy (including Marine Corps)	[2] 5,112,775	[2] 5,042,009	[3] 6,086,371	[3] 6,155,001
Air Force	7,159,857	7,106,711	9,398,100	9,130,100
Defense agencies	1,325,702	1,295,602	1,881,400	1,882,550
Test and evaluation	42,100	42,100	53,000	53,000
Total	16,888,439	16,652,679	21,324,071	21,113,751

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for R.D.T. & E. for fiscal year 1981, in the amount of $598,300,000

[2] Includes $2,760,000 in special foreign currency.

[3] Includes $3,083,000 in special foreign currency.

SUMMARY OF ADJUSTMENT TO FISCAL YEAR 1982 R.D.T. & E. AUTHORIZATION REQUEST BY BUDGET ACTIVITY

[Dollar amounts in thousands; years are fiscal years]

	1981 revised current program [1]	1982 March amended request	Change from request	Committee recommendation
Technology base	[2] $2,554,777	[3] $3,098,397	+$3,000	[3] $3,101,397
Advanced technology development	600,092	760,528	+5,000	765,528
Strategic programs	3,524,933	4,952,463	+33,600	4,986,063
Tactical programs	6,162,361	7,548,160	−191,470	7,356,690
Intelligence and communications	1,550,325	2,109,086	+4,150	2,113,236
Defensewide mission support	2,260,191	2,855,437	−64,600	2,790,837
Total	16,652,679	21,324,071	−210,320	21,113,751

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for R.D.T. & E. for fiscal year 1981, in the amount of $598,300,000.
[2] Includes $2,760,000 in special foreign currency.
[3] Includes $3,083,000 in special foreign currency.

SUMMARY OF RECOMMENDED ADJUSTMENT TO FISCAL YEAR 1982 R.D.T. & E. AUTHORIZATION REQUEST BY SERVICE

[Dollar amounts in thousands; years are fiscal years]

	1981 current revised program [1]	1982 March amended request	Change from request	Committee recommendation
Army	$3,166,257	$3,905,200	−$12,100	$3,893,100
Navy (including Marine Corps)	[2] 5,042,009	[3] 6,086,371	+68,630	[3] 6,155,001
Air Force	7,106,711	9,398,100	−268,000	9,130,100
Defense agencies	1,295,602	1,881,400	+1,150	1,882,550
Test and evaluation	42,100	53,000		53,000
Total	16,652,679	21,324,071	−210,320	21,113,751

[1] Does not reflect congressional action on the Mar. 11, 1981, supplemental authorization request for R.D.T. & E. for fiscal year 1981, in the amount of $598,300,000.
[2] Includes $2,760,000 in special foreign currency.
[3] Includes $3,083,000 in special foreign currency.

ADJUSTMENTS TO FISCAL YEAR 1982 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION AUTHORIZATION REQUEST RECOMMENDED BY SENATE ARMED SERVICES COMMITTEE

[In thousands of dollars]

Program element	Fiscal year 1982 March amended request	Change from request	Committee recommendation
R.D.T. & E. Army:			
Technology base	$628,598		$628,598
Advanced technology development	232,120		232,120
Strategic programs:			
Electric power modernization	0	+$500	500
Other programs approved	428,568		428,568
Total, strategic programs	428,568	+500	429,068
Tactical programs:			
Multimission SATCOM	15,600	+1,200	16,800
Light armored vehicle (mobile protected gun—far term)	19,800	−17,800	2,000
Other programs approved	1,750,420		1,750,420
Total, tactical programs	1,785,820	−16,600	1,769,220
Intelligence and communications:			
SATCOM ground environment	0	+4,000	4,000
Other programs approved	68,299		68,299
Total, intelligence and communications	68,299	+4,000	72,299
Defensewide mission support	761,795		761,795
Total, R.D.T. & E. Army	3,905,200	−12,100	3,893,100

ADJUSTMENTS TO FISCAL YEAR 1982 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION AUTHORIZATION REQUEST RECOMMENDED BY SENATE ARMED SERVICES COMMITTEE—Continued

[In thousands of dollars]

Program element	Fiscal year 1982 March amended request	Change from request	Committee recommendation
R.D.T. & E. Navy:			
Technology base:			
Materials technology	$32,428	+$2,000	$34,428
Other programs approved	775,994		775,994
Total, technology base	808,422	+2,000	810,422
Advanced technology development:			
Advanced nonnuclear naval engine (electric drive)	550	+5,000	5,550
Other programs approved	166,758		166,758
Total, advanced technology development	167,308	+5,000	172,308
Strategic programs:			
Survivable, enduring communications (GRYPHON)	0	+3,500	3,500
Other programs approved	540,611		540,611
Total, strategic programs	540,611	+3,500	544,111
Tactical programs:			
V/STOL aircraft development (AV-8B+)	14,960	+10,000	24,960
Airborne antisubmarine warfare system (ARAPAHO)	0	+3,000	3,000
Air-to-ground weapons (IR Maverick)	19,700	−19,700	0
Advanced weapons concept (weaponizing prototype)	0	+2,044	2,044
Medium-range air-to-surface missile	38,100	−19,100	19,000
I² R Harpoon	0	+38,000	38,000
Ship system engineering standard (SEAMOD)	1,999	+8,000	9,999
Diesel electric submarine design	0	+5,000	5,000
FFX design (ship development)	15,603	−14,603	1,000
LHDX(VSS) (ship development)	6,000	+4,000	10,000
Light carrier design (ship development)	0	+23,000	23,000
Attack submarine development	19,468	−13,771	5,697
High horsepower engine (Marine Corps)	0	+9,460	9,460
Navy air combat fighter (F-18)	173,312	+51,500	224,812
Battle group AAW coordination (area air defense)	0	+10,600	10,600
Ship development (engineering)	30,800	−22,800	8,000
Satellite communications (Multi-mission SATCOM EHF)	12,386	+24,500	36,886
Other programs approved	3,376,945		3,376,945
Total, tactical programs	3,709,273	+99,130	3,808,403
Intelligence and communications	195,317		195,317
Defensewide mission support:			
Medical support for amphibious assaults	0	+1,000	1,000
Undistributed reduction		−23,000	−23,000
Other programs approved	662,357		662,357
Total, defensewide mission support	662,357	−22,000	640,357
Undistributed reduction		−19,000	−19,000
Total, R.D.T. & E. Navy	6,083,288	+68,630	6,151,918
R.D.T. & E. Air Force:			
Technology base	637,700		637,700
Advanced technology development	351,100		361,100
Strategic programs:			
Advanced warning systems	12,400	−2,400	10,000
B-52 squadrons (EMP hardening)	26,600	−16,600	10,000
SLBM radar warning systems	0	+3,800	3,800
EMP hardening—Critical facilities	0	+200	200
PACCS EMP hardening	0	+2,000	2,000
AFSATCOM system (EHF)	0	+37,000	37,000
MEECM (VLF/LF improvements)	0	+5,600	5,600
Other programs approved	3,826,900		3,826,900
Total, strategic programs	3,865,900	+29,600	3,895,500
Tactical programs:			
C-X program	245,700	−244,700	1,000
Close air support weapons systems (IR Maverick)	14,600	+17,000	31,600
Air-to-ground enhancement (F-15)	32,300	−27,300	5,000
Other programs approved	1,760,467		1,760,467
Total, tactical programs	2,053,067	−255,000	1,798,067
Intelligence and communications	1,156,433		1,156,433

ADJUSTMENTS TO FISCAL YEAR 1982 RESEARCH, DEVELOPMENT, TEST, AND EVALUATION AUTHORIZATION REQUEST RECOMMENDED BY SENATE ARMED SERVICES COMMITTEE—Continued

[In thousands of dollars]

Program element	Fiscal year 1982 March amended request	Change from request	Committee recommendation
R.D.T. & E. Air Force—Continued			
Defensewide mission support:			
Flight simulator development	$26,500	−$9,600	$16,900
Utah Testing and Training Range	11,800	−10,000	1,800
Undistributed reduction		−23,000	−23,000
Other programs approved	1,285,600		1,285,600
Total, defensewide mission support	1,323,900	−42,600	1,281,300
Total, R.D.T. & E. Air Force	9,398,100	−268,000	9,130,100
R.D.T. & E. Defense agencies:			
Technology base:			
Strategic technology, DARPA	131,231	−10,000	121,231
Carbon-carbon materials	0	+2,000	2,000
Blue-green laser	20,200	+20,000	40,200
Materials processing technology	13,500	−3,000	10,500
Experimental evaluation of major innovative technology	279,640	−8,000	271,640
Other programs approved	576,023		576,023
Total, technology base	1,020,594	+1,000	1,021,594
Strategic programs	117,384		117,384
Intelligence and communications:			
Long-haul communications (DCS)	0	+150	150
Other programs approved	689,037		689,037
Total, intelligence and communications	689,037	+150	689,187
Defensewide mission support	54,385		54,385
Total, R.D.T. & E. Defense agencies	1,881,400	+1,150	1,882,550
Director, test, and evaluation	53,000	0	53,000
Grand total, R.D.T. & E.	21,320,988	−210,320	21,110,668

ARMY RESEARCH AND DEVELOPMENT

Ballistic Missile Defense

Anti-Ballistic Missile (ABM) R.D.T. & E. is the responsibility of the United States Army. In fiscal year 1982, the Army Ballistic Missile Defense (BMD) program seeks authorizations of $126.8 million for the Advanced Technology Program and $301.7 million for BMD Systems Technology which, along with the Kwajalein Missile Test Range, results in an Army BMD program now over half a billion dollars per year. The committee has consistently supported the Army's BMD program both as a promising military technology and as an R. & D. effort needed to avoid technological surprise from what appears to be vigorous Soviet ABM development efforts. The committee is also interested in the prospects for the development of non-nuclear kill mechanisms for intercepting ballistic missiles both in the atmosphere and in space. The committee, which has expressed serious concern over the status of our current strategic command, control, communications (C^3), and intelligence network, also believes that the Army's ballistic missile defense research program can make significant technological and systems contributions in this area, especially using technologies associated with the Forward Acquisition Sensor (FAS) program.

The committee continues to support exploratory research in the area of strategic missile materials. The Hardened Ballistic Missile Defense (BMD) Materials Program supports the necessary materials technology base by developing specialized materials and technologies and by continually assessing U.S. materials capabilities and limitations vis-a-vis Soviet capabilities. The committee recognizes the potential that this research offers to programs such as BMD and strategic systems and believes that a minimum of $6 million in program funding should be dedicated to hardened BMD materials research. This materials research is to be coordinated in conjunction with the Army's Research in Materials program.

Standoff Target Acquisition System (SOTAS)

The estimated program cost for the Army's SOTAS has more than doubled in one year. In the December 1979 Selected Acquisition Report (SAR), the total program cost estimate for SOTAS was $968.8 million. A year later in the December 1980 SAR, the program cost had risen to $2,446.6 million despite a reduction in procurement quantity from 24 to 16 division sets. The committee strongly endorses the Army's requirement for such a targeting system, but it is concerned that the rapidly rising cost of the SOTAS development program may render the system prohibitively expensive.

Therefore, the committee approves the authorization of $71,735,000 with the stipulation that no more than $20,000,000 of this amount may be obligated or expended prior to the receipt by the Committees on Armed Services by December 15, 1981, of an analysis by the Secretary of Defense of the cost and effectiveness of the development SOTAS compared with that of other reasonable alternatives.

Hellfire Missile

The Hellfire missile has experienced significant cost growth since last year's budget request, with the total program cost increasing over 50 percent and the unit cost of the missile increasing 65 percent in constant fiscal year 1982 dollars.

In development of its laser Hellfire missile, the Army rejected the Tri-Service laser seeker as being more sophisticated than required and, hence, more expensive than the Army alternative seeker selected. The Marines are developing the Tri-Service seeker for their Maverick missiles, and the cost of that seeker is now projected to be considerably less than the cost of the Army Hellfire seeker. The committee has been advised that the Laser Maverick seeker can be adapted for use with the Hellfire missile.

The committee requests the Secretary of Defense to assess the feasibility of using the Maverick Tri-Service seeker on the Laser Hellfire. This assessment should consider potential cost savings of such a proposal as well as the effectiveness of the two seekers.

Fire and Forget Hellfire Missile

The Army has testified that because of the technological problems encountered in the development of the Fire and Forget seeker for the Hellfire missile, and the substantial increase in the program cost of the Hellfire missile they have chosen to cancel the development of the Fire and Forget seeker. The committee believes that this was a proper program management decision. However, the committee's

support for development of the Fire and Forget capability remains undiminished. The committee expects the Army to continue to explore methods of obtaining the Fire and Forget capability. This effort should be funded under existing technology development programs.

Corps Support Weapon System

The Army has requested funding in fiscal year 1982 for a Corps Support Weapon System as an anti-armor assault weapon. The committee has viewed with concern over the past three years the simultaneous development of several anti-armor concepts. The Air Force is developing the Wide Area Anti-armor Munition (WAAM). The Defense Advanced Research Projects Agency (DARPA) is conducting advanced development of its Assault Breaker anti-armor system using a Patriot missile as the air delivery vehicle. The Assault Breaker program was originally proposed with the intent of having both Air Force and Army involvement.

It is apparent, however, that the Air Force is now committed only to an air launched demonstration of the Assault Breaker, but does not appear actively interested in pursuing the concept. The Army's interest in the Assault Breaker program appears minimal with the apparent intent of developing a Lance follow-on as its Corps Support Weapon System with one derivative having an anti-armor capability. The Army is also pursuing the development of a Terminally Guided Submunition for its Multi-Launched Rocket System (MLRS) that would provide yet another anti-armor weapon. The committee has recommended the full authorization request for these various efforts but in so doing insists on close OSD oversight in the management of these competing anti-armor efforts. The committee, in its consideration of the fiscal year 1983 request, will view with interest the degree to which these various programs have been coordinated.

NAVY RESEARCH AND DEVELOPMENT

Materials Technology

The committee recommends the authorization of $34.4 million for the Navy's Materials Technology program. This represents an increase of $2 million above the administration's request and is intended to expand the Navy's development effort on metal matrix composites and to support the development of substitutes for critical strategic materials. This program should also provide the technology base necessary to develop advanced, high performance materials and design concepts for both strategic and tactical systems.

Trident II Missile

The committee believes that a requirement exists for a submarine-launched ballistic missile with substantially improved payload and accuracy characteristics over those of the Trident I (C-4) missile. By developing a missile optimized for the *Ohio*-class launcher envelope, the United States improves future survivability of our ballistic missile submarines and provides a greater hard target destructive capability. An enhanced Trident missile when combined with a survivable-based MX missile system, would dramatically increase the deterrent posture of the U.S. and seriously complicate the problems

of those who would consider launching a preemptive attack. The committee believes that the Trident II program should emphasize maximizing missile performance capabilities rather than accelerating delivery schedules. Also, in pursuing development of a Trident II missile configured so as to maximize its performance characteristics in the key areas of range, accuracy and throw-weight (known as the D–5 missile), it may be possible to realize significant economies over the life of the Trident program by reducing the number of *Ohio*-class submarines required.

Consequently, the committee directs the Department of Defense to proceed with development of the Trident II missile with maximum performance at a pace consistent with an orderly, moderate risk program and leading to an Initial Operational Capability in 1989. Further, the committee acknowledges receipt of the requested Defense Department report on increasing competition during Trident II procurement and will evaluate the Navy's future procurement program in comparison with other ballistic missile programs such as MX.

Extremely Low Frequency Communications System (ELF)

Last year, in its review of the fiscal year 1981 Department of Defense Authorization bill, the committee directed that an Extremely Low Frequency submarine communications system (ELF) be developed and that a decision on where to locate such a system be made by the President by April 1, 1981. The committee's action was based upon a decade of testimony in support of the requirement for such a system which would enhance significantly our ability to communicate with our ballistic missile submarine force. In the course of congressional action on this legislation, the statutory direction was changed to require simply a Presidential decision as to whether or not to proceed with ELF.

The new Administration in its amendment to the fiscal year 1982 Department of Defense Authorization request sought $34.9 million to permit continued development of an ELF system. Despite a Navy decision to reduce ELF's priority relative to some other strategic command, control and communications modernization requirements, President Reagan has decided to proceed with reactivation of the Wisconsin ELF Test Facility and has directed the Department of Defense to make no reduction in the R. & D. funding level requested for this program. The President has postponed a final decision on ELF deployment until September 1981, pending completion of a DOD review of overall C^3 capabilities and requirements.

The committee continues to believe that ELF offers a unique and essential communications capability which will play an important role in preserving the survivability of our strategic submarine force. Testimony this year, as in the past years, strongly supports the operational necessity for developing an ELF communications system. The committee finds that no changes have occurred in the operational need for an ELF system, the technical characteristics of planned austere ELF systems, or in the level of the threat to our strategic submarine force which would justify further reductions in or termination of Project ELF.

Consequently, the committee recommends authorization of the full $34.9 million requested by the President for ELF in fiscal year 1982. These funds are to be used exclusively for the purpose of completing

development of the Extremely Low Frequency communications system. In addition, the committee recommends that not less than $5 million of these funds be used for research and development on transportable ELF transmitters and related technology required to validate the feasibility of deploying a mobile strategic submarine communications system. Such a system holds particular promise for reconstituting strategic command, control and communications with the fleet ballistic missile submarine force following a nuclear attack.

Blue-Green Laser

The committee supports vigorous development of advanced command, control and communications systems designed to provide needed connectivity with the strategic submarine force. A technology which seems to hold particular promise for performing this mission within the next decade is a system utilizing blue-green lasers for message transmission.

Considerable uncertainty remains about the ability of the blue-green laser communication system to realize its technical promise. Should it eventually do so, the committee believes that the blue-green laser will effectively complement the nearer-term capabilities provided by the extremely low frequency (ELF) system.

In an effort to support an expanded research and development effort on blue-green laser technology, the committee has this year recommended an increase in the President's request, as it did last year. It is the committee's intention that the $20 million in additional funds authorized by this bill will be expended so as to permit research to continue on all three prospective means of deploying such a laser communications system, namely, space-based, ground-based with in-orbit reflectors, and airborne.

The funding of this $20 million increase in blue-green laser research is to be financed through directed reductions in other Defense Advanced Research Projects Agency activities.

F–18 (Hornet) Fighter/Attack Aircraft

The Navy requires an additional $51.5 million for research and development of the F–18 aircraft. This additional funding will be used to complete roll rate modifications and weight reduction programs, address inflationary increases and offset costs associated with the slippage in the flight test program.

The committee has maintained that all significant technical problems must be resolved prior to committing to higher aircraft production rates. To accomplish this, the committee is determined to ensure that the F–18 research and development effort remains properly funded and therefore recommends the authorization of an additional $51.5 million.

V/STOL Aircraft Development

The committee fully supports the administration's request for $14.960 million for research in advanced Vertical/Short Take-Off and Landing aircraft, and recommends the addition of $10 million for radar and other weapons systems engineering and design work that will lead to the modification of an AV–8B aircraft to the AV–8B+ avionics configuration.

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This proposed weapons system modification of the AV–8B has the potential of providing the only V/STOL fighter/attack aircraft for naval service before the 1990's. It could substantially enhance both Navy and Marine air capabilities, operating from non-CTOL capable ships such as LHAs, LPHs, and the proposed LHDX(VSS).

The $10 million recommended by the committee is provided for the detailed design and engineering work, including mock-up and bench tests, which will be necessary to confirm that the APG–59 radar can be installed in the AV–8B, to document the performance of the radar in that configuration, and to design and confirm the feasibility of other associated weapons systems modifications (e.g., Sparrow missile carriage and wiring system changes).

A two-phased program is envisioned for fiscal year 1982. Phase I will generate an aircraft description document which identifies the changes to the AV–8B program schedules and costs. Phase II will generate the detail engineering and test validation of all changes defined in Phase I on which aircraft prototyping could be based.

Medium Range Air-to-Surface Missile (MRASM)/Imaging Infrared Harpoon

[In millions of dollars]

	Fiscal year 1982 amended request	Recommended change	Recommended authorization
MRASM	38.1	−19.1	19
I²R Harpoon		+38.0	38
General reduction		−19.0	−19

In response to congressional insistence that the development of a Medium Range Air-to-Surface Missile be a joint-Service program, the Navy and Air Force signed a Memorandum of Agreement dated April 30, 1980. Nonetheless, the Navy decided on January 15, 1981, to cancel its participation in this joint development program and pursue instead the independent development of an Imaging Infrared (I^2R) Harpoon missile. The I^2R Harpoon missile does not meet the identified Navy Operational Requirement for a Medium Range Air-to-Surface Missile. The total cost now projected for the development of the I^2R Harpoon is $151 million, over three times the cost presented to the committee last year when the intent was to pursue this capability in conjunction with the joint Navy/Air Force MRASM program. The Navy decision to withdraw from the congressionally mandated joint MRASM program was made without consultation with this committee. The Navy later indicated that its decision was based in part on the decision of the former Secretary of Defense to restructure the MRASM program and cancel the I^2R version of MRASM. Yet, in the Navy's January 15, 1981, request to cancel its participation, no appeal to the Office of the Secretary of Defense was made to restructure the MRASM program. Moreover, the Navy expressed a clear interest in eventually developing its own version of MRASM. The committee believes that the independent Navy development of an I^2R Harpoon followed by the independent development of a Navy MRASM is not warranted.

The Office of the Secretary of Defense has now indicated that the joint MRASM program is a high priority and that it will be restructured to allow Navy participation. In addition, it is the intent that the I²R seeker and data link developed will be compatible with both the MRASM and the Harpoon missile. The Navy has now indicated that, along with development of the I²R Harpoon missile, it will participate in the joint MRASM program and has provided the committee with a funding profile consistent with this participation which calls for $19 million in fiscal year 1982. This OSD and Navy agreement with respect to Navy participation in the joint MRASM program is consistent with the previous committee direction. The committee, therefore, recommends that $19 million be authorized for Navy participation in the MRASM program and that $38 million be authorized for the I²R Harpoon programs, coupled with a $19 million general reduction to Navy R.D.T. & E.

Air-to-Ground Weapon (IR Maverick)

	Millions
Fiscal year 1982 amended request	$19.68
Recommended change	−19.68
Committee recommendation	0

The Navy is planning to develop the IR Maverick missile for use by the Navy/Marine Corps. Since the Air Force already has a program to develop this system the committee has recommended for the past two years that Navy funding be shifted to the Air Force to develop the Navy/Marine Corps unique features under the single Air Force program. The committee again recommends deletion of the requested funding and transfer of $17.68 million to the Air Force to continue development of Navy peculiar requirements. The full request is reduced by $2 million in anticipation of savings from consolidation.

VTXTS

The Navy is proceeding with the VTX program to replace its basic and advanced jet trainers. While the committee endorses the Navy's proposal to replace two jet trainers with one, it remains concerned over the development of yet another exclusive-use training aircraft. The committee discourages the development of such exclusive-use aircraft and expects the Navy to continue to seek cooperative solutions with the Air Force in its efforts to develop future training aircraft.

Lightweight Armored Vehicles

In fiscal year 1981, the Congress appropriated $48.3 million for the Marine Corps' Assault Vehicle R. & D. program to support, in part, development of near-term and long-term lightweight armored vehicles. The Marine Corps was directed to test and evaluate in-production Light Armored Vehicles (LAV) for near-term procurement. In addition, the Army and the Marine Corps were directed to undertake a joint development of high technology lightweight armored vehicles to be fielded in the late 1980's. The joint Armored Combat Vehicle Technology (ACVT) program, which supports the Marine Corps' Mobile Protected Weapon System (MPWS) and the Army's Mobile Protected Gun (Far-Term), fulfills this congressional direction.

The committee believes that the early acquisition of substantial numbers of lightweight armored fighting vehicles for selected ground combat units assigned to the Rapid Deployment Joint Task Force should be accorded the highest priority. The committee believes that lightweight armor capabilities could prove critical in meeting the requirements of potential contingencies in the Persian Gulf and other areas where prepositioning of equipment ashore is denied to the United States. The committee notes that lightweight armored fighting vehicles are far more compatible with existing U.S. airlift capabilities, including tactical C–130's, than are main battle tanks and associated heavy armored fighting vehicles now being procured by the U.S. Army.

The committee continues to support both the near-term (LAV) and long-term programs. The near-term program is progressing as planned with a procurement request by the Marine Corps for 72 vehicles in fiscal year 1982. The committee is concerned, however, about the pace and direction of the long-term program. Given the urgency of this program, the committee recommends that the Marine Corps be given the sole responsibility for development of lightweight combat vehicles for use by the combat forces of the United States. The recommendation by the committee includes specific congressional direction of this assignment.

In accordance with the assignment of development responsibilities to the Marine Corps, the committee recommends reduction of the Army's R. & D. funding request for the Mobile Protected Gun (Far-Term) from $19.8 million to $2.0 million. This $2.0 million will permit the Army to actively monitor the Marine Corps' development effort. The committee believes that only one long-term lightweight armored vehicle should be developed and procured for use by both the Marine Corps and the Army. Furthermore, the committee believes that such a vehicle should be capable of being lifted by a CH–53E helicopter and two such vehicles should be capable of being transported by a C–130 aircraft.

High Horsepower Engines

In the amended authorization request, $9.46 million was deleted from a Marine Corps R. & D. program for the stratified charge rotary combustion engine. The committee recommends the addition of $9.46 million for this R. & D. program, but directs a broadening of the effort to consider other high horsepower engines.

For the past decade, the Marine Corps has undertaken development of a stratified charge rotary combustion engine intended to provide a high horsepower-to-weight ratio. While high power-to-weight ratios are desirable, and engines with such ratios offer potential advantages for the Landing Vehicle Tracked (Experimental) and the Mobile Protected Weapon System (should an all-new vehicle be chosen for that role), the complex technology of the stratified charge rotary combustion engine raises serious questions about reliability, maintainability, logistics implications, and readiness. Accordingly, the $9.46 million is recommended for the study of several optional engines offering high power-to-weight ratios, including the stratified charge rotary combustion engine, but also to include lightweight, high RPM diesel engines and other potential technologies. Before requesting additional development funds for any specific type of engine, the Marine Corps

shall address and report on the reliability, maintainability, and logistics aspects of its prospective choice.

LHDX (VSS)

In fiscal year 1981, the committee recommended $18.0 million in R. & D. funds for the Department of Defense to initiate design of a new class of air-capable, amphibious ships which would incorporate the capabilities of the LHA for deploying helicopters and landing craft, but also capable of employment as a VSTOL Support Ship (VSS). Funding of $9.0 million for this program, entitled the LHX (VSS), was authorized, but not appropriated in fiscal year 1981.

In its R. & D. program for Advanced Ship Development for Multi-Mission Naval Ships, the Navy initiated preliminary design work on a new Amphibious Assault Ship (LHDX) with $1.0 million in fiscal year 1981. In fiscal year 1982, $6.0 million is requested to continue preliminary design work. The LHDX is viewed as a replacement ship for LPH's and LPD's. Concepts for the LHDX envision an austere capability to support VSTOL aircraft.

Consistent with its position last year, the committee recommends the addition of $4.0 million to provide enhanced VSTOL support capabilities for the LHDX (VSS).

Since the current amphibious force will face a bloc obsolescence problem during the 1990's, the committee believes that consideration should be given to a ship that can replace additional classes of retiring amphibious ships. Such an approach would permit a long production run of one ship design with all of the resulting economies. In addition, consideration should be given to the economies of scale afforded by large amphibious ships.

Full Medical Support for Amphibious Assaults

The committee recommends the addition of $1.0 million for a detailed study of programs to provide full medical support for amphibious assaults. In a related recommendation, the committee deleted $10.0 million requested in advance procurement for reactivation of the *S.S. United States* as a hospital ship. This study should include evaluation of other existing ship candidates and new ship construction as well as a more detailed analysis of the costs of converting the *S.S. United States.*

DDGX Design

The committee recommends approval of the request of $121 million for R.D.T. & E. for a new guided missile destroyer (DDGX), but also recommends that none of these funds be obligated or expended until the Department of the Navy presents the committee with a written report defining the specific performance and engineering goals of the program.

The committee agrees with the need for a new surface combatant in the 1980's as older guided missile destroyers and cruisers reach the end of their service lives; however, the DDGX program goals are not sufficiently defined. Unless it can be shown that the design goals and expected performance parameters of this new ship are substantially greater than those of escorts currently or recently under construction (DD–963 and CG–47), or that current proven escort performance criteria can be achieved at significantly less cost, then there is no reason

to proceed further with this DDGX design effort. Design funds could be better spent procuring additional platforms and proven designs. The committee agrees with the concern expressed in the House Report on the fiscal year 1981 Supplemental Authorization request, that the DDGX is being designed to meet a cost constraint exclusively, rather than being designed primarily to meet a set of capability requirements.

FFX Design

The committee recommends that all but $1 million of the total request for $15.603 million to design a follow-on frigate be denied. The requirement for such a ship remains undefined, particularly in view of the performance of the FFG–7 class and repeated statements that the frigate force will soon be above the minimum levels desired. If, as has been stated, the Navy requires extra frigates to transfer to the Naval Reserves, they should consider increasing the procurement of FFG–7 class ships and transfer older ships to the Naval Reserve Force, or they should procure modified or simplified FFG–7 class ships for direct transfer to the Reserves. The remaining $1 million should be used to define the Navy's frigate procurement policy over the next twenty years.

Advanced Weapons Concepts [Weaponizing (Prototype)]

The committee recommends the restoration of $2.044 million to the Weaponizing (Prototype) R. & D. program.

The Navy's definition of this program is: "The program verified promising combat system concepts from industry and Navy laboratory efforts through proof-of-principle hardware demonstrations (e.g. Vertical Launch)." It is inconceivable that a program of such small fiscal magnitude that helped produce such sweeping improvements in capability as are present in Vertical Launch could be canceled. The full magnitude of the weapons revolution being wrought by Vertical Launch has yet to be realized; suffice it to say that Vertical Launch is being installed, retrofitted, or considered for use in every surface combatant and attack submarine in the Navy's current or planned inventory.

According to Navy budget documents, the fiscal year 1982 request was to be used to test such promising concepts as Flexible Adaptive Radar, Expendable Remotely Piloted Vehicles, and the Modular Ship Defense System. The committee fully supports these efforts.

Advanced Non-Nuclear Naval Engines (Electric Drive)

The committee recommends the addition of $5 million to the $550,000 requested by the Administration. The $5.550 million should be used to assist in the advanced development of promising engine concepts from industry and Navy laboratories and to accelerate development efforts on Electric Drive.

Currently, there are some electric ship designs which show general promise in improving non-nuclear ship propulsion performance. If propulsion efficiencies can be improved as anticipated, a surface ship could be driven by electric motors powered by gas turbines that are not attached directly to the ship's propulsion mechanism. Without direct drive, the existing gas turbines can be run at more fuel efficient engine speeds. When less power is needed, rather than throttle back on the engines, one or more engines can be shut down completely.

Moreover, gas turbines that are not direct drive may be located in the engine room in a more efficient manner requiring less space.

This concept, however, is currently associated with the new DDGX design. Should that program be canceled or a decision made to go to some other propulsion concept, the R. & D. effort may be terminated as well. By institutionalizing this design work in a separate R. & D. item, electric drive and other engine concepts can be pursued without the need of the sponsorship of a large procurement program.

Attack Submarine Development

The Administration requests $19.468 million for attack submarine development in fiscal year 1982. The committee recommends that $13.771 million requested for "Follow-on Attack Submarine" and for "Future Attack Submarine" be denied. The committee supports the authorization of the $5.697 million for "Submarine Cost Reduction."

In light of the Submarine Alternatives Study results which indicated that the SSN–688 design with evolutionary improvements would be sufficient for the foreseeable future, and in light of the many other attack submarine engine, component, and weapons systems research efforts aimed at dramatically improving all aspects of SSN–688 class performance (e.g., SSN–688 VLS, SSN–688 Nuclear Propulsion Reactor, Submarine Advanced Combat System, etc.), no justifiable need exists to examine follow-on or future attack submarine designs.

Ship Development (Engineering)

The committee recommends that the ship contract design funding requests totaling $22.8 million for the *Oriskany*, the TAH conversion, the CGN–38 conversion, and the CGN–42 procurement be denied.

Design funds of $8 million for *Oriskany* are unnecessary as the committee has proposed to deny the Administration's procurement request to reactivate the *Oriskany*. The request for $1.9 million for the design of a conversion of a hospital ship (TAH) is unnecessary, since the committee has recommended denial of such request until the program is redefined and a proper candidate is chosen.

The committee recommends denial of the $12.9 million requested for the design of a new nuclear-powered guided missile cruiser class CGN–42 and the conversion of the *Virginia*-class cruiser, CGN–38. The committee has not received a 5-year shipbuilding plan or testimony that would indicate that these programs are part of the Navy's future plans. Without considerably more information from the Navy, the committee is unable to make an informed decision about either of these programs.

The committee recommends that the remaining $55.1 million be approved; however, none of these funds shall be obligated or expended until the committee receives a complete presentation and written report on existing light carrier designs and those that could be available within the next few years. The presentation must include a program for design and development of a light carrier that could be authorized in fiscal year 1983.

Light Carriers (New Class Carrier Design)

This committee has supported the exploration of alternative ship designs that have the potential of adding to the capabilities of the current force. Moreover, the committee fully supports the Navy's cur-

rent 600 ship goal with 15 carrier battle groups and has expressed its support for further increases in the force, as they can be justified within given fiscal constraints. The committee has expressed its concern that there are an insufficient number of platforms in the fleet (even with 15 carriers) to support seabased aviation and has consistently urged that smaller, lighter, less expensive carrier designs be examined. Such carriers should be easier to build, should be capable of being built in a greater number of shipyards, and should be able to serve as an adjunct to the large deck carriers which remain the nucleus of the battle group.

The committee emphasizes once again its firm desire to have the Navy move expeditiously to complete preparation of a New Class Carrier Design. The committee recommends the addition of $23 million to fund the research associated with this design effort. This funding should also illustrate the committee's genuine interest in exploring this concept of being able to expand our seabased aviation assets using the most effective means available.

Correspondence available to the committee indicates that a design selection for a light carrier could be made in June 1981. This is what the committee has sought for some time, and yet it has never been presented with a reasonable, detailed description of the alternatives available. The Navy's refusal to present these alternatives is in direct contravention to the expressed desires of the committee. The committee directs the Navy to submit a written report and make a complete presentation to the committee on various light carrier alternatives. This report and presentation should be made to the full committee and should include a program for design and development of a light carrier that could be authorized in fiscal year 1983. Until these stipulations are met and until the Navy has received a letter from the committee chairman acknowledging that such stipulations have been met, no R. & D. funds may be obligated or expended in P.E. 64567. Ship Development (Engineering) for fiscal year 1982.

Moreover, the committee, in recognition of the propensity for growth in the size, complexity, and cost that occur when a ship program moves through the various review cycles, believes that the following general guidelines should be established for the light carrier program:

1. *Size.*—Every effort should be made not to exceed 40,000 tons full-load displacement.

2. *Aircraft complement.*—Ship should be capable of launching and recovering most (but not necessarily all) existing or planned CTOL and V/STOL aircraft. In this regard ski jump technology should be aggressively pursued. Should actual testing verify current analysis, ski jump should be considered for use rather than catapults because of ease of construction and simplicity of operation.

3. *Life-cycle costs.*—Emphasis during ship design should be placed on minimizing the personnel requirements and reducing life-cycle costs. Attention should be given to ship modularity to permit mission change without major and costly conversion.

4. *Vulnerability.*—Attention should be given to minimizing the vulnerability of the light carrier and weapons systems by such means as location of key equipments in less vulnerable areas of

the ship, armor plating of vital areas, and silencing to reduce acoustic signature.

5. *Acquisition cost.*—In order to acquire a number of light carriers, cost is a matter of singular importance to the committee. Therefore, a target of $1.2 billion in 1982 dollars is suggested for follow-ship costs.

Diesel-Electric Submarines

The committee recommends that $5 million be added to examine both diesel-electric submarine designs and the advanced engineering of the major diesel-electric submarine components (i.e., electric motor, battery, and diesel engine technology). The committee also recommends that no R. & D. funds be obligated or expended in program element 62543 (Ships, Submarines and Boats Technology) until the report on diesel-electric submarines requested in last year's committee report (Report No. 96–826) is received.

The committee fully supports construction and maintenance of a force of 100 nuclear powered attack submarines. At the same time, to increase the total submarine force level, the committee desires for its consideration, the option of the construction of diesel-electric submarines. This does not constitute a decision by the committee to support construction of non-nuclear attack submarines, but rather a recognition of the need for a greater range of Navy shipbuilding options.

Accordingly, the $5 million in R. & D. for conventional submarines recommended by the committee is intended to be used to develop a conventional submarine design sufficiently detailed to permit authorization should the committee recommend that option, and to initiate research into conventional submarine battery, diesel, and motor technology. The committee requests that the Navy study options for such designs, including both new designs and adaptations of existing foreign and domestic designs, and report to the committee no later than February 1, 1982, informing the committee of the Navy's progress in the diesel-electric submarine technology research efforts and providing the committee with the Navy recommendations on the overall Research and Development program, including its cost, that would lead to a design suitable for authorization.

Furthermore, in last year's report the committee asked the Navy to survey existing diesel electric submarine designs, both United States and foreign (to be built in U.S. shipyards), and report to the committee not later than March 1, 1981, as to which design or designs would best fulfill U.S. requirements within the above context of a mixed force. The Navy was also to address the question of the potential and prospects for non-nuclear, non-diesel electric submarines. That report has not been received. Therefore, the committee recommends that no R. & D. funds be expended or obligated in Program Element 62543, (Ships, Submarines, and Boats Technology), in fiscal year 1982 until that report is received by the committee chairman.

Ships, Submarines and Boats Technology

The committee recommends that the request for $40.953 million in R. & D. funds for Ships, Submarines and Boats Technology be approved; however, the committee also recommends the incorporation of

bill language that stipulates that no funds be obligated or expended until the committee has received the survey of diesel-electric submarines requested in last year's committee report and the Navy, in turn, has received a letter from the committee chairman acknowledging its receipt. The survey was due on March 1, 1981, and is still not forthcoming.

Battle Group AAW Coordination (Area Air Defense)

The committee recommends the addition of $10.600 million in R. & D. funds to continue work in the field of Battle Group AAW coordination (BGAAWC).

Poor correlation of targets between ships has long been recognized as a serious fleet deficiency resulting in false targets and dual target designation. This program pursues corrections to those problems and also has the potential to provide excellent battle management by permitting electronic response coordination between AEGIS and non-AEGIS units.

Air Anti-Submarine Warfare (ARAPAHO)

The committee recommends the addition of $3 million to continue the examination of containerized helicopter ASW support for merchant ships.

The program is currently finishing initial tests, and these funds would be used to expand upon the results of those tests, including at-sea tactical testing.

Ship Systems Engineering Standards (SEAMOD)

The committee recommends the addition of $8 million to continue to advance the integration of modular system concepts into Navy ships.

While considerable work has been done to incorporate this philosophy into the new DDG–X class destroyer design, additional work is necessary. Modular concepts for weapons launch and other combat systems are necessary for use in the full range of surface ships and submarines, including aircraft carriers, cruisers, amphibious ships, and auxiliaries.

Defensewide Mission Support

The committee recommends an undistributed reduction of $23.0 million to Defensewide Mission Support research and development.

AIR FORCE RESEARCH AND DEVELOPMENT

B–52 Research and Development

The original fiscal year 1982 defense budget submission by the former administration requested authorization for funds to explore modifications related to extending the reliability and modernization of the B–52 into the 1990's and beyond the turn of the century. The committee has recommended a reduction of $16.6 million for B–52 electromagnetic pulse (EMP) R.D.T. & E. in recognition of increased authorization for such testing in the fiscal year 1981 supplemental and uncertainty about the desired magnitude of this program, given the new administration's budget amendment request which calls for the procurement of a new long range combat aircraft to replace many of the existing B–52 aircraft.

F–106 Simulators

In fiscal year 1982, the Air Force will begin a new initiative to update existing simulators for the C–135, B–52 and F–106 aircraft. F–106 simulators would be converted from an analog to a digital computer system.

The fiscal year 1982 amended request is to procure 12 additional F–15 aircraft, reflecting an increased buy of F–15s which will lead to their early introduction into the strategic air defense role. For this reason, early replacement of the F–106 interceptor force is anticipated and the priority for F–106 simulator modernization is greatly lowered. Therefore, the committee recommends the deletion of $9.6 million intended for flight simulator development for the F–106.

MX Missile and Basing Mode

The fiscal year 1982 defense request as amended contains $2.4 billion for R.D.T. & E. related to the MX intercontinental ballistic missile and its mobile basing system. For many years, America's land-based deterrent force consisting of Minuteman and Titan missiles has been the most cost effective component of the U.S. strategic Triad. Since the late 1960's, the United States has been working toward development of a new land-based missile, not only to replace our aging Titan and Minuteman missiles, but also to achieve greater capabilities and growth potential. The need for a new missile to maintain the balance of power was given greater impetus as a result of the development and deployment by the Soviet Union of new, large, land-based missiles such as the SS–17, SS–19 and SS–18. The SS–18 today carries as many warheads and has almost twice the throw-weight that the MX missile will have when it is deployed in 1986. The large modern Soviet ICBM force has also placed another burden on our land-based missiles. Recent improvements in the accuracy of Soviet warheads and the great increase in their numbers have created the so-called "window of vulnerability" in which a larger and larger portion of our land-based missiles may be vulnerable to attack. Thus a major goal of the U.S. ICBM modernization effort is to reinforce the strategic Triad by reestablishing a survivable land-based missile force.

America's intercontinental ballistic missiles provide about half the number of strategic nuclear delivery vehicles in the U.S. Triad and about a quarter of the warheads. Although the U.S. Triad is built upon the principle that security and stability are increased by some redundancy, the U.S. ICBM force also has unique characteristics and today provides our only time-urgent hard target kill capability. Based in the United States, but only minutes away from targets in the Soviet Union, American land-based missiles remain a powerful component of deterrence. In static comparisons, ICBM forces are a central measure of the military balance and in dynamic analysis such as that conducted by the Strategic Air Command, the survivability of the ICBM force proves to be the key factor in evaluating whether or not "essential equivalence" exists in this age of super-accurate, multiple warhead ICBM's. Survivable land-based missiles are no longer significantly less expensive than the other legs of the Triad but, for the price, they continue to add significant diversity to the Triad.

Providing a modern ICBM with a survivable basing mode has not been an easy task. Since 1972 when the Strategic Air Command vali-

dated the formal requirement for a new ICBM survivable basing mode, study after study has sought the optimal missile in the optimal basing system. Missile designs substantially larger and others substantially smaller than our existing Minuteman were examined, and 30 or more alternative basing methods investigated, each with countless variations. Rail, highway, and off-road mobile systems were compared with shell-game multiple protective structures, super hardened silos, and exotic schemes such as mesa basing, siting in pools, and deep underground basing. Air mobile and sea-based systems were examined to determine whether or not they could provide the strategic Triad advantages comparable to those provided by a land-based system of comparable cost. Reliance upon launch on warning or launch under attack policies were also examined.

Today, the budgeted Air Force program calls for the deployment of 200 operational, 190,000-pound MX missiles in a Multiple Protective Structure (MPS) system of 4,600 horizontal shelters. This basing concept is similar to the horizontal loading dock MPS system which was the backup approach contained in the horizontal trench program of 1976, recommended by the Ford Administration. Two years later, following a Defense Science Board review of MX basing, the Air Force rejected the trench concept for cost and technical uncertainties, but retained the MPS approach, this time recommending vertical shelters because of the similarity to existing silo characteristics and anticipated cost savings.

In order to enhance verifiability under the SALT II Treaty and to add mobility to concealment as a mode of survivability, the Carter Administration returned to the horizontal MPS concept in 1979. Initially, the Carter Administration proposed a horizontal MPS system whose shelters could house both the missile and the transporter together so that they could dash from shelter to shelter around a "racetrack" road system provided for that purpose. Thus, if concealment should be lost, survivability through "shelter-to-shelter dash on warning" could be restored. Again, costs and technical difficulties resulted in extensive simplification of the system. The present horizontal MPS program relies mainly on concealment for survivability, as would vertical shelters, but retains sufficient mobility to change hidden locations quickly and could "hide on warning" under some circumstances. The committee believes that further simplification could reduce the ultimate cost of the system by another several billion dollars.

Last year the Congress directed the Secretary of Defense to proceed with full-scale development of the MX missile and an MPS basing mode in a manner that would achieve an Initial Operational Capability for both missile and basing mode of not later than December 31, 1986. Defense Secretary Weinberger has stated that he will continue the MX program while conducting a study which includes consideration of sea as well as land basing and also ballistic missile defense options. A draft Environmental Impact Statement has been promulgated and is currently in the comment period. Also, the Congress has received a split basing study which concludes that split basing offers no overriding advantages or disadvantages over the active MPS system in one region basing and costs about $3.5 billion more in acquisition costs and about $19 million more each year in operating costs.

Section 202(a) of the Department of Defense Authorization Act of 1981 (Public Law 96–342) states that Congress is committed to the development and deployment of the MX missile system, consisting of 200 missiles and 4,600 hardened shelters, with deployment of the entire MX system as soon as practicable. The committee recommends approval of the entire $2.4 billion MX R.D.T. & E. program as requested. Nevertheless, the critical importance of the MX program and the enormous costs involved, no matter what the basing decision, mandates that the Congress provide guidance for this vital national security program. Congress should review and evaluate all changes in the MX basing program which involve the expenditure of any authorized fund. In authorizing the funds requested for the MX program, the committee is aware that the on-going review of the MX basing plan being conducted by the current Administration could result in a decision to pursue a basing mode other than that now mandated by Congress. Therefore, the committee recommends a statutory provision which would prohibit the obligation or expenditure of authorized funds until—

(1) the President submits to Congress a specific MX basing program which provides for, among other things, a particular basing mode and a location;

(2) the Secretary of Defense submits a justification for the President's decision along with a comparison of alternatives; and

(3) 60 days have passed in which both Houses of Congress do not adopt resolutions of disapproval.

ICBM Enhancement

The committee finds that the Minuteman force which has served the U.S. strategic deterrent since its deployment starting in the early 1960's, will continue to have an important strategic mission even after the MX is operational. Consequently, the committee urges the Air Force to proceed with modifications and upgrades required to improve the effectiveness of the Minuteman IIs and IIIs. An example of one such upgrade is the Minuteman Extended Survivable Power program, which lengthens significantly the Minuteman's operating time in the event that its external power source is disrupted. Initiatives such as the MESP should continue to receive adequate funding from the Department of Defense.

As is noted elsewhere in this report, the committee is concerned about the imminent closure of the MK–12A production line. The disruption to qualified producers of components, including nose-tips, entailed in such a closure at a time when U.S. strategic warhead futures increasingly orbit around the MK–12A seems to be undesirable and avoidable. The committee also notes that competition for scarce resources has resulted in greatly reduced advanced ICBM concepts and technology research, reduced interest in alternative warhead designs, and uncertain outyear funding for the Advanced Ballistic Reentry System program. The committee believes the strategic future is not so clear that these options should be reduced.

C–X

The Congress appropriated $35.0 million in R. & D. funds in fiscal year 1981 to begin full-scale development of a new strategic airlift

aircraft, designated C–X. In the fiscal year 1981 Defense Authorization bill, the Secretary of Defense was directed to conduct a study of overall U.S. military mobility requirements which would provide the basis for congressional review of the C–X authorization request in fiscal year 1982. This study was to include an analysis of the total mix of airlift, sealift, and prepositioning programs to enable the United States to respond to military contingencies during the 1980's. The Secretary of Defense was to submit this study, entitled the Congressionally Mandated Mobility Study (CMMS), to the Congress by February 1, 1981.

The Executive Summary of the CMMS was received by the committee on April 16, 1981. The detailed study report has not yet been received by the committee. In the absence of the requested study, limited new information is available to dispell the committee's concerns, expressed last year, about the C–X program.

The authorization request for the C–X R. & D. program in fiscal year 1982 is for $245.7 million. The committee recommends the authorization of only $1.0 million for the C–X program. This limited funding authorization will permit continuation of the C–X source selection process. The committee is not prepared to recommend additional funding until such time as a definitive analysis of our airlift and other mobility needs is available. This analyses will hopefully provide a clear rationale for the direction and pace of the C–X program. The committee's action is also based upon the funding needs of other rapid deployment programs for which the requirements are well-defined.

In addition to the above considerations, the committee is concerned with what appears to be a substantial increase in the anticipated costs of a new-design C–X aircraft. Moreover, the Air Force continues to stress design parameters resulting in a compromise between tactical and strategic airlift which the committee found to be unwise last year. The committee believes that optimizing the design of the proposed C–X aircraft to lift a limited amount of heavy armor into remote, austere fields is not militarily valid. Accordingly, the committee encourages Air Force initiatives that would provide additional strategic airlift by utilizing existing aircraft designs and resources and minimizing R. & D. costs. Specifically, the committee requests that the Air Force provide a comprehensive acquisition strategy for additional airlift that gives full consideration to the costs and benefits of procuring additional C–5's, additional KC–10's, 747's and other existing commercial aircraft, and a new-design C–X aircraft. The Air Force should also consider an expanded CRAF Enhancement program as a part of this acquisition strategy.

F–15 Air to Ground Enhancements

The committee favors the enhancement of inventory aircraft when the requirements for those enhancements are firmly established, and the costs are commensurate with the increased system capability. The committee also believes that before embarking on an expensive aircraft enhancement program the cost of such a program must be thoroughly justified and all reasonable alternative programs should be carefully examined.

Since the IOC of the F–15E (with enhanced air to ground capabilities) is not projected until FY 87 the committee is reluctant to endorse

this effort prior to the consideration of all suitable alternatives. The committee therefore requests the Air Force to provide complete justification for this program, a thorough explanation of the cost analysis, and assurance that all reasonable alternatives have been considered. This response is expected to consider potential candidates from the Combat Aircraft Prototype and Advanced Tactical Fighter programs.

The committee recommends deletion of $27.3 million from this program and directs the remaining $5 million be applied to determining requirements, cost analysis and evaluation of alternatives.

Next Generation Trainer

The committee has repeatedly expressed its interest in achieving some measure of commonality in the training aircraft of both the Navy and Air Force. Procurement of an Air Force-exclusive NGT will continue to frustrate this effort. The committee discourages the development of exclusive-use training aircraft and expects both Navy and Air Force to continue to explore cooperative solutions to the problem of replacing training aircraft.

Medium Range Air-to-Surface Missile (MRASM)

The committee recommends full authorization of the Air Force requested funding for participation in the Medium Range Air-to-Surface Missile (MRASM) program. In so doing, the committee endorses the development of both a land attack (anti-airfield) and a sea control version of MRASM. The sea control version of MRASM should be developed so as to ensure that it is aircraft carrier compatible. OSD and the Air Force are directed to pursue, with the Navy, application of the MRASM I^2R seeker to the Navy Harpoon missile.

Wide Area Anti-Armor Munitions (WAAM)

The committee will view with special interest the degree to which OSD applies management attention to coordinating the various Air Force and Army Anti-Armor initiatives. (See Corps Support Weapon System, Army R&D)

Advanced Medium Range Air-to-Air Missile (AMRAAM)

Technical problems related to transmitter power are currently being worked by both development contractors. The committee supports this effort to produce a follow-on to the Sparrow missile, and will continue to monitor the program's technical progress.

Utah Testing and Training Range

The Air Force has requested $11.8 million to upgrade the capabilities of the Utah Test and Training Range. $10 million of this request is identified for expanding range facilities in the event an operational utility evaluation of the Air Force/Navy Advanced Medium Range Air to Air Missile is required. The committee is advised that neither service supports nor anticipates such an operational evaluation.

The committee, therefore, recommends the deletion without prejudice of $10 million from this request.

Fighter Engine Development

The Air Force has requested $25,100,000 under the Engine Model Derivative (EMD) program to evaluate improvements to in-service

fighter engines. Under this program $9.8M is for a 50 hour accelerated Mission Test which will be conducted on the F–100 Derivative Fighter Engine (DFE) to certify that engine for flight on the F–15 and F–16 aircraft. At the same time, under the Alternative Fighter Engine program, $35,000,000 has been requested for the evaluation of the F–101X engine as a competitor to the F–100 DFE.

Congress has repeatedly stated that the development of a future fighter engine must be conducted on a competitive basis. The committee recommends authorization of the requested funds, but reaffirms the Congressional intent that there be full and fair competition between competing engine designs for any follow-on engine. Consistent with past Congressional direction, this committee will not be inclined to authorize any funds for full scale engineering development of an alternative fighter engine unless full and fair competition is maintained with all alternatives given full consideration.

Tactical Command and Control Modernization

Recent operational exercises have identified deficiencies in the Air Force's present tactical command and control capability. The committee is concerned that these deficiencies may adversely impact the tactical air control mission. The Air Force has no improved command and control system under development although a Required Operational Capability (ROC) for an improved Tactical Command and Control System has been defined. To meet this requirement the committee recommends the Air Force evaluate ongoing efforts to develop an improved Tactical Command and Control System at the earliest possible date. The development of such a system should be coordinated with the other Services as well as with our allies to ensure operational compatibility with future command and control systems.

Defensewide Mission Support

The committee recommends an undistributed reduction of $23.0 million to Defensewide Mission Support research and development.

STRATEGIC COMMAND, CONTROL, AND COMMUNICATIONS (C^3)

Overview

The committee is concerned that a key element of the U.S. strategic deterrent, namely the systems needed to insure effective, reliable, and endurant command, control, and communications (C^3) for the strategic Triad, have received inadequate attention and funding in the past. As national policy involving the deployment of nuclear weapons has evolved in recent years, the need has grown dramatically for strategic C^3 systems which combine an ability to operate effectively and reliably in the pre- and trans-attack phases with an ability to endure in the post-attack period.

At the same time, the ability of the Soviet Union to attack, disrupt, or otherwise degrade the U.S. strategic C^3 network—consisting of warning radars, satellites, airborne and fixed command posts, and message relay devices—has expanded to the point where the C^3 system must now be significantly upgraded to assure its ability to perform the mission despite the increased threat. The Reagan administration, in its fiscal year 1981 supplemental and the fiscal year 1982 amended

request, has proposed important steps along these lines. The committee fully supports these initiatives and applauds the genuine concern and increased attention which the new administration is giving to our strategic C^3 capabilities.

The committee believes, however, that further improvements are required to insure that the United States has a strategic C^3 capability which provides a credible deterrent to our potential adversaries. The costs associated with the necessary upgrading of strategic C^3 systems are substantial but are hardly disproportionate to the level of investment planned for modernization of the nuclear Triad over the next 10 years. The Congressional Budget Office recently estimated that a comprehensive strategic C^3 improvement program—involving both programed and unprogramed initiatives—would amount to only 12.5 percent of the expected cost of the planned strategic force upgrade. When one considers the degree to which the Triad's ability to perform its mission is dependent upon the reliable performance of the strategic C^3 system, it is evident that the United States must bear the costs associated with enhancing this system's ability to operate reliably and effectively.

Recommendations

Consequently, the committee is recommending a number of initiatives to improve key elements of the U.S. strategic C^3 capabilities in addition to those requested by the administration. These initiatives are the product of close consultation with the Commanders-in-Chief of the Strategic Air Command and North American Air Defense Command and with the Director of Command, Control, and Communications, Organization of Joint Chiefs of Staff. These consultations have identified the top additional priorities which these senior officers believe need to be addressed in fiscal year 1982 if the United States is to maintain a reliable strategic C^3 capability. The committee recommends the authorization of a total of $108.63 million above the President's request to fund these urgent strategic C^3 priorities. Additionally, the committee is recommending to the Appropriations Committee the funding of an additional $233.08 million in accounts not presently authorized in support of these C^3 initiatives.

In view of the nature of these initiatives—which cut across the Department of Defense's funding accounts—the committee has elected to present the language pertaining to these initiatives as a separate and unified section at this point in the report. The funds recommended for authorization in connection with these strategic C^3 add-ons, however, appear in the appropriate research and development, procurement and operation and maintenance accounts in this bill.

While many of the committee's recommendations regarding C^3 systems require increases in the funding levels sought by the Reagan Administration, one of the most important committee initiatives involves a change in Defense Department management procedures which may not require any increase in funding. Specifically, the committee believes that strategic C^3 is an issue of such importance that it requires oversight and management by a single, designated official serving in one of the highest positions of authority within the Department of Defense. The committee directs that a study be conducted by the Secretary of Defense to determine which official within his Office should be tasked

76-244 O - 81 - 8

with unified responsibility for strategic C³ policy, associated R.D.T. & E. and procurement. The committee expects to be informed promptly of the results of such a study. In addition, the committee anticipates that appropriate authority will be vested in the designated individual in advance of the submission of the fiscal year 1983 authorization request.

PAVE PAWS

The committee recommends the authorization of $38 million for research and development associated with acquisition of a PAVE PAWS strategic warning site to be located in the southeastern United States. These phased array radars provide important detection capability for surface launched ballistic missiles.

The committee recommends that the Appropriations Committee approve the necessary $71.0 million required by these authorizations for Other Procurement (Air Force) funding associated with the radar system for the southeastern site.

In order to insure the resiliency against electro-magnetic pulse effects of the existing PAVE PAWS radars located in Massachusetts and California, the committee recommends authorization of $1 million in Research and Development funds for system testing.

Communications Propagation through Scintillation Effects

The committee authorizes $5.55 million to support research and development of advanced modulation techniques needed to permit satellite communications systems to propagate through scintillation effects expected as a result of nuclear detonations.

EMP Hardening of Critical Facilities

In view of the requirement for key C³ facilities to withstand electromagnetic pulse effects, the committee recommends that $800,000 be authorized for conducting research and development on the present EMP vulnerabilities of those facilities. A further $1.0 million is authorized in operations and maintenance funds in support of this effort. The Appropriations Committee is requested to fund $5.2 million in Other Procurement (Air Force) to accomplish this needed enhancement.

Post-Attack Command and Control System EMP Hardening

A similar critical need exists for hardened airborne command posts. Additional testing of the EC–135 aircraft used in the Post-Attack Command and Control System is required to verify their EMP hardness. Two million dollars in R.D.T. & E. is authorized for that purpose.

Satellite Coverage Continuity

The committee seeks to insure that adequate communications satellite capability will exist in the mid-1980s in support of strategic missions. The committee requests that the Appropriations Committee appropriate $90.2 million to procure three additional AFSATCOM/FLTSAT systems as a needed enhancement to other satellites expected to be in operation in the middle of the 1980's.

Multi-Mission Satellite Communications (EHF)

The committee strongly supports the development of a new architecture, multi-mission satellite intended to augment and/or replace key

communications functions in the later part of the 1980's. Progress has been made in refining earlier concepts for such a satellite and the committee believes that the consensus now forming around the new design seems to address many of the congressional and executive branch concerns about system survivability and capabilities which have impeded development of previous systems architectures.

Accordingly, the committee recommends the authorization of $61.2 million for research and development on a new generation, multi-mission satellite and associated terminals for strategic and tactical missions. These funds are also to be expended for development of an Extremely High Frequency (EHF) package for host Air Force and Navy communications systems. It is the committee's intention that the Services endeavor to emphasize cooperative development of this EHF package in order to maximize inter-service system operability.

Improved TACAMO

As is noted elsewhere in this report, the committee regards the current operating condition of the TACAMO strategic submarine communications system as being unacceptable. EC–130Q aircraft are overloaded today and the requirement for EMP hardening these airframes will aggravate the present situation in the near future.

The committee directs the Secretary of Defense to conduct a thorough examination of alternatives to the present TACAMO system. Among the options which should be considered are: (1) modernizing the TACAMO comunications suite to reduce its weight; (2) decreasing the weight of the EC–130 airframe; (3) replacing the EC–130s with a new or modified aircraft; and (4) accelerating development and deployment of advanced communications technologies which may replace the TACAMO fleet altogether. This report, including life cycle cost estimates for alternatives considered, should be provided to the Committees on Armed Services of the Senate and the House of Representatives not later than January 20, 1982.

Very Low Frequency/Low Frequency (VLF/LF) Improvements

The committee supports the vigorous search for technologies capable of enhancing Very Low Frequency/Low Frequency communications. Of particular interest are developments aimed at producing new mini-receive terminals for bombers, new trailing wire transmit antenna, and trans-magnetic receive antenna for the airborne national command posts. For this research and development effort, the committee recommends authorization of $5.6 million.

Defense Satellite Program (DSP) Ground Station Power and Cooling

The committee recommends that $1 million in operation and maintenance funds be made available to upgrade the power and air conditioning to support programed new ground station computers associated with DSP system.

Electrical Power Modernization

In view of the requirement which exists for high reliability electrical power sources for key C^3 facilities, the committee recommends the authorization of (1) $5 million for Research, Development, Test and Engineering associated with power upgrades for these facilities

(2) $380,000 for associated operations and maintenance support. Additionally, appropriation of $380,000 for related personnel costs is recommended.

Mobile Ground Terminal Number Six

The committee recommends the funding by the Appropriations Committee of $32 million for the acquisition in fiscal year 1982 of the sixth Mobile Ground Terminal (MGT). These units are designed to provide enhanced survivability and endurability in U.S. strategic warning capabilities and this action will permit MGT's to be procured at the pace recommended by the Defense Systems Acquisition Review Council.

Emergency Rocket Communications System

The Committee recommends that $6.8 million be authorized for the Emergency Rocket Communications System.

Distributed Missile Attack Conference

The committee recommends the addition of $2 million in operation and maintenance funding to lease a multi-point, distributed network for voice conferencing between participants in the critical missile attack conference. This conference joins key commanders and civilian authorities after a nuclear attack has been launched against the United States. The recommended action will provide a significant enhancement to existing capabilities.

AFSATCOM Secure Voice

The committee recommends authorization of $10.0 million for the procurement of secure voice terminals—independent of land-based nodes—for strategic connectivity of selected users. This $10 million, together with $4.5 million in Other Procurement, which the committee suggests be appropriated for the Air Force by the Appropriations Committee, will permit significant improvements in the endurable connectivity of the U.S. strategic C^3 system.

Airfield Locators

The committee believes $5 million should be appropriated for procurement of airfield radio beacon systems capable of assisting Airborne National Command Post air crews in identifying operating airfields following a nuclear attack on the Continental United States. The committee recommends the funding of this item by the Appropriations Committee.

Survivable, Enduring Communications

The committee supports research on technologies aimed at developing reconstitutable high frequency communications. Particularly promising are meteor burst (Navy) and adaptive high frequency (Navy and Air Force) R. & D. programs now underway. The committee recommends addition of $7 million to these development efforts and expresses its interest in seeing cooperation maximized between the Services in the field of adaptive high frequency.

DEFENSE AGENCIES RESEARCH AND DEVELOPMENT

High Energy Laser Weapons

The laser (Light Amplification by Stimulated Emission of Radiation) is a device which generates and focuses a narrow beam of

coherent light to great distances. Although laser technology really began in the mid-1960's, tremendous progress has been achieved in recent years applying laser technology to military applications. Lasers are widely used to guide conventional artillery, bombs and missiles and are playing an increasingly important role in defense communications. High energy lasers, because of their ability to transmit large amounts of energy at the speed of light and potentially with great precision, have captured the public's imagination and seem to offer great promise as weapon systems.

Last year, motivated by reports of a vigorous Soviet laser program, the committee considered the possibility of accelerating development of space laser weapons. The Congress authorized an additional $20 million for the Defense Advanced Research Projects Agency space laser technology program and requested that the Secretary of Defense provide a detailed program plan for the earliest feasible on-orbit deployment of a space laser weapon, along with an analysis of the technical and cost risks of accelerating our space laser program. The Secretary of Defense has delayed submission of the final laser report and recommendations until the study can be reviewed by the Defense Science Board. The new administration has not requested additional funding for space lasers either in the fiscal year 1981 supplemental request or in the fiscal year 1982 budget amendment. The committee believes, however, that the space laser study requested will clarify the technological and weapons issues and will be a useful framework within which to evaluate future investment strategies. Testimony indicates that there remains within the scientific and military communities significant disparity in views as to the feasibility and cost-effectiveness of space laser weapons, especially for the ballistic missile defense role. For these reasons the committee is not now prepared to undertake major initiatives in the space laser weapon program, but has added $2 million for carbon-carbon materials research aimed at producing lightweight materials for large optics.

Despite keen interest in the application of space-based lasers to the ballistic missile defense mission, testimony indicates that nearer term applications for high energy lasers exist both in strategic and tactical roles, such as ground-based laser anti-satellite systems. Concern has also been expressed in the Congress over the organization and management of the military laser programs. Therefore, the committee asks that the Secretary of Defense review on-going military laser programs and provide to the Senate and House Armed Services Committees his analysis, with recommendations, for improving the effectiveness of military laser management and for reducing the lead time necessary for the deployment by American military forces of high energy laser weapons.

Particle Beam Technology

Directed energy weapons, like lasers and particle beams, destroy their targets with energy rather than with a projectile. Whereas lasers employ an intense beam of light, a particle beam consists of atomic or subatomic particles, such as protons, electrons, or ions, flowing in a highly energetic stream.

Despite the fact that research in particle beam technology has been pursued since 1958, the committee recognizes that basic problems of physics and other technical problems remain to be solved.

The fiscal year 1982 budget amendment requests an additional $17 million for particle beam technology programs in the Defense Advanced Research Projects Agency. This level of funding reflects the recommendations contained in a recent Defense Department review of particle beam programs. The committee recommends approval of the $17 million. The committee believes, however, that the program should focus on particle beam technologies having the most promising military application. At the same time, a balanced program should be maintained in funding support technologies as well as particle beam feasibility experiments.

OTHER RESEARCH AND DEVELOPMENT PROVISIONS

Requirement for Annual Report on Independent Research and Development and Bid and Proposal Costs

The committee recommends denial of the administration's request to repeal the requirement to submit an annual report on independent, research and development and bid and proposal costs as required by section 203 of the Department of Defense Authorization Act of 1971 (Public Law 91-441). The committee is of the view that such report provides a valuable documentation of the level and scope of the independent research and development effort.

TITLE III—OPERATION AND MAINTENANCE

Background on Operation and Maintenance Authorization

Fiscal year 1982 marks the first year that Operation and Maintenance (O. & M.) funding has required authorization from the Committee on Armed Services. The purpose of this requirement was to provide the authorizing committee a more balanced perspective of the Nation's total defense requirements. The committee's first look at the recent history of O. & M. funding has confirmed the need for such perspective.

Testimony presented before the committee confirmed that while adequate O. & M. funding is vital to successful execution of the defense budget and overall force capability, it is also the O. & M. accounts that are most flexible and therefore subject to alteration within both the planning and execution phases of the budget. Thus, chronic underfunding, continual adjustments, and unprogramed operational requirements have typically undermined adequate funding for necessary spares and maintenance activities. This pattern of spending has produced a steady decline in the material readiness of our forces and visible deterioration of the physical environment in which civilians and soldiers work and live.

The committee recognizes that there are many budgets and programs which contribute to force readiness, and that readiness is only one of several factors to consider in assessing overall force capability. Nevertheless, O. & M. funding represents the "glue" which holds together the bulk of our total defense effort. Force structure, modernization, readiness, and sustainability cannot be maintained at acceptable levels without adequate attention to O. & M. funding.

The March Amendment indicates that the services have taken steps to provide greater attention to readiness deficiencies. In this process, O. & M. funding has increased. While the committee favors such increases, overall force capability and balance within the defense budget will not be well served if O. & M. increases are not sustained in future budgets. The committee will direct its energy toward insuring that operations, maintenance, and support costs are adequately addressed and accounted for in the fiscal year 1983 Five Year Defense Plan.

O. & M. Budget Summary

The revised O. & M. request totals approximately $63.283 billion, an increase of $1.791 billion over the January request, and approximately $3 billion above the revised fiscal year 1981 budget.

The distribution of the fiscal year 1982 amendment is outlined below:

FISCAL YEAR 1982 MARCH AMENDMENT

[Dollar amounts in millions]

	Net additions	Net O. & M. additions	O. & M. as a percentage of net additions
Army	$6,459	$897	14
Navy	8,704	586	7
Air Force	8,453	323	4
Defense agencies	2,184	31	1
DOD total	25,800	[1] 1,791	7

[1] Includes reduction of $48,000,000 in defense claims.

The March Amendment, which added $25.8 billion for fiscal year 1982, produced a net increase of $1.791 billion for O. & M. Thus, only 7 percent of the fiscal year 1982 amendment goes to O. & M. As a result of the March Amendment, the relative percentage of the fiscal year 1982 Department of Defense Budget devoted to O. & M. thus dropped from 31 percent to 28 percent.

Because the March Amendment was heavily weighted toward increased procurement, the percentage of service budgets devoted to O. & M. has also been decreased.

	Fiscal year 1982 January request		Fiscal year 1982 revised request	
	Percent of DOD O. & M. budget	Percent of service budget	Percent of DOD O. & M. budget	Percent of service budget
Army	27	35	27	33
Navy	33	35	33	32
Marine Corps	2	22	2	21
Air Force	31	32	30	29
Defense agencies	1	16	1	15

The distribution of the administration O. & M. request by component is as follows:

OPERATION AND MAINTENANCE AMENDED REQUEST FOR FISCAL YEAR 1982

[Budget Authority in millions of dollars]

	Fiscal year 1982, January	March amendment	Fiscal year 1982 revised total
Army	$14,766	$787	$15,553
Army National Guard	979	65	1,044
Army Reserve	572	45	617
Navy	19,593	503	20,096
Navy Reserve	579	7	586
Marine Corps	1,128	68	1,196
Marine Corps Reserve	32	8	40
Air Force	16,569	313	16,882
Air Force Reserve	671	10	681
Air National Guard	1,686	----	1,686
Defense agencies	4,672	31	4,703
Defense claims	244	−48	196
Court of Military Appeals	3	----	3
Adjustments due to rounding	−2	+2	----
Total	61,492	1,791	63,283

Committee Recommendations

Army

For the Army, Army Reserve and Army National Guard, the committee recommends the authorization of $17,490,300,000, an increase of $276 million above the administration request.

Recommended Program Changes

Supply and Depot Maintenance.—The committee noted that tracked vehicles and aircraft have been preferentially funded in the past in order to reduce the maintenance backlog in major end-items. This backlog should be eliminated if the administration request is approved. The committee authorizes an additional $143 million to reduce an identified shortfall in the single manager (ammunition) inventory, improve industrial preparedness operations, meet line haul and RDF transportation objectives, and meet other supply support requirements.

Real Property Maintenance.—This area continues to be a significant management and quality of life issue. The committee is deeply concerned over the material readiness and morale implications which follow from prolonged inattention to the living and working conditions our soldiers now experience. In particular, the committee perceives this problem to be at a critical stage for the United States Army in Europe. Even with the administration's request for an additional $245 million above the January budget, the committee believes that the projected backlog of maintenance and repair Army-wide remains unacceptably high, and the committee recommends that an additional amount of $100 million be authorized to further reduce this backlog.

The Army's real property maintenance accounts for fiscal year 1982 have been increased by more than $500 million over the amounts projected in December 1980 planning documents. It is the committee's recommendation that these funds be used only for reducing the current backlog of maintenance and repair projects, and that they not be diverted for other uses. Because of the committee's concern for the careful and effective execution of this increase during fiscal year 1982 the Army is directed to forward a report to the committees on Armed Services, not later than December 15, 1981, indicating the Army's real property maintenance priorities and how such priorities are determined, the Army's plan for meeting these priorities within the fiscal year 1982 budget, and the proposed allocation of these funds which will be applied against the current backlog.

General Purpose Forces.—The Army has identified a shortfall in repair parts stockage and uniforms. The committee recommends the authorization of an additional amount of $27 million for these purposes.

Force Modernization.—The administration included $232 million in its March Amendment to provide O. & M. support for procurement initiatives. Based on reductions to the procurement package contained elsewhere in this report, a reduction of $28 million in O. & M. support is recommended.

Guard and Reserve.—Guard and Reserve forces continue to have fundamental shortfalls in basic organizational equipment such as clothing and defensive chemical equipment. An additional amount of $40 million has been included for these purposes, of which $33 million is intended for the Army National Guard.

Civilians.—A recommended reduction of 500 civilians, discussed later in this report, is reflected in a decrease of $6 million.

Recommended for Approval as Requested

Training.—The committee recognizes and endorses the Army's intent to increase the length of Individual Entry Training, expand Unit Training to the Brigade level where possible, and increase environmental training. However, the committee also recognizes that significant improvements and initiatives in training will not be possible without concurrent improvements in civilian end strengths, the availability of suitable training areas, and the availability of training ammunition. The committee expects these issues to be developed further in the fiscal year 1983 five-year defense plan.

Navy

For the Navy and Naval Reserve the committee recommends the authorization of $20,669,410,000, a decrease of $12.8 million below the administration request.

Recommended Program Changes

Oriskany.—Based on committee action elsewhere in this budget, a decrease of $8 million is programed to account for unnecessary O. & M. costs associated with reactivation of an air wing for the carrier *Oriskany.*

Civilians.—The programed reduction of 400 civilians, discussed later in this report, is reflected in a decrease of $4.8 million.

Recommended for Approval as Requested

Ship Overhauls.—The number of overhauls in fiscal year 1982 increases by 4 ships, from 61 in the January budget to 65 in the March Amendment, reflecting a decision to retain and renovate 4 diesel submarines. The backlog of ships due for overhaul will increase to 16 ships. However, concern for lack of yard capacity to meet scheduled overhaul requirements is dissipating since the Navy is retaining these ships in active service anyway to meet high operational tempos. In this context, fiscal year 1982 capacity and funding are considered sufficient to meet the Navy's overhaul requirements.

Aircraft Maintenance.—Equipment readiness, particularly for F–14s, has recently suffered due to serious backlogs in air rework facilities. Funding profiles for fiscal year 1981 and fiscal year 1982 in spares procurement and civilians are now consistent enough for the Navy to project elimination of all backlogs in airframe, engine, and component reworks by the end of fiscal year 1982.

Steaming Days.—The major operational change from the January to March budget is funding for a second carrier battle group in the Indian Ocean throughout fiscal year 1982. Accordingly, Atlantic Fleet ships days increase from 44 to 55.5 per quarter. Operating levels within other fleets remain constant. The steaming budget increases by $82 million, to a total of $2.347 billion, to reflect this change. An addi-

tional $42 million to support Indian Ocean operations for the second carrier battle group is funded in other O. & M. Navy accounts.

Flying Hours.—The flying hour program increases from 1.781 million hours in the January budget request to 1.9 million hours in the March budget for a net increase of approximately 120,000 hours. This increase reflects air operations in support of additional Indian Ocean deployments, and the add-back of hours in support of helicopter pilot training. In fiscal year 1982 the Navy expects to achieve a Primary Mission Readiness rating of 88 percent, vice 86 percent in fiscal year 1981.

Marine Corps

For the Marine Corps and Marine Corps Reserve the committee authorizes $1,260,539,000, an increase of $24.7 million above the administration request.

Recommended Program Changes

The committee's additions include:

(1) $12.7 million to accelerate the reversal in the Marine Corps backlog of maintenance and repair toward the congressional goal of a backlog not to exceed $106 million by fiscal year 1985;

(2) $3.9 million to complete procurement of modern medical/dental supplies against total USMC requirements; and

(3) $8.1 million to support a repair-as-necessary program for tracked landing vehicles.

Air Force

For the Air Force, Air Force Reserve, and Air National Guard the committee recommends authorization of $19,274,420,000 an amount $25.08 million above the Administration request.

Recommended Program Changes

Civilians.—The committee recommends later in this report an increase of 1,600 civilians above the level requested by the administration. The committee recommends that $19.2 million be added to the administration's request in order to support this recommended increase in civilian end strength.

Strategic Command, Control, and Communications.—An increase of $5.88 million over the administration request is the amount recommended by the committee to support program initiatives in the area of strategic command, control, and communications.

Recommended for Approval as Requested

Flying Hours.—The fiscal year 1982 flying hour program increases modestly from 2.211 million hours in the January budget to 2.232 million in the March request, at a net cost of $39 million. More significant increases in flying hours are planned for future Air Force requests in order to attain greater pilot proficiency. However, skilled manpower and spares constraints must be relieved before a larger flying hour program could be supported.

Depot Maintenance.—Heavy Air Force investment in civilians and spare parts during fiscal year 1981 and fiscal year 1982 is expected to eliminate the depot maintenance backlog for airframes and engines. The committee fully endorses this effort.

Training.—The Air Force expressed some concern for the decline in training loads for initial Skill Training and Skill Progression Training. The amended fiscal year 1982 budget request provides for a significant increase in Skill Progression Training loads, but this increase is essentially dependent on fuel cost and travel assumptions contained in the budget. The net increase in the average course length for Initial Skill Training is one-half week. The Air Force considers the current rate of growth in these areas to be consistent with planning objectives.

Though no significant shortfalls exist in the amended fiscal year 1982 Air Force program, the committee is aware that successful execution of the Air Force O. & M. budget is highly dependent on accurate fuel and inflation assumptions, and minimal disruption from unprogramed deployments.

Defense Agencies

Defense Agencies and other Defense-wide Activities.—For Defense Agencies and other Defense-wide activities the committee recommends authorization of $4,881,551,000, an amount $19.8 million less than the Administration request.

Recommended Program Changes

The recommended reduction of $3 million is to be directed toward the Defense Logistics Agency, the Defense Contract Audit Agency and the Office of the Secretary of Defense, based on the Administration's intent to provide greater management responsibilities to the Services.

The committee recommends a reduction by $16.8 million to account for its recommendation (discussed later in this report) to decrease civilian strength by 1400 positions below the Administration request.

General Observations—Budget Planning and Economic Assumptions

The committee reviewed the recent history of O. & M. budgets and, after assessing fiscal year 1982 requirements, has authorized $63,576,220,000. This is $293.18 million above the revised fiscal year 1982 request of $63.283 billion.

The committee has taken note of the special conditions which allowed significant additions to the Defense budget in a relatively short period of time. These conditions permitted each Service to review its budget planning and programing process, and to reconfirm Service requirements and priorities. The committee thus considers the budget amendment to be a reflection of Service and DOD views regarding the proper direction of increased defense spending.

The committee is concerned over the cyclical nature of the budget process. Lack of proper balance between readiness-related accounts, and procurement or modernization accounts, has produced alternating conditions of declining readiness and sagging modernization efforts. Neither of these conditions is acceptable. Recent testimony concerning the reformulation of fiscal year 1982 service budgets indicates that, having had the opportunity to review requirements, the services now believe that a proper balance exists between force structure, moderni-

zation, readiness, and sustainability within the revised fiscal year 1982 budget.

The committee is generally aware that the procurement, modernization, and force structure initiatives now under consideration within the next Five Year Defense Plan will require significant increases in O. & M. funding throughout the decade of the eighties. The committee considers it the responsibility of each service to insure that outyear O. & M. costs are adequately considered and funded in future budgets so that readiness does not suffer in the process.

The committee regards this budget as a "clean slate". The services have had an unprecedented opportunity to fund O. & M. and other requirements, and the committee is providing them the opportunity to do so. The services should make every effort to enforce budget discipline and balance in future submissions. The committee will do its best to insure that serious maintenance backlogs, from which we are just now beginning to recover, do not recur. While performing this oversight function, it is the committee's intention to provide the services the flexibility and discretion necessary to manage O. & M. accounts under dynamic operational and economic conditions.

However, the desire to maintain flexibility for service managers should not be misconstrued. The committee received convincing testimony indicating the extent to which a lack of stability within the budget has prevented orderly execution of O. & M. programs. In part, management flexibility is necessary to compensate for the inaccurate economic assumptions that are the root cause of budget instability. The committee believes it to be the responsibility of the Department of Defense and the administration to provide sound economic assumptions from which accurate estimates of DOD's fixed-cost requirements can be made. Budget stability and an orderly execution of O. & M. programs—many of which have a direct impact on readiness—cannot be achieved unless the fixed costs of doing business are plainly recognized and adequately funded.

With the above considerations in mind, the committee has recommended a statutory provision which would authorize the Appropriations Committee to make additional appropriations for inflation and fuel cost increases above the total amounts authorized under this title. It is the purpose of this provision to allow the Appropriations Committee sufficient flexibility to compensate for changed economic circumstances or assumptions, and/or unbudgeted requirements that may arise during the fiscal year.

The committee recognizes the uniqueness of this provision and is opposed to the extension of such authority to other titles within this bill. This provision is considered necessary only in light of the special nature of O. & M. accounts and their demonstrated impact on the readiness posture of the armed forces.

Other Committee Recommendations

O. & M. Reporting Requirements

The amended fiscal year 1982 DOD request contains a repeal of the requirement for annual O. & M. reports. The O. & M. and readiness reports are viewed as a logical counterpart to the annual Manpower Requirements Report and a useful reference. Fiscal year 1982 is only

the first year of this requirement; and the request for repeal is therefore denied.

Authorization of O. & M. by Component

The amended fiscal year 1982 DOD request would authorize the total O. & M. request as a single amount. The committee believes it more useful to present such requests by component (Army, Navy, Air Force, and Defense Agencies), and such change is reflected in this bill.

Authorization of Other Procurement and Ammunition

Because of strong testimony linking a shortfall of secondary items and ammunition to poor combat sustainability, the committee recom-

the first year of this requirement; and the request for repeal is therefore denied.

TITLE IV—ACTIVE FORCES

Background on Active Forces Authorization

Since fiscal year 1972, Congress has been required by law (Public Law 91–441) to authorize annually the active duty strength of each component of the Armed Forces. This provision was included in the Senate version of the Department of Defense Authorization Bill for fiscal year 1971, and was designed to enhance congressional oversight of the military manpower requirements of the Department of Defense.

This year the Subcommittee on Manpower and Personnel held six hearings in open session and heard testimony from Defense Department manpower experts on active duty military personnel end strengths requested by the Department of Defense for fiscal year 1982. Based on this information, the information provided in the Military Manpower Requirements Report and the Military Manpower Training Report for fiscal year 1982 submitted by the Department of Defense and other information provided to the committee, a thorough review and analysis of fiscal year 1982 manpower requirements has been completed. The committee's recommendations concerning active duty manpower end strengths are reflected below.

Committee Considerations

In determining the appropriate military end strength levels for each of the Services, the committee examined the Department of Defense's Total Force policy, the force structure necessary to implement that policy, the manpower required for support and overhead functions, and associated personnel policies. The committee reviewed each of the major functional categories of military manpower depicted in the following table:

DEFENSE DEPARTMENT MILITARY MANPOWER REQUEST, FISCAL YEAR 1982

[End strength in thousands]

	Fiscal year				
	1964 actual	1979 actual	1980 actual	1981 request	1982 March amended reques
Strategic	222	98	96	94	9
Tactical/mobility	1,060	918	925	966	983
Land forces	605	536	545	560	558
Tactical Air Force	145	170	167	179	191
Naval forces	255	175	176	190	196
Mobility forces	55	38	37	37	39
Auxiliary activities	187	103	97	96	97
Intelligence	76	34	32	31	31
Communications	43	32	32	32	32
Research and development	49	27	23	24	24
Geophysical activities	18	10	10	10	10
Support activities	1,218	906	933	919	946
Base operating support	433	289	305	299	299
Medical support	84	41	40	40	42
Personnel support	18	30	31	31	32
Training (includes transients)	519	438	453	443	469
Logistics	33	21	19	19	20
Other centralized support	48	45	44	45	45
Management headquarters	83	38	39	39	38
Federal agency support	2	3	3	3	3
Total DOD [1]	2,687	2,025	2,050	2,075	2,120
Army	973	758	777	775	786
Navy	667	522	527	541	555
Marine Corps	190	185	189	191	192
Air Force	857	559	558	569	587

[1] Subtotals may not add to totals due to rounding.

The Department of Defense has requested a total active-duty end strength of 2,119,900 for fiscal year 1982. This request represents an increase of 69,800 over the actual end-strength in fiscal year 1980 and an increase of 44,500 over the level requested by the President in his fiscal year 1981 supplemental request. The force structure for which the manpower is requested consists of 16 Army Divisions, 26 Air Force Wings, 3 Marine Divisions, and 493 Ships.

Committee Recommendations

For the reasons set forth below, the committee recommends approval of an active duty end strength of 2,114,600 for fiscal year 1982, which represents an increase of 39,200 personnel from the fiscal year 1981 supplemental request. The committee recommendation on the active duty end strength for each military service is shown below:

ACTIVE DUTY MANPOWER, FISCAL YEAR 1982

[End strengths in thousands]

	Actual strength, Jan. 31, 1981	March amended request, fiscal year 1982	Change from request	Committee recommendation, fiscal year 1982
Army	773.9	786.3	−0.5	785.8
Navy	532.5	554.7	−.4	554.3
Marine Corps	187.8	192.1	0	192.1
Air Force	561.5	586.8	−4.4	582.4
Total [1]	2,055.6	2,119.9	−5.3	2,114.6

[1] Subtotals may not add to totals due to rounding.

As noted in the above chart, the committee recommends a decrease of 5,300 active duty military personnel from the requested manpower level. This modest reduction is due to a number of factors discussed under the appropriate Service manpower section below.

Army Manpower

The committee recommends a reduction of 500 in the requested Army end strength of 786,300. This will result in an increase of 10,500 over the President's fiscal year 1981 supplemental request. The reduction of 500 active duty personnel is to promote efficiency in various management and operational headquarters.

The increase in the Army's active duty force is designed to:

—Support an 18-month tour in Europe and Japan for unmarried first-term soldiers and

—Add one week to Initial Entry Training to improve the soldierization process.

Expansion of enlisted Initial Entry Training commenced in fiscal year 1981 with full implementation scheduled in fiscal year 1982. Detailed analyses have shown the necessity for additional initial training to improve soldier performance in basic skills essential for battlefield survival. A more demanding program of instruction has been developed which extends the basic training portion of Initial Entry Training by one week, lengthens the training day, specifies new training tasks, provides for needed repetitive instruction, and establishes a more comprehensive final test.

Navy Manpower

The committee recommends approval of an end strength of 554,300 for the Navy. This represents a decrease of 400 from the Navy's request for an additional 14,200 since the fiscal year 1981 supplemental request. The 400 decrease is to be applied to various management and operational headquarters to achieve greater efficiencies.

The fiscal year 1982 increase reflects the continued growth in the size of the active fleet and increased manning of tactical naval air forces. The active fleet is projected to increase from 468 ships in fiscal year 1981 to 493 ships in fiscal year 1982. Attack submarines and surface combatant ships account for the major portion of the force increase. Included in the fiscal year 1982 DOD proposal is a request for additional military personnel to man the battleship *New Jersey* and to provide a pre-commissioning crew for the aircraft carrier *Oriskany*. It also includes an increase in the pilot training rate to accommodate an additional air wing.

The specific increases for military personnel associated with the reactivation of the carrier *Oriskany* and the battleship *New Jersey* are as follows:

	Military
Oriskany	100
New Jersey	1,562
Total	1,662

If the reactivation of the *New Jersey* and *Oriskany* are not approved, an adjustment should be made in the authorized active duty end strength for fiscal year 1982.

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The committee is well aware of the substantial amount of time required to construct modern combatants. It is also aware that it will be many years before our active fleet will have the number of ships needed to satisfy our increasing naval commitments. It is in recognition of the significant lead time required to construct modern combatants that the committee believes that the Navy cannot afford to delay its shipbuilding initiatives until it solves its manpower problems. Nevertheless, the committee remains very concerned about the Navy's ability to man the increasing number of ships with the required number of personnel, particularly in the technical and supervisory positions. Navy projections that take into account the positive impact of increased retention rates and a relatively successful recruiting effort still indicate that the Navy may be short 24,000 personnel by fiscal year 1985. The shortage of experienced petty officers could be even larger—about 35,000. If these shortages occur, the Navy will be unable to adequately man the new ships entering the fleet. Increasing supervisory demands and sea duty can have an adverse effect on retention and morale.

The committee believes that the Navy will have the manpower needed to meet its operational requirements in fiscal year 1982, but it is skeptical about the Navy's ability to meet significant increases required in the future as the number of operating ships is substantially increased. The Navy can now project the number of experienced petty officers it will need in 1985 and beyond. Petty officers who will have over ten years of experience by 1990 have already enlisted in the Navy. Much of the Navy's ability to meet this manpower challenge depends on its ability not only to retain substantial numbers of existing junior enlisted personnel, but also to recruit more Navy veterans back into the Service. The committee expects the Navy to give serious attention to this long-term manpower need and to address comprehensively the manpower needs of the Navy through 1990 in next year's Manpower Requirements Report. This analysis should include the impact of personnel policy changes, including planned increases in compensation, improved management policies based on a more extensive use of civilians and contract personnel when feasible, the impact of a draft on the Navy, and other personnel-related initiatives currently under consideration.

Marine Corps Manpower

The committee recommends approval of the Marine Corps requested end strength of 192,100, an increase of 1,500 from the fiscal year 1981 supplemental request. This proposed higher end strength is due principally to the Marine Corps' ability to recruit and retain additional personnel. Specifically, the proposed increases support higher manning levels in combat service support (engineer, maintenance, supply, and landing support), tactical aviation, air defense, and aviation maintenance units.

Air Force Manpower

The committee recommends an end strength of 582,400 for the Air Force. This figure reflects a decrease of 4,400 in the requested 17,800

increase from the fiscal year 1981 supplemental request. The committee believes that of the proposed 4,400 man reduction, 3,400 military personnel positions should be converted to civilian positions in order to achieve greater cost efficiencies. These positions include such functions as computer and supply operations, administration, communications, education and training. The committee recommends a concurrent increase of 2,200 in the civilian strength of the Air Force. The balance of the proposed reductions are 700 positions representing a partial denial of the requested increase in medical support and a reduction of 300 in associated training.

The proposed Air Force increase is designed to accomplish the following:

—Improve readiness in strategic offensive forces by expanding support to new systems in B–52 aircraft;

—Increase tactical forces to support two AWACS aircraft, four KC–10's, TR–1 squadrons, EF–111's and other tactical fighter force increases; and

—Increase mobility forces to support expanded aerial post requirements.

Military Manpower Requirements Report

The committee requests that the Department of Defense make no changes in the categories used in the Manpower Requirements Report and the accompanying Unit Annex until such changes have been fully reviewed by the committee, and a detailed explanation of changes from the current to the proposed categories has been provided for current and prior years and for prior years' manpower requests. The committee expects this reporting system to continue measuring manpower utilization and plans in a stable, consistent manner and to avoid unnecessary or confusing accounting changes.

Quality of Military Personnel

The committee recommends the enactment of a statutory provision which continues the current restriction on the number of new Army male recruits who are not high school graduates. This provision would preserve for another fiscal year the 65 percent floor on the high school graduate content of Army male non-prior service accessions.

During its consideration of the fiscal year 1981 Defense Department Authorization Act, the committee expressed its deep concern with declining trends in the quality of the services' new recruits. The committee noted that the percentage of high school graduates enlisting in the military in fiscal year 1979 had dropped 5 percent from the previous fiscal year. Perhaps even more worrisome was the discovery that many recruits placed in Mental Category Group III as a result of miscalibrated mental tests should have been recorded in Mental Category Group IV.

In response to these and other troubling signals, the Congress has directed the Department of Defense to improve the quality of its recruiting. In fiscal year 1982, the services as a whole may not enlist more than 25 percent of their new accessions from personnel whose test scores would place them in Mental Category Group IV. In addition, because the Army had experienced particularly serious quality

problems, the Congress required that at least 65 percent of its male non-prior service accessions be high school graduates. Although this floor on high school graduates was scheduled to expire after fiscal year 1981, the limitation on Mental Category Group IV accessions was to continue with lower ceilings in fiscal years 1982, 1983, and beyond.

Since the Congress enacted these restrictions into law, the committee has had an opportunity to review the recruiting results of fiscal year 1980. Unfortunately, the unsatisfactory trends of previous years continued through the most recent fiscal year. The percentage of high school graduates among DOD recruits declined an additional 5 percent to 65 percent. Moreover, the percentage of Army non-prior service accessions whose test scores placed them in Mental Category Group IV dramatically increased to over 50 percent. These statistics confirm the need for the Congress to maintain and even enhance its firm policy of recruiting quality personnel.

It is for this reason that the committee recommends, as indicated above, an extension of the fiscal year 1981 65 percent floor on the high school graduate content of new Army recruits through fiscal year 1982. Testimony from Defense Department witnesses confirms the fact that the attrition rate of non-high school graduates is twice the attrition rate of those who are high school graduates. In addition, commanders in the field have reported their general perception that high school graduates display other characteristics of good military service. The Army Deputy Chief of Staff emphasized the importance of a high school diploma when he testified before the committee this year:

> . . . The only firm gradient we have at the present time is that we know that a high school graduate attrites at a rate of one-half of a non-high school graduate and it makes sense to recruit as many high school graduates as you can. Secondly, he learns faster; he is more trainable, and we are even seeing new indications that we have less disciplinary problems with the high school graduate.

Given the proven value of the high school diploma in predicting military performance, the committee believes that the current restriction on the recruitment of non-high school graduates should be continued.

Last year, the committee noted that "the true measure of quality is the ability to perform assigned tasks and to maintain military discipline." The relaxation of quality standards required of new recruits makes this basic objective difficult. The committee's recommendation to provide a statutorily imposed restriction on the accession of non-high school graduates signals its continuing commitment to provide quality personnel for our Nation's Armed Forces.

TITLE V—RESERVE FORCES

Background on Reserve Personnel Authorization

Congress is required by law (Public Law 90–168) to authorize annually the average personnel strengths of the Selected Reserves (reservists organized in units) of each Reserve component of the Armed Forces. Congress must, therefore, specify the desired force levels for major portions of the reserve establishment. This year the Subcommittee on Manpower and Personnel held six hearings in open session and heard testimony from Defense Department manpower experts and outside witnesses on the Selected Reserve average strengths requested by the Department of Defense for fiscal year 1982. Based on this testimony of various Defense Department experts, the information provided in the Military Manpower Requirements Report and the Military Manpower Training Report for fiscal year 1982 submitted by the Department of Defense and other information provided to the committee, a thorough review and analysis of Reserve manpower requirements has been completed. The committee's recommendations are reflected below.

Committee Recommendations

Selected Reserve Manpower Strengths

The committee recommends that the requested levels for Selected Reserve manpower in all Reserve components be approved. The recommended strength levels provide increases in all components except the Coast Guard Reserve.

The committee's recommendation is as follows:

SELECTED RESERVE PERSONNEL

[Average strengths in thousands]

	Authorized, fiscal year 1981	March amended request, fiscal year 1982	Committee recommendations, fiscal year 1982
Army National Guard	371.3	392.8	392.8
Army Reserve	204.5	235.3	235.3
Naval Reserve	87.4	87.6	87.6
Marine Corps Reserve	33.7	37.6	37.6
Air National Guard	94.3	98.6	98.6
Air Force Reserve	58.8	62.8	62.8
Coast Guard Reserve	11.7	11.7	11.7
Total	861.7	926.4	926.4

Full-Time Reserve Manpower

The committee recommends that the requested levels for full-time Reserve personnel be approved. The committee's recommendation is as follows:

FULL-TIME RESERVE MANPOWER

[End strengths]

	Authorized, fiscal year 1981	March amended request, fiscal year 1982	Committee recommendations, fiscal year 1982
Army National Guard	10,159	11,439	11,439
Army Reserve	5,400	6,285	6,285
Naval Reserve	708	208	208
Marine Corps Reserve	67	447	447
Air National Guard	3,207	3,312	3,312
Air Force Reserve	698	701	701
Total	20,239	22,392	22,392

The committee further recommends that the number of E–8's and E–9's who may be on active duty in support of the Reserve components during the period October 1, 1981 through September 30, 1982 shall be:

Grade	Army	Navy	Air Force	Marine Corps
E–9	222	146	76	4
E–8	908	319	307	12

The committee also recommends that the number of Army and Air Force Reserve officers in certain grades who may be on active duty in support of the Reserve components during the period October 1, 1981 through September 30, 1982 shall be:

Grade	Army	Air Force
O–4	1,105	189
O–5	551	194
O–6	171	147

Trained Manpower for Mobilization

The committee is very concerned about the great disparity between the actual end strengths of the various Selected Reserve components and the wartime requirement. It is very conceivable that a future military conflict will begin with little or no warning. Indeed, there may be very little time to augment from our authorized manpower strength to a wartime strength. Many Selected Reserve units are already earmarked for early deployment in a NATO or Rapid Deployment Force contingency. Half of the nation's combat capability and two thirds of the support capability of our armed forces is with our Reserve and National Guard units. The Total Force policy has been jeopardized because the overall Selected Reserve forces would simply not be able to meet their requirement on M-Day.

The following Defense Department chart displays the disparity which causes the committee great concern:

TRAINED STRENGTH MOBILIZING WITH SELECTED RESERVE UNITS

[In thousands]

	Fiscal year 1982 wartime structure requirement	Actual end, fiscal year 1980	Programed end, fiscal year1982	Percent of fiscal year 1982 wartime requirement	
				End, fiscal year 1980	End, fiscal year 1982
Army National Guard[1]	446.1	336.9	367.5	76	82
Army Reserve	285.8	196.2	217.5	69	77
Naval Reserve[2]	120.6	96.2	94.0	80	78
Marine Corps Reserve	42.0	35.1	37.5	84	89
Air National Guard	100.8	92.1	94.2	91	93
Air Force Reserve	[3] 52.5	48.8	52.3	95	100

[1] Army Inactive National Guard (ING) not included (5,534 in 1980 and 20,610 in 1982). ING mobilization with units depends on scenario.
[2] Includes active component unit full-time support in wartime structure, actual and programed strengths including commissioned units in the NRF.
[3] Air Force Reserve structure is end fiscal year 1983 requirement.

This next chart displays the Army requirement versus the supply of trained manpower for mobilization:

ARMY REQUIREMENTS AND SUPPLY OF TRAINED MANPOWER FOR MOBILIZATION[1]

[In thousands]

	End fiscal year—			
	1979	1980	1986	
Requirements	1,720	1,743	1,883	
Manpower available from:[2]				
Active and Reserve units	1,250	1,296	1,383	
IRR/ING/IMA	140	149	264	(325)
Standby Reserves	20	9	5	
Retirees	40	40	120	
Total	1,450	1,494	1,772	(1,834)
Shortfall:				
Number	270	249	111	(49)
Percent of requirement	16	14	6	(3)

[1] Data jointly developed by OSD and the Army.
[2] Assumes different rates of availability from each manpower source.

Note: Numbers in parentheses represent a potential higher yield from improvements in management.

The current total shortage of 249,000 trained people, or 14 percent of the requirement, is unacceptable. Even under the Defense Department's optimistic calculations, by 1986 the shortage will still be 111,000—taking into account the planned recall of 120,000 retirees. Assuming the validity of the stated requirement, this current and projected personnel shortfall—especially in the Individual Ready Reserve—will lead inevitably to the undesirable practice of utilizing Selected Reserve assets as "fillers" rather than cohesive units. A post-mobilization draft would not be able to deliver replacement personnel until well after casualty replacements would be needed. The Army would have no choice but to turn to its Reserve and Guard personnel to fulfill this function with all of the adverse effects that would result.

The committee believes that better management alone will not solve this problem. The committee requests that the Department of Defense submit to the Congress not later than February 1, 1982, a report which provides the following information:

(a) a detailed justification of the total number of trained personnel required in the event of full mobilization;

(b) several optional plans for eliminating by fiscal year 1984 the shortfall of trained manpower; and

(c) a plan for implementation of a draft for the Individual Ready Reserve or alternative plan to meet these requirements whenever necessary and the effect that plan will have on eliminating the shortages in the trained manpower in addition to the shortages of Selected Reserve and active duty personnel.

The Reserve Forces Policy Board is a board established by a law that operates within the Department of Defense. According to the law, "The Board, acting through the Assistant Secretary of Defense for Manpower and Reserve Affairs, is the principal policy advisor to the Secretary of Defense on matters relating to Reserve components." The Board has 21 members—one Coast Guard officer is appointed by the Secretary of Transportation; one Regular officer is appointed by each Secretary of the Military Departments; the Assistant Secretary for Manpower of each Service is a member of the Board; and the remaining 14 members are appointed by the Secretary of Defense. The Board has recently issued its annual report for fiscal year 1980 and a readiness assessment of the Reserve components. According to the readiness assessment report:

> The Board continues to recommend reinstitution of involuntary active service, the draft, as the only means to correct serious manning problems.

This readiness assessment report is incorporated in the annual report which is signed by all 21 members.

The Board recommends a specific program—that qualified personnel be drafted to a six-month training program. After an orientation phase, each individual should be given three choices: (1) join the active forces with maximum GI benefits and a military service obligation that is dependent on the training received; (2) join the Selected Reserve with reduced GI benefits and a longer military service obligation; or (3) complete the six-month program with an emphasis on a ground-combat role and then join the Individual Ready Reserve. This choice results in the least GI benefits and the longest military service obligation.

The committee requests the Secretary of Defense to provide his evaluation of the Board's recommendation, along with an analysis of the likely impact of the Board's specific program, by October 1, 1981.

TITLE VI—CIVILIAN PERSONNEL

Background on Civilian Personnel Authorization

Congress is required to authorize the civilian personnel end strength of the Department of Defense. This requirement affords the Congress the opportunity to oversee the entire defense manpower program and the interrelationship of each component in the Total Force structure.

The committee held hearings in open session on February 24, 26, March 3, 5, 10 and 12 and received testimony on the civilian personnel strengths requested by the Department of Defense for fiscal year 1982. Based upon these hearings, numerous briefings by Defense Department manpower experts, annual reports and other available data, the committee has conducted a thorough review of civilian personnel requirements.

Categories of Civilians Included in the Bill

The civilian end strength figures authorized by Congress represent direct and indirect hire employees, both permanent and temporary, including full-time, part-time and intermittent employees paid from appropriated funds, who are employed to perform military functions administered by the Department of Defense. Indirect hire employees are hired by the host nation in support of U.S. forces stationed abroad. They are estimated to be approximately 78,900 in fiscal year 1982. The following categories of civilian employees are excluded from the strengths recommended:

(1) Employees performing civilian functions administered by the Department of Defense, the largest of which is the Corps of Engineers Civil Works activities. For fiscal year 1982, the end strength for this function is approximately 33,000.

(2) Employees in special employment programs for students and disadvantaged youths, such as the stay-in-school campaign and the temporary summer aid program. The end strength for this program is approximately 8,500.

(3) Employees of the National Security Agency who are excluded because employment statistics are classified information.

(4) Employees paid from nonappropriated funds are not included. The approximate number of such employees is 185,000 for fiscal year 1982.

Committee Considerations

The Department of Defense has requested a civilian manpower end strength of 1,024,900. This represents an 11,000 increase from the levels requested in the fiscal year 1981 supplemental request. The following table shows the Department of Defense request for civilian personnel by major mission categories:

DEFENSE DEPARTMENT CIVILIAN MANPOWER REQUEST, FISCAL YEAR 1982
[Direct and indirect hire; end strength in thousands; fiscal year]

	1964 actual [1]	1979 actual	1980 actual	1981 request	1982 March amended request
Strategic	15	11	10	10	10
Tactical/mobility	67	51	57	60	63
Land forces	30	16	23	24	26
Tactical air forces	7	14	14	15	16
Naval forces	(2)	1	1	1	1
Mobility forces	29	20	19	20	20
Auxiliary activities	123	105	95	92	91
Intelligence	11	7	7	7	7
Communications	14	12	10	11	11
Research and development	87	76	68	64	63
Geophysical activities	12	10	10	10	10
Support activities	971	823	829	853	861
Base operating support	357	305	342	345	347
Medical support	32	32	20	21	21
Personnel support	6	18	20	22	23
Training	25	26	26	26	26
Logistics	451	354	334	345	352
Other centralized support	34	54	53	56	57
Management headquarters	65	34	35	37	37
Total DOD [3]	1,175	991	990	1,014	1,025
Army	452	359	361	371	382
Navy	328	290	289	298	294
Marine Corps	19	20	20	20	20
Air Force	338	245	244	244	247
Defense Agencies	38	77	77	82	83

[1] Includes civilian reserve technicians not on the federal payroll in 1964.
[2] Under 500 personnel.
[3] Subtotals may not add to totals due to rounding.

Committee Recommendations

For the reasons discussed below, the committee recommends reductions totaling 700 from the requested Department of Defense civilian strength for the end of fiscal year 1982. The committee recommendations on the civilian end strengths for each military service are set forth below:

CIVILIAN PERSONNEL, FISCAL YEAR 1982

[End strengths in thousands]

	March amended request, fiscal year 1982	Committee recommendation, fiscal year 1982	Change from request
Army	381.7	381.2	−.5
Navy/Marine Corps	313.0	312.6	−.4
Air Force	247.4	249.0	+1.6
Defense agencies	82.8	81.4	−1.4
Total	1,024.9	1,024.2	−.7

Committee Recommendations by Service Components

Army Civilian Manpower

The committee recommends a decrease of 500 in the requested Army civilian end strength of 381,700. This will result in an increase of 21,300 over the original Defense Department budget submission for

fiscal year 1982. The reduction of 500 is to be made in various management and operational headquarters to promote greater efficiencies.

The increase in the Army's civilian manpower strength is designed to:

—Return borrowed and diverted military manpower to their operating units;
—Improve depot maintenance and supply capabilities; and
—Increase support for procurement actions for force modernization.

The Army's emphasis on improving combat readiness requires more soldiers in units. The most immediate way to achieve improved operational readiness and sustainability is to replace with civilian manpower those soldiers who have been borrowed and diverted from their units to perform civilian functions. Readiness also requires increases in the traditional civilian functions of depot maintenance, supply operations, and procurement. The civilian strength request as recommended by the committee will not only return borrowed and diverted military manpower to their units but will also provide logistical support and more adequately support procurement actions for modernization.

In order to make an immediate and effective improvement in readiness, the committee authorizes 16.800 of the increase of 21,300 civilians to be used in the replacement of military manpower. No more than 5.000 of these 16,800 civilians may be indirect hires. The committee also requests the Department of the Army to submit a report by September 30, 1981, on the planned allocation of the 16,800 civilians. The report should also examine the extent to which these civilians fill or will fill positions previously occupied by non-commissioned officers and the number of non-commissioned officers who were or will be returned to combat units after their replacement by these additional civilians.

Navy/Marine Corps Civilian Manpower

The Navy/Marine Corps civilian end strength request reflects an increase of 3,700 from the original fiscal year 1982 budget submission. The committee recommends a reduction of 400 civilian positions from various Navy management and operational headquarters to promote greater efficiency. The committee also approves the authorization of the requested Marine Corps civilian end strength. The additions to the Navy civilian strength are primarily in support of readiness-related workloads in the Navy Shipyards and Naval Air Rework Facilities to accelerate the overhaul of surface ships and diesel submarines and to reduce aircraft maintenance backlogs.

Air Force Civilian Manpower

The Air Force request for fiscal year 1982 of 247,400 represents an increase of 3,600 over the fiscal year 1981 supplemental request. The committee recommends an increase of 2,200 to this request for the conversion of military personnel positions to civilian positions. In addition, the committee recommends a reduction of 300 civilian positions for the Foreign Military Sales Program and a decrease of 300 civilian positions programed for commissaries.

The Air Force requests an increase in civilian positions in order to support logistics requirements generated by the additional flying hours programed in fiscal year 1982. The in-house capability of Air Force

depots, modernization and force structure adjustments in the Air Reserve Forces require increased support. The Air Reserve Forces military technicians—members of the Air National Guard and Air Force Reserve who serve in their units on a full-time basis as civilians in peacetime and become active duty military members upon mobilization—account for the major portion of the civilian end strength increase and provide a direct contribution to Air Force readiness.

Defense Agencies Civilian Manpower

The Defense Department has requested a civilian end strength of 82,800 for the Defense Agencies in fiscal year 1982. This request represents an increase of 900 over the President's supplemental request for fiscal year 1981.

The committee recommends a reduction in the DOD request of 400 positions in various management and operational headquarters and a decrease of 1,000 positions in overhead for the office of the Secretary of Defense, including the administration of DOD schools.

Authority to Exceed Civilian End Strength

The Secretary of Defense shall be authorized to exceed the total civilian end strength by 2 percent when in the national interest or if any anticipated conversions in fiscal year 1982 of commercial and industrial type activities are deemed to be inappropriate.

Air National Guard Conversion to Full-Time Military Manning

The fiscal year 1979 Defense Appropriations Act initiated a test to determine the ability of the Reserve components to attract and hire Guard and Reserve personnel in an active duty status to meet full-time unit support requirements. The test ended June 30, 1980, and the Department of Defense has submitted its report to the Congress.

Pending review of the test results, congressional guidance allowed the Air National Guard an additional full-time military authorization to fill growth positions authorized for employment subsequent to September 30, 1980, or new positions resulting from conversions in weapon systems or mission changes.

The Air National Guard has other full-time requirements which are military in nature and do not fit the purpose and intent of the technician program, which is training, administration, and maintenance of equipment for mobilization. Accordingly, the fiscal year 1981 budget identifies military personnel resources for certain requirements (467), such as security of Air National Guard F–106/DC–135 alert aircraft, A–7 Defense System Evaluation Support for the Active Army, Flying Training Instructors at two Air National Guard Replacement Training Units and the faculty/support staff at the Air National Guard Professional Military Education Center. The House Appropriations Committee report on the fiscal year 1981 Appropriations Act directed that no additional technical positions be converted to full-time military prior to March 31, 1981, and after that date only with prior congressional approval. However, the expected further congressional direction on the entire program has been delayed and hearings have not been held on the full-time test and the DOD report. Although military end strength for the 467 positions is provided in the fiscal year 1981 budget and technician end strength of 467 was removed from the O&M portion of the budget, the Air Na-

tional Guard has not been able to convert these positions to military status due to the House Appropriations Committee restrictions. As a result, technician incumbency in these positions continues, and will cause the Air National Guard to exceed budgeted end strength unless these positions are converted to military status by September 30, 1981.

The need for these 467 full-time positions previously identified as full-time military is valid. To the extent that all 467 positions cannot be converted by September 30, 1981, the committee expects the Secretary of Defense to use his discretion to exceed by not more than 2 percent the authorized civilian end strength to accommodate these positions.

Contracting Out Proposals Involving Less Than 50 DOD Personnel

Section 502 of the Department of Defense Authorization Act of 1981 made permanent law a provision reflected in the fiscal year 1980 Act which prohibited conversion to performance by private contractors of commercial or industrial type activity (CITA) functions currently performed by Department of Defense personnel solely to circumvent personnel ceilings. The section also imposed various reporting and certification requirements.

The requirement for detailed cost studies on all functions except those under $100,000 as required by OMB Circular A–76, as well as detailed reporting requirements contained in Section 502, may impede efficient management of this program. In addition to delaying the CITA review process, the cost of conducting detailed cost studies for small functions can reduce the potential savings.

Accordingly, the committee recommends revising Section 502 to exclude functions involving fewer than 50 Department of Defense personnel. In doing so, the committee expects the Department of Defense to conduct a simplified cost comparison on these small functions to insure that cost data are fully considered in CITA decisions. Furthermore, the committee recommends a prohibition on the reorganization or modification of a commercial or industrial type function in order to gain an exemption from reporting requirements under this amendment.

This exclusion for small contracting out proposals will allow the Defense Department to concentrate its CITA management effort on conducting thorough reviews of larger functions where the potential for identification of substantial savings through CITA cost comparison procedures is greatest. The committee also recommends that the Office of Management and Budget revise OMB Circular A–76 to reflect these provisions.

TITLE VII—MILITARY TRAINING STUDENT LOADS

Background on Military Training Student Loads Authorization

Congress is required by law (Public Law 92–436) to authorize annually the average military training student loads. Training "loads" represent the average number of military personnel attending formal military training courses on any given day during the year. These loads do not include training conducted in the field or in combat units where personnel train as crews or units. Included are the following types of training:

(1) Recruit training includes all basic initial enlisted training for all services for both active and reserve components. In all services, it represents an introduction of the new enlisted man or woman into military life.

(2) Officer acquisition training includes training programs through which officers are procured, such as the Service Military Academies, the Reserve Officers Training Corps, Officer Candidate Schools and Enlisted Commissioning programs.

(3) Specialized training provides both officer and enlisted personnel with the skills and knowledge necessary to perform specific jobs or to operate or maintain specific pieces of equipment.

(4) The Army's One Station Unit Training (OSUT) program combines recruit training and initial skill training for certain skills into a single continuous course.

(5) Flight training provides the basic undergraduate flying skills for pilots, navigators and Naval Flight Officers. This category does not include the major formal advanced combat training programs which are beyond the scope of this authorization since they are conducted by and for operational units. However, some flight-related skills, such as the Air Force navigator, bombardier, and electronic warfare are included.

(6) Professional training includes military education, graduate education, degree completion education and professional development courses not leading to a degree. This training is accomplished at both military and civilian institutions and includes: Senior Service Schools, Staff Colleges, advanced degree programs, Department of Defense schools such as the Defense Systems Management School and enlisted leadership training.

Committee Recommendations

With the exception of the Air National Guard, and a separate authorization for Army One Station Unit Training, the committee recommends approval of the military training student loads as requested by the Department of Defense. As a result of additional technical training identified by the Air National Guard after submission of the budget, the committee recommends an Air National Guard training student load of 2,804 instead of 2,157. In addition, the Secretary of Defense shall adjust these training loads (except Army One Station Unit

Training) for the Army, Navy, Marine Corps, Air Force and Reserve components so that they are consistent with the manpower strengths authorized in Titles IV, V and VI of this bill. The committee recommendation is as follows:

MILITARY TRAINING STUDENT LOADS, FISCAL YEAR 1982, BY COMPONENT AND MAJOR TRAINING CATEGORY

	Recruit training	Army 1-station unit training	Officer acquisition training	Specialized skill training	Flight training	Professional development education	Total
Active Forces:							
Army	10,484	17,732	4,747	39,044	1,235	2,486	75,728
Navy	14,711	----------	6,197	39,968	2,283	1,974	65,133
Marine Corps	8,223	----------	258	8,512	607	648	18,311
Air Force	9,136	----------	5,960	24,680	2,950	3,663	46,389
Subtotal	42,554	17,732	17,162	112,204	7,138	8,771	205,561
Reserve Components:							
Army National Guard	2,756	2,374	45	4,523	91	52	9,841
Army Reserve	3,320	7,070	4	5,044	43	45	15,526
Naval Reserve	318	----------	39	668	----------	16	1,041
Marine Corps Reserve	1,640	----------	260	921	----------	14	2,835
Air National Guard	584	----------	----------	1,937	244	39	2,804
Air Force Reserve	397	----------	7	866	78	57	1,405
Subtotal loads	9,015	9,444	355	13,9-9	456	223	33,452
DOD total loads	51,569	27,176	17,517	126,163	7,594	8,994	239,013

Separate Authorization for One Station Unit Training

The committee recommends a separate authorization for the Army to be used solely for One Station Unit Training (OSUT). The OSUT training load recommendation by the committee is as requested by the Department of Defense.

The committee continues to support this more effective method of training which also saves manpower and funds.

TITLE VIII—ATTACK RELATED CIVIL DEFENSE

Background on Civil Defense Authorization

In 1976, the Federal Civil Defense Act of 1950 was amended by Public Law 94–361 to require annual authorization of appropriations for civil defense.

This year the committee held an open hearing and heard testimony from Federal Emergency Management Agency and Department of Defense witnesses on the fiscal year 1982 civil defense program.

Committee Recommendations

The administration has requested $132.842 million for the civil defense program, a 13-percent increase over the fiscal year 1981 funding level. The committee recommends that the administration's request be reduced by $6 million to $126.842 million. This $6 million reduction should be achieved in the following manner:

Reduction of $4 Million From Emergency Management Assistance

Emergency management assistance provides 50 percent of the Federal funding for State and local employees who deal with all types of emergencies, including but not limited to war-caused disasters. The budget request proposes to increase the number of employees in this program by 3,000. The $4 million reduction is recommended because of concern that a 52-percent increase in personnel in one year cannot be integrated into the civil defense program efficiently and effectively.

Reduction of $2 Million From Emergency Operating Centers

Emergency operating centers provide direction, control, and communications for attack-related as well as peacetime disasters. The Federal Emergency Management Agency (FEMA) has not defined clearly what can be accomplished with the requested funds. No specifics are included in the budget documentation on the number of facilities to be built or upgraded in either the fiscal year 1981 or 1982 program. Due to lack of specific information on what will be accomplished with these funds, the committee recommends a reduction of $2 million.

Revision to Statutory Language Concerning Personnel and Administrative Expenses

The administration's budget request includes a legislative proposal to increase the limitation for personnel and administrative expenses. Section 408 of the Federal Civil Defense Act of 1950 places a $40 million limitation on annual Federal contributions to the States for personnel and administrative expenses. The committee's fiscal year 1982 recommendation for expenditures under this section total $43 million. Therefore, the committee recommends that the limitation reflected in section 408 be increased from $40 million to $45 million.

Department of Defense and National Security Council Oversight of Civil Defense

In Executive Order 12148, President Carter directed that the civil defense policies and programs of the Federal Emergency Management Agency (FEMA) be subject to oversight by the Secretary of Defense and the National Security Council. In its report on the fiscal year 1980 Department of Defense Authorization Act, the Senate Committee on Armed Services expressed concern

> that the civil defense aspects of the newly integrated FEMA not become enmeshed in the disaster relief aspects of the agency's work to the point where legitimate national security needs are not met. The committee recommends that at an early point in preparing the budget request for FEMA for fiscal year 1981 and for each succeeding fiscal year, the FEMA administrator consult with and seek the advice of the Secretary of Defense regarding the program, budget, and policies of that portion of the proposed FEMA budget that relates to civil defense matters. Only through such consultation can the programs, policies, and budget of the new agency appropriately respond to civil defense needs. The committee expects the Secretary of Defense to establish a continuing and close relationship with the director to insure that civil defense programs are developed in full coordination with military needs and with overall national security policies.

The committee is concerned about the level of cooperation between FEMA and the Department of Defense. The committee urges FEMA to cooperate fully and to provide information concerning civil defense matters in a timely and ongoing fashion so that the Department of Defense can properly perform its important oversight function.

Uncertainty exists on the composition, level, and pace of the civil defense program. The committee urges FEMA, the Department of Defense and the National Security Council to work together to find a meaningful way to identify and to measure the progress of the civil defense program. Without quantifiable bench marks, the committee is concerned whether an expanded civil defense program can be adequately implemented and managed.

76-244 O - 81 - 10

TITLE IX—GENERAL PROVISIONS

Sec. 902. Report on Allied Contributions to the Common Defense

The Defense Authorization bill for fiscal year 1981 contained a provision expressing the sense of Congress that the NATO allies and Japan should increase their contributions to the common defense to levels more commensurate with their economic resources and that the President should seek from those allies greater acceptance of international security responsibilities and greater contributions to the common defense including, where appropriate, greater contributions to host nation support.

The provision in the fiscal year 1981 bill also required the Secretary of Defense to submit a report by March 1, 1981, addressing the issues of burden-sharing, real growth in defense spending, and implementation of common defense commitments by NATO member nations and Japan.

The required report has been received by the Congress. The committee found the report most useful in terms of its compilation of all factors that must be assessed in determining to what extent NATO nations and Japan have assumed fair and equitable shares of the mutual defense burdens.

The committee is concerned that insufficient progress has been made toward a more appropriate sharing of the defense burdens of major U.S. alliances. The committee intends to give this issue increased attention.

The committee continues to endorse the views that were expressed in last year's bill. Accordingly, the committee recommends that the same provision be included in this year's authorization bill. Furthermore, the committee recommends that the Secretary of Defense be required to submit by February 1, 1982, a report on allied contributions to the common defense similar to this year's report.

Sec. 903. Authorization of Other Procurement and Ammunition

In its deliberations concerning the readiness and sustainability of U.S. forces, the committee concluded that many items found in Other Procurement accounts, such as trucks, cargo handling equipment, and communications equipment, make a significant contribution to overall force capability. The committee also concluded that the development of a complete and sound defense program requires balanced attention to the type of equipment contained in Other Procurement accounts. The committee therefore recommends that funding for Other Procurement accounts require the authorization of the Committees on Armed Services beginning with fiscal year 1983.

The committee also received testimony indicating the importance of ammunition production and stockpiles as a prime factor influencing combat sustainability. The committee also received disturbing testimony indicating serious shortfalls in this area. In order to devote

closer attention to this vital area, and to place ammunition procurement in balance with combat force structure and modernization initiatives, the committee also recommends that funding for ammunition require authorization of the Committees on Armed Services beginning in fiscal year 1983.

Sec. 904. Repeal of Profit Limitations on Contracts for Aircraft and Naval Vessels

The Vinson-Trammell Act (Secs. 2382 and 7300 of Title 10, United States Code) was originally passed during the 1930's and imposes a profit limitation on contracts involving military ships and aircraft (or components thereof) of 10 percent and 12 percent, respectively. The Vinson-Trammell Act was in effect from 1934 through 1939 before World War II and for a short period thereafter, but was suspended by the enactment of the Renegotiation Acts in 1948 and 1951. Thus, the provisions of Vinson-Trammell were not in effect for some 28 years. It was only because of the expiration of the Renegotiation Act in 1976 that the provisions of the Vinson-Trammell Act automatically became effective once again.

A subcommittee of the Committee on Armed Services conducted 2 days of hearings on the Vinson-Trammell Act last year. The subcommittee heard testimony from representatives of the Defense Department, the Internal Revenue Service, the General Accounting Office, various members of Congress, industry trade groups, and individual defense contractors. In addition, the committee received numerous comments from companies subject to the Act. None of the witnesses (government or private sector representatives) advocated implementation of the Vinson-Trammell Act in its present form. Criticisms included (1) Vinson-Trammell applies only to ships and aircraft, and components thereof, thereby exempting a large portion of defense procurement from similar statutorily imposed profit limitations, (2) Vinson-Trammell calculated profit in a way which encourages increased costs and discourages contractor efficiency, (3) Vinson-Trammell requires many subcontracts to be split (i.e. certain parts are included in new ships and other parts of the same buy are included in the conversion of older ships, (4) Vinson-Trammell applies rigid profit limitations and does not account for the different profit situations which prevail in high technology and high risk industries, particularly as applied to subcontractors, (5) the $10,000 threshold, which represents a mid-1930's economy, is so low that it encompasses thousands of subcontracts and unnecessarily burdens small contractors despite a very limited prospect of recovering significant amounts of excess profits, and (6) the Vinson-Trammell Act would require difficult and costly reporting and record keeping requirements by the government and by thousands of businesses, particularly small contractors ill-equipped to handle this burden. The Internal Revenue Service testified that the cost of administering the Vinson-Trammell Act would be very substantial. The Department of Defense representatives testified that implementation of the Vinson-Trammell Act would cause a significant number of existing Defense contractors to refuse to fill future orders and would cause many other defense contractors to handle such orders only on a case-by-case basis rather than comply with the reporting and record keeping requirements of the Act.

Last year, Congress suspended any implementation of the Vinson-Trammell Act or regulations thereunder until September 30, 1981. Nonetheless, many companies are unable to determine their potential liability under the Act, if any, because no rules for computing profits have as yet been promulgated. This uncertainty has prompted accountants to require that such companies form contingency reserves or footnote their financial statements to reflect potential liability. Many companies, particularly small contractors, have simply not maintained the types of records that would permit them to reconstruct past Vinson-Trammell liability.

There appears to be a consensus among all of the witnesses who appeared before the subcommittee last year (both government and industry representatives) that the Vinson-Trammell Act in its present form does not serve the government's interests of preventing excessive profits and imposes unnecessary, costly and cumbersome regulatory burdens on both government and industry. Representatives from the Department of Defense, the Internal Revenue Service, the General Accounting Office, and the defense industry all recommended that the Vinson-Trammell Act be repealed. The Department of Defense has gone one step further by including a provision in its proposed fiscal year 1982 authorization bill which calls for the repeal of the Vinson Trammell Act. The committee finds that implementation of the Vinson Trammell Act serves no useful purpose and imposes an unnecessary regulatory burden on both the government and defense contractors. The committee, therefore, recommends that the Vinson-Trammell Act be repealed.

Sec. 905. Multiyear Contracts Involving the Department of Defense

The committee recommends a statutory provision which would permit expanded use of the multiyear contracting mechanism currently authorized by Section 1–322 of the Defense Acquisition Regulation. The committee also recommends the enactment of a statutory provision which would establish criteria to be applied by the Department of Defense in determining suitable candidates for multiyear contracts.

The committee believes that multiyear contracting can be a useful method of saving money in connection with certain types of Defense purchases. Regulatory authority for multiyear contracting for supplies has existed since 1963 and is currently reflected in Section 1–322 of the Defense Acquisition Regulation ("DAR"). However, use of this authority has been hampered by the ceiling of $5 million on contract cancellation charges payable under multiyear contracts. *See* Section 810, P.L. 94–106, 89 Stat. 43 (October 7, 1975). The Administration requested removal of this ceiling entirely. The committee proposes raising the ceiling from $5 million to $50 million. This will give the Department of Defense some immediate flexibility in the use of the multiyear contracting method in the DAR.

The committee recognizes that there may be candidate programs for fiscal year 1983 which would require cancellation charges to exceed $50 million in both recurring and non-recurring costs. The committee, therefore, requests the Secretary of Defense to designate in each Department of Defense annual authorization request those programs which, in his judgment, are suitable candidates for multiyear contracts.

The committee will then consider whether such programs should be exempted from the restrictions currently imposed by Section 810.

The committee also recognizes that not all programs are suitable candidates for multiyear contracting. Procurements must be carefully selected to avoid the invocation of cancellation or termination clauses which could result from changes in design or quantities to be procured. Therefore, the committee has recommended enactment of a statutory provision which sets forth criteria which shall be applied in determining candidates for multiyear contracting.

Sec. 906. Prohibition on Use of Funds to Relieve Economic Dislocations

The committee recommends the enactment of a statutory provision which would prohibit the use of funds appropriated to or for the use of the Department of Defense, in connection with any contract awarded by that Department, to pay a price differential for the purpose of relieving economic dislocations.

The committee's proposal embodies a principle which has governed Department of Defense contracting annually since 1953. Popularly known as the Maybank amendment. after former Senator Maybank, the committee's provision would help ensure competition and lower costs for the Department of Defense by prohibiting the Department from paying higher prices so that contracts could be set aside especially for areas of high unemployment (labor surplus areas) designated by the Department of Labor.

First and foremost, the committee believes that the issue of whether there should be an opportunity for nationwide geographical competition for Defense procurement or geographical restrictions to relieve economic distress in labor surplus areas is clearly a matter of defense procurement policy which it is entirely appropriate for this committee to address. Second, the committee remains convinced that sound Defense procurement policy requires the broadest opportunities for competition. Thus, the tenets of the Maybank amendment should be embodied in permanent law.

The committee notes that the principles reflected in the Maybank amendment have not prevented the Department of Defense from making very meaningful business contributions to areas of economic distress. In fiscal year 1980, for example, some $25.1 billion in Defense prime contract dollars, constituting 37% of all such Defense contract dollars awarded, went to firms in labor surplus areas.[3] And these labor surplus areas constitute roughly only one-quarter of the 4,092 labor market areas which the Department of Labor monitors. Billions more Defense dollars went to areas with unemployment rates just below the current labor surplus area qualifying level (7.2%).

The committee is well cognizant of the public's continued concern for the most economic and efficient use of Defense expenditures. The new administration shares this concern and the Secretary of Defense told the committee that he strongly favored retention of the Maybank amendment in its original form.

[3] Awards valued in excess of $10,000 for performance in 50 States, the District of Columbia and Puerto Rico according to labor surplus areas in existence as of February 1, 1981. Source: Department of Defense.

The committee finds that all of the reasons underlying that original form are relevant today. The committee's proposal protects against the reduced competition and increased costs which inevitably would result if Defense contracts were set aside solely for firms located in labor surplus areas. The most effective and efficient bidders might be prevented from bidding on Defense awards limited to labor surplus area firms. The principle embodied in the committee's proposal also protects billions of dollars in contracts awarded to small businesses in open competition with large businesses; greater use of labor surplus area set asides would mean a preference for large businesses in such areas. The committee's proposal also protects against the politicization of the Defense procurement process, a phenomenon which is likely to ensue if representatives of labor surplus area businesses are permitted to press for contract set asides to assist their locales. Finally, the committee proposal would avoid a geographical shift of defense related jobs and skills, both inter- and intrastate, which would occur if the restrictions of the Maybank amendment were relaxed. Such shifts would not, in the committee's view, result in greater numbers of jobs for the unemployed. Any resulting increases in unemployment in the labor surplus area would in all likelihood be offset by losses in areas where the "shifted" work had formerly been performed.

The principles embodied in the Maybank amendment have withstood the test of time. The committee strongly believes these principles reflect sound procurement policy which should be permanently placed in law.

Sec. 907. Procurement of Automatic Data Processing (ADP) Equipment

In their report on "Recent False Alerts from the Nation's Missile Attack Warning System" printed in October 1980, Senators Hart and Goldwater called attention to the age of key components of the automatic data processing equipment (ADPE) associated with the U.S. strategic warning network. In addition, the Hart-Goldwater report noted that "delays and technical obsolescence are guaranteed in updating and modernization of the system." Senators Hart and Goldwater recommend that "action be taken to exempt acquisition of automatic data processing equipment for the missile attack warning mission from the procurement procedures now employed by the Federal Government."

In addition to its own voluminous regulations governing procurements for the Armed Services, the Department of Defense must acquire automatic data processing equipment and related services in conformity with a host of other statutory and regulatory strictures. The cumulative effect of these numerous, often overlapping and redundant provisions is to preclude the timely and efficient procurement of new computers and other ADPE upgrades. A series of studies, including the President's Reorganization Project, the House Appropriations Committee report on the fiscal year 1981 Department of Defense Appropriation bill, a Government Accounting Office report of December 15, 1980, and an analysis of the National Academy of Public Administration, have identified this acquisition process as contributing to the "technological obsolescence of a large part of the Federal Government's equipment inventory."

The committee believes that the redundant and time-consuming reviews and procedures entailed in the procurement of defense auto-

matic data processing equipment and ADP services are not in the national interest. Beyond encouraging the acquisition of obsolescent equipment, the effect on the Department of Defense of Federal Government ADP procurement regulations has been essentially threefold:

(1) *They induce monetary inefficiencies by making it difficult for the armed srevices to obtain fewer and less costly ADPE and services.*—In a pennywise and pound-foolish way, these regulations require the competing of new procurements even where the costs of doing so greatly exceed the savings to be realized by such competition. As a recent Government Accounting Office report put the issue: "The purpose of competition is not to insure that all vendors face exactly the same odds in competing for government contracts. Rather, the purpose is to insure that the government obtains its minimum requirements at the lowest cost." The committee fully supports the principle of competition calculated upon lowest total overall cost and believes that the acquisition strategy for defense ADP equipment and services should be based on this principle.

(2) *Federal regulations remove the ADP procurement decisionmaking process from the Service level where knowledge and understanding of the operational requirements resides, and place it within ADP bureaucracies of the General Services Administration and the Office of Management and Budget not familiar with these requirements.*—In particular, GSA has, as a practical matter, taken on important national security responsibilities about the need for ADP upgrades and the nature of the equipment required to meet that need.

(3) *Significant and unnecessary time and personnel costs are incurred in the course of most ADP procurements.*—The committee is pleased to note that, under extraordinary circumstances—such as the establishment of the NORAD offsite test facility (OSTF) following several false alerts in the strategic warning system—rapid acquisition of ADPE can be effected within the present regulatory framework. Unfortunately, the acquisition of the OSTF in a timely fashion required the personal involvement of senior Defense Department officials. This example, while commendable and necessary under the circumstances, can hardly be considered to be a model for the routine processing of less urgent, but nonetheless important, ADP procurement programs. Without high-level intervention, in the vast majority of such acquisitions, the time and energy of uniformed and civilian personnel is squandered in complying with needless paperwork required by Federal regulations.

The committee finds that the national defense would be better served by a more streamlined procurement process for automatic data processing equipment and ADP services, particularly when such procurement is in support of key mission functions. The committee is recommending statutory language which insures that the regulations governing ADP acquisition by the Department of Defense for their critical defense missions be limited to those applying to other Department of Defense procurement under Title 10 of the United States Code. It is the intention of the committee that, to the maximum degree feasible, consistent with national security priorities, the Department of Defense shall undertake to acquire ADP through competitive procedures, taking account of lowest total overall cost.

Sec. 908. Requirements Relating to Sole-Source Contracts Awards

By adopting a statutory provision which requires a 30-day public notice prior to the award (with certain exceptions) by the Department of Defense of sole-source contracts involving amounts in excess of $100,000, the committee is expressing its firm belief in the value of competition to produce needed savings through federal contracting reforms. Defense procurement exceeded $80 billion in fiscal year 1980, $30.6 billion of which was through sole source contract awards. This figure excludes sole-source contracts awarded as a follow-on to earlier price, design or technical competition.

It is the committee's intent that the Department continue to award sole-source contracts only to the extent that such contracts are the most practical method of contracting for the particular procurement item or service. The committee is aware that the Department of Defense must be permitted certain flexibility in its contracting procedures. The statutory provision recommended by the committee represents the committee's concern for preserving this flexibility while at the same time promoting competition to the maximum extent possible.

The committee understands that the approval provision provided in subsection (a)(4) of the committee's statutory proposal supplements existing Department regulations requiring certain levels of approval for sole-source contracts over $10,000. The committee does not intend those regulatory provisions to be preempted or revoked by this statutory requirement. More importantly, the committee fully intends that the existing review and approval requirements be stringently adhered to in the consideration of sole-source contract awards that fall within the scope of exceptions to the approval and publication requirements of this statutory provision.

The Secretary of Defense should take appropriate action to ensure that competition is obtained whenever reasonably possible during the consideration of a sole-source contract award.

The committee also directs the Secretary of Defense to report to the Committees on Armed Services of the House of Representatives and the Senate as to each contract for which a waiver was exercised by the Secretary for national security reasons under the authority of subsection (b)(1) of the committee's proposed statutory provision.

Sec. 909. Contingent Once-a-Year Adjustment of Retired and Retainer Pay

Under current law, military retirement and retainer pay is adjusted semi-annually on March 1 and September 1 of each year by the percentage increase that has occurred in the Consumer Price Index over the preceding six-month period.

The Department of Defense Authorization Act of 1981 provided a once-a-year cost-of-living adjustment (COLA) of military retirement pay contingent upon a similar change in Federal civil service retirement pay. The semi-annual basis of the COLA for civil service retirement pay has not been changed. Accordingly, military retirement pay continues to be adjusted twice-a-year for the increase in the cost-of-living.

The committee recommends reenactment of the annual COLA provisions with minor technical changes related to cross references. The committee's action is in response to recommendations contained in the fiscal year 1982 Budget Reconciliation Bill.

Sec. 910. Requirement for Reduction in the Number of Senior-Grade Civilian Employees of the Department of Defense

Section 811 of the Department of Defense Authorization Act of 1978 (Public Law 95–79) mandated a 6 percent reduction in onboard civilians in grades GS–13 through GS–18 by September 30, 1980. The Department of Defense Authorization Act of 1980 (Public Law 96–107) granted a one-year extension to achieve the 6 percent reduction. The Department of Defense Authorization Act of 1981 required that only 4 percent of the original 6 percent reduction be accomplished by the end of fiscal 1981. The remaining 2 percent reduction must be accomplished by September 30, 1982. The Department of Defense has requested that this reduction be repealed.

Although the total number of civilians in the Department of Defense decreased by 16 percent between 1964 and 1980, this was accomplished by large reductions in blue collar and foreign indirect hire personnel. The number of white collar employees increased by 9 percent; the number in grade GS–13 increased by 37 percent (+26 percent change in GS–13 distribution); the number in grade GS–14 increased by 21 percent (+11.2 percent change in distribution); and the number in grade GS–15 increased by 17 percent (+7.4 percent change in GS–15 distribution).

Some progress has been made in reducing the number of high grade civilians, particularly in the Navy. Part of the growth in civilian grades reflects a shift to occupational fields requiring more complex skills and advanced training. However, part of this increase—so-called "grade creep"—reflects unwarranted increases in support and headquarters functions.

The committee continues to believe that improvements are needed in the efficient management of civilian personnel and is concerned over the large increases in the number of GS–12 personnel over the past 3 years.

The committee believes that it is essential that the civilian manpower force be managed in a more efficient and economical manner. In the past, various methods of controlling personnel costs have been imposed on Federal managers due to the absence of demonstrated effective position management by the executive branch. These methods have included limits on hiring, freezes on hiring, budget cuts and reductions, or rollbacks in grade levels. Although such controls have achieved partially the goal of position management (which is to operate more economically), the committee finds that over the long run improved personnel management at all locations can only be achieved with a sound and enforceable position management program. Such a program must include specific requirements with respect to, (1) review of career ladders, (2) identifying position management as a critical element in the evaluation of first-line supervisors and managers, and (3) periodic and frequent indepth classification audits of groups of positions. The committee strongly recommends that the Department of Defense revise its Position Management Directive to encompass these guidelines. The committee requests that the Department of Defense report on the implementation of this new position management program by December 31, 1981, and recommends that the 6 percent reduction in these grades be suspended until September 30, 1982.

Sec. 911. Department of Defense Civilian Personnel Management Constraints

Over the past several years the committee has considered various methods to insure that civilian manpower levels are managed in an effective and efficient manner. Since fiscal year 1975, Congress has authorized civilian end-strengths, and the fiscal year 1978 and subsequent Defense Authorization Acts have mandated reductions in the number of high-grade civilians. Congress also authorizes appropriations for operations and maintenance accounts, which fund the majority of Department of Defense civilians.

The committee is aware that under the direction of the Office of Management and Budget the Department of Defense plans to begin implementation of "work-year" controls on civilian personnel on October 1st. The committee notes that there already exist several methods by which civilian personnel levels are managed, and the committee is not yet fully convinced that additional work-year controls are necessary or desirable.

In particular, the committee is concerned about the ability of activities engaged in maintenance, construction and repair, such as shipyards, to meet fluctuating workloads which may, in fact, exceed the average workload level provided for under work-year guidance from OMB. The committee believes there must be adequate flexibility for the Department of Defense to meet changes in operational force requirements, demands for emergency repairs, or changes in work schedules driven by unprogramed delays in delivery of parts and equipment.

The committee therefore recommends that no work-year ceiling be applied to the Department of Defense. The committee directs the Department of Defense to submit a report to the Armed Services Committees, no later than December 15, 1981, analyzing the impact of such controls on the civilian workforce.

In particular, the report should examine the impact on the ability of the civilian workforce to manage and implement assigned workloads in shipyards and other activities engaged in maintenance, construction and repairs. The status and impact of other constraints on civilian manpower should also be included.

Sec. 912. Liability of the United States Under Certain Circumstances for Tort Actions of Members of the National Guard

The committee adopted bill language which, in effect, would extend the benefits of the Federal Tort Claims Act to National Guard personnel while they are engaged in training activities prescribed and authorized by Title 32, United States Code. Existing legislation, the National Guard Claims Act, provides more limited protection and can be administratively slow and cumbersome.

The committee believes that members of the National Guard, while engaged in the training activities contemplated in Title 32, are entitled to the same coverage provided under the Federal Tort Claims Act. The Senate passed a bill amending the Federal Tort Claims Act last year, but the House did not act.

The committee's proposal would not specifically amend the Federal Tort Claims Act, an approach that the Department of Justice opposed last year because it would establish a "master/servant relationship"

between National Guard members, engaged in covered activities, and the Federal government.

Rather, the committee recommends amendments to Sections 3686 and 8686 of Title 10, United States Code. Those amendments merely permit the United States to be held liable, to the same extent as under the Federal Tort Claims Act, for property damage, personal injury or death caused by the tortious acts of National Guard personnel while they are performing services under Title 32 or any other services for which they are entitled to, or have waived, pay under Title 37, United States Code. This remedy would be essentially the same as the remedy provided by the Federal Government in applying the Federal Tort Claims Act to the pharmaceutical houses which produced the vaccine for the swine flu vaccination program. A provision similar to that proposed in this bill was contained in the Swine Flu Act.

In the committee's view, it is only fair that National Guard personnel and private citizens be protected by the same benefits afforded by the Federal Tort Claims Act. Annual costs are not expected to exceed $700,000 in fiscal year 1982 or equivalent adjusted sums in the outyears.

Sec. 913. Establishing by Law the Position of the Director of the Defense Security Assistance Agency

The Department of Defense's program and the U.S. security assistance program have become substantially interrelated. The following security assistance issues need to be examined in the context of the U.S. military program:

—the impact of foreign sales on the ability to equip and make ready U.S. military forces and on the reduction of weapons development and acquisition costs

—the impact of co-production agreements on the U.S. defense industrial base

—the risks and benefits of exporting our most advanced military technology

—the capacity of U.S. allies and friends to effectively operate sophisticated equipment

—the military manpower requirements of the security assistance program

The responsibility for the policy formation of the security assistance program lies with the Secretary of State. The responsibilities for implementation of the U.S. security assistance program have been delegated by the Secretary of Defense to the Director of the Defense Security Assistance Agency. Given the impact of the security assistance program on those defense programs for which the Armed Services Committees have authorizing authority, the committee recommends that the appointment of the Director, Defense Security Assistance Agency be made by and with the advice and consent of the Senate.

National Guard Report

Sec. 914. Requirement for Annual Report on National Guard and Reserve Component Equipment

The committee recommends a statutory provision which would require an annual report, by each February 15th, covering each of the

three succeeding fiscal years, on the equipment of the National Guard and Reserve components of the Armed Forces.

The committee strongly believes that well-equipped National Guard and Reserve components are essential to U.S. military preparedness. The report required by the bill will provide the committee and the Congress important information on the existing and future equipment needs of the major elements of our Reserve components. Such information is vital to effective congressional decisionmaking on equipping our Reserve forces.

Sec. 915. Authorization of Military Cooperation With Civilian Law Enforcement Officials

The committee recommends the enactment of a statutory provision which would clarify and reaffirm the authority of the Secretary of Defense to provide indirect assistance to civilian law enforcement officials, consistent with the principles established in the Posse Comitatus Act. (18 U.S.C. § 1385 (1976)).

The Posse Comitatus Act, enacted in 1878, embodies the inveterate and traditional separation between the military's mission and civilian law enforcement efforts. The committee recommendation would not alter that fundamental principle—military forces do not and should not provide direct assistance (e.g., search and seizure, arrest) to civilian law enforcement officials, except in accordance with the express legislative exceptions to the Posse Comitatus Act. Indeed, the committee's provision requires the Secretary of Defense to issue regulations to insure that this long-standing principle is continued.

However, the Department of Defense historically has provided some forms of indirect assistance to civilian law enforcement officials within the framework of the Posse Comitatus Act. For example, the Department has permitted customs officials to accompany routine military operations and share relevant information gathered in the course of these operations. The Department has also loaned military equipment for use by civilian law enforcement agencies. But due to the age of the Posse Comitatus Act and its rather vague legislative history on the subject of indirect aid, court decisions have failed to outline uniformly the precise limits of permissible indirect assistance. This diverse guidance has created some uncertainties as to the authority of the Department of Defense to provide such aid.

The committee recognizes that the Department of Defense is primarily concerned with military preparedness. But the committee believes that, where available, indirect assistance by the Department of Defense can help civilian law enforcement officials, especially in the area of drug enforcement. For example, the loan of equipment or access to base or research facilities, where it does not interfere with military preparedness, would avoid cost duplication in buying and maintaining such equipment and facilities.

Therefore, the committee recommends clarifying and reaffirming the authority of the Secretary of Defense—

(1) to provide to Federal, State and local law enforcement officials any information collected by military personnel (while such personnel are operating military equipment or otherwise) during the normal course of military operations. The existing practice of permitting

civilian law enforcement officials to accompany such operations to facilitate information sharing also is contemplated.

(2) to make available to such officials (generally on a loan or access basis) equipment or facilities, where such availability will not adversely affect U.S. military preparedness. The sale, donation or other outright transfer of such equipment to civilian law enforcement agencies shall be in accordance with existing statutes covering such transfers.

(3) to authorize assignment of members of the Armed Forces to train civilian law enforcement officials in the operation of loaned equipment and provide relevant expert advice, where such training and advice do not adversely affect U.S. military preparedness.

The Secretary of Defense would be authorized, not required, to provide this aid. And the Department of Defense could obtain reimbursement for any assistance provided when the Secretary determined such reimbursement was appropriate.

The committee's recommendation would neither enhance nor increase the authority of the military to gather or obtain intelligence information. The provision merely clarifies and reaffirms present law and codifies those decisions (concerning indirect assistance by the military) which permit the military to disseminate information (such as the movement of ships and planes likely to be transporting narcotics) to civilian law enforcement officials which it receives in the routine course of military business.

There have been a number of express exceptions to the Posse Comitatus Act.[2] So there is ample precedent for a provision which merely clarifies and reaffirms the authority of the Secretary of Defense under that statute. The Department of Defense and Department of Justice support the committee proposal.

The committee believes its recommendation will protect federal personnel from potentially disparate court opinions by clarifying and reaffirming the existing authority of the Secretary of Defense. At the same time, the committee's proposal will preserve the traditional and proper separation between military missions and civilian law enforcement activities.

Sec. 916. Enforcement of Selective Service System Registration

Last year, the Congress voted to resume male registration under the Military Selective Service Act to enhance the mobilization capability of the United States. This step was and remains essential, especially in light of the current and projected shortages of trained military manpower that would be available in the event of a national emergency.

The results of Selective Service registration to date are encouraging and the committee applauds this effort. However, the committee also recognizes that the continuing registration now in place will not be

[2] *See, e.g.*, 10 U.S.C. Sections 331–334 (1976) (Suppression of insurrections and other unlawful combinations under specified circumstances) ; 16 U.S.C. Section 23, 78 (1976) (Protection of federal parks) ; U.S.C. Sections 112, 1116 (1976) (Protection of foreign officials, official guests, and other internationally protected persons) ; *id.* Section 351 (Crimes against members of Congress) ; 22 U.S.C. Sections 408, 461–462 (1976) (Enforcement of neutrality laws) ; 25 U.S.C. Section 180 (1976) (Removal of persons engaged in unlawful activities on lands belonging to Indian tribes) ; 42 U.S.C. Section 97 (1976) (Execution of quarantine and health laws) ; *id.* Section 1989 (Execution of warrants relating to enforcement of certain civil rights laws) ; *id.* Section 3756 (Loan of services, equipment, personnel, and facilities to the Law Enforcement Assistance Administration) ; 43 U.S.C. Section 1065 (1976) (Removal of unlawful enclosures from public lands) ; 48 U.S.C. Section 1418 (1976) (Protection of the discoveries of a guano island) ; 50 U.S.C. Section 220 (1976) (Enforcement of the customs laws).

able to achieve a long-term record of success unless a legally viable and effective enforcement mechanism is in place. A recent court decision, currently in the appellate process, has left the Selective Service enforcement process in doubt. The committee believes this situation is detrimental to the national security and believes the Selective Service System requires the authority to conduct an effective compliance program.

Past compliance programs cannot be applied under the current system because local draft boards have not been activated, and therefore cannot actively enforce compliance during a peacetime registration. According to the Selective Service, therefore, the most efficient and effective program for the identification of non-registrants involves a comparison between the list of actual registrants with a list or lists of those who would appear to be subject to the legal requirement to register. According to the Director of Selective Service, the most comprehensive list of potential registrants is the Social Security file.

In the view of the Selective Service System, it is essential that the list of registrants be matched by Social Security number with Social Security records by year of birth for the purpose of identifying those who apparently violated the Military Selective Service Act. The next step would involve obtaining the current addresses of non-registrants from the Internal Revenue Service (IRS) because the addresses contained in the Social Security file are generally not current. The acquisition of current addresses from IRS files is currently authorized by the U.S. Code which, in 26 U.S.C. and 6103(i)(2), explicitly states that a taxpayer's name and address are not treated as taxpayer return information when an agency head requests them for use in an administrative or judicial proceeding. In fact, many government agencies utilize this IRS information for several purposes and the IRS utilizes the Social Security file for income tax enforcement.

Once the names and current addresses of non-registrants are ascertained, the Director of Selective Service would then contact those non-registrants and apprise them of their status. Should the individual involved then fail to register as required following this initial notice, the Director of Selective Service will then forward the case to the Attorney General and request that appropriate legal proceedings be initiated.

The U.S. District Court for the District of Columbia ruled on November 24, 1980, that the Selective Service System was not entitled to require registrants to provide Social Security Account Numbers because of the Privacy Act of 1974. If sustained, this ruling would seriously compromise a program to identify those who have violated the Military Selective Service Act. However, the Court noted, "The Court is well aware of the impact of this decision. There is an obvious need for verification of identity by Social Security number in this instance." Although this decision is being appealed and a stay has been granted to allow the Selective Service System to continue gathering Social Security numbers during the appellate process, the committee feels that it is essential to remove any ambiguity in this regard immediately and state in law the necessary provision to promote an effective compliance program.

The committee intends that this new authority will be used to enforce requirements for individuals to present themselves for face-to-

face registration. In past years, there have been suggestions that individuals could be registered by matching computer lists or other methods not requiring a face-to-face registration. There is no authority in the committee amendment for the routine registration of individuals from a list or lists of those subject to registration.

The committee notes that, because of the aforementioned judicial stay allowing continued collection of Social Security numbers, the Selective Service System has the authority at this time to conduct their registration enforcement program. The agency has not done so to date and the committee notes this inaction with displeasure and urges the process to begin without further delay.

The committee concurs with the Director of Selective Service in the belief that a failure to register is not a victimless crime in that the registration pool is reduced on a one-to-one basis by those who do not register. The outgrowth of a failure to register would be that the person who obeyed the law would increase his probability of being drafted in time of national emergency while the non-registrant would be without obligation by virtue of having broken the law. A failure to register is a criminal offense punishable by a fine of up to $10,000 or imprisonment for up to 5 years or both.

It is the committee's judgment that the registration program is essential to the national security and that a vigorous enforcement process is mandatory for its continued success.

Requirement for Reduction in the Number of General and Flag Officers

Section 811 of the Department of Defense Authorization Act of 1978 (Public Law 94–79) directed a reduction in general/flag officer strength by 6 percent to a level of 1,073 officers by the end of fiscal year 1980. In addition, a report concerning the impact of these reductions was solicited. The Department of Defense reduced its fiscal year 1980 planned strength in these communities by 2 percent in fiscal year 1978 and submitted a report to the committee requesting relief from further reductions based on its assessment of existing requirements and the validity of its requirements determination process. The Department of Defense Authorization Act of 1981 granted a one year extension to achieve the 6 percent reduction. The committee requested a report by the Secretary of Defense by March 1, 1981, on the reallocation of 24 flag and general officer positions, as well as legislative recommendations designed to repeal all minimum grades for flag officers in current law, to initiate a program requiring the Secretary of Defense, to review 25 percent of all flag and general officer positions annually, and to certify to Congress on the continued need for these positions.

To date the Secretary of Defense has not submitted this legislative proposal nor the methodology to review 25 percent of all flag and general officer positions annually. The Department of Defense advised the committee that it has reviewed 114 positions this past year and reallocated 17 positions.

The committee believes that comprehensive legislation and congressional oversight is the best means of controlling the strength and management of flag and general officer positions. Upon submission of this proposed legislation together with a detailed explanation of its application, the committee will consider appropriate action on the mandated reductions of flag and general officers.

Sec. 918. Department of Defense Assistance to Yorktown Bicentennial Celebration

October 19, 1981 marks the 200th Anniversary of the surrender of Lord Cornwallis to General George Washington at Yorktown, Virginia. The Yorktown Bicentennial Committee has planned various historical displays, performances, and other festivities to commemorate this very meaningful day in our nation's history. In an effort to assist in this effort, the Committee recommends that the Secretary of Defense be authorized to provide logistical support and personnel services including medical services, transportation, communications, and security for the Yorktown Bicentennial Celebration. In addition, the Committee recommends that the Secretary be authorized to lend and provide equipment and such other services as he deems necessary and appropriate. It is the Committee's recommendation that the cost of such assistance be limited to $750.000 in fiscal year 1982, with an additional requirement that such funds be appropriated.

The use of Armed Forces personnel and equipment should only be for specialized services that are uniquely within the confidence of the the Department of Defense. It is not intended that Armed Forces personnel will be used for the construction of facilities or as a replacement for services available from civilian sources.

DEPARTMENTAL RECOMMENDATION

GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE,
Washington, D.C., March 25, 1981.

Hon. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is forwarded herewith legislation, "To authorize appropriations for fiscal year 1982, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, and for other purposes."

This proposal is part of the Department of Defense legislative program for the 97th Congress and the Office of Management and Budget has advised that enactment of the proposal would be in accordance with the program of the President. This proposal is being sent to the Speaker of the House of Representatives.

Title I provides procurement authorization for the military departments and the Defense agencies and for the United States share of the cost of the acquisition of the Airborne Early Warning and Control System by the North Atlantic Treaty Organization in amounts equal to the budget authority included in the President's budget for fiscal year 1982. It also contains a provision that permits the waiver of certain costs and assumption of certain liability during fiscal year 1982 in connection with the NATO AWACS program.

Title II provides for the authorization of each of the research, development, test, and evaluation appropriations for the military departments and the Defense Agencies in amounts equal to the budget authority included in the President's Budget for fiscal year 1982. The authorization contains a provision that authorizes the appropriation of funds that are necessary to cover increased pay costs and other employee benefits to preclude the necessity of submitting a request for a supplemental authorization for such nondiscretionary personnel costs. Section 202 would repeal the requirement for an annual report concerning independent research and development or bid and proposal costs that is contained in section 203(c) of Public Law 91–441, October 7, 1970, the Department of Defense Authorization Act for 1971.

Title III provides for a lump-sum authorization for the operation and maintenance of the Army, Navy, Marine Corps and Air Force, including their reserve components, and for the Defense Agencies as required by the amendments made to section 138(a) of title 10, United

76-244 O - 81 - 11

States Code in section 1001 of the Department of Defense Authorization Act, 1981. Included within this lump-sum is authorization for appropriations for the National Board for the Promotion of Rifle Practice, Army; Claims, Defense; and Court of Military Appeals, Defense. It also contains a provision that repeals the reporting requirement contained in subsection (e) of section 138 of title 10 that was added to that section by section 1001 of the Department of Defense Authorization Act, 1981. The authorization contains a provision that authorizes the appropriation of funds that are necessary to cover increased pay costs and other employee benefits to preclude the necessity of submitting a request for a supplemental authorization for such nondiscretionary personnel costs.

Title IV prescribes the end strengths for active duty personnel in each component of the Armed Forces as required by section 138(c)(1) of title 10, United States Code, in the numbers provided for by the budget authority and appropriations requested for these components in the President's Budget for fiscal year 1982.

Title V provides for average strengths of the Selected Reserve of each Reserve component of the Armed Forces as required by section 138(b) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's Budget for fiscal year 1982. Within the average strengths of the Selected Reserve, Title IV also prescribes the end strengths for Reserve component members on full-time active duty for the purpose of administering the Reserve forces. Language has been added that would permit an increase of not more than five percent of such members upon a determination by the Secretary of Defense that such action is in the national interest. Title V also contains a provision that suspends the limitation contained in section 517(b) of title 10, United States Code, on the number of enlisted personnel in pay grades E–8 and E–9 who support the reserve components and the limitation contained in section 524(a) of title 10, United States Code, on the number of Majors, Lieutenant Colonels and Colonels in the Army and Air Force who support the reserve components. New limitations, which increase the number of personnel in those grades who may be serving on active duty, are provided so that proposed expansion of the programs in support of the reserve components for fiscal year 1982 may be accommodated.

Title VI provides for civilian personnel end strengths for each component of the Department of Defense as required by section 138(c)(2) of title 10, United States Code, in the numbers provided for by the budget authority in appropriations requested for the Department of Defense in the President's Budget for fiscal year 1982.

Title VII provides for the average military training student loads as required by section 138(d)(1), of title 10, United States Code, in the numbers provided for this purpose in the President's Budget for fiscal year 1982.

Title VIII consists of five General Provisions. Section 801 would amend the Department of Defense Appropriation Authorization Act, 1976, by repealing the $5,000,000 cancellation charge ceiling on multiyear procurement contracts that is contained in section 810 of that Act. Section 802 would amend section 811 of the Department of Defense Appropriation Authorization Act, 1978, by repealing the requirement

for a reduction in the number of generals, admirals and senior-grade civilian employees of the Department. Section 803 would amend section 8358 of title 10, United States Code, relating to basic and applied scientific research, to make it clear that such research may be conducted by grant as well as by contract. Section 804 would repeal the limitation on the enlistment and induction of persons whose score on the Armed Forces Qualification Test is below a certain level. Section 805 would repeal sections 2382 and 7300 of title 10, United States Code, commonly referred to as the profit limitation provisions of the Vinson-Trammell Act of 1934. These provisions were suspended by section 1005 of the Department of Defense Authorization Act, 1981 to eliminate the contingent liabilities arising under the Vinson-Trammell Act while alternative profit limitation systems were considered. The profit limitation provisions of the Vinson-Trammell Act are inequitable and outmoded and there is no reason to continue them in effect when the suspense expires on October 1, 1981.

Sincerely,

L. NIEDERLEHNER,
Acting.

[Enclosure.]

A BILL To authorize appropriations for fiscal year 1982, for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, for research, development, test, and evaluation, and for operation and maintenance for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Department of Defense Authorization Act, 1982".

TITLE I—PROCUREMENT AUTHORIZATION OF APPROPRIATIONS

SEC. 101. Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons, as authorized by law in amounts as follows:

AIRCRAFT

For aircraft: for the Army, $1,797,400,000; for the Navy and the Marine Corps, $9,352,500,000; for the Air Force, $14,751,898,000.

MISSILES

For missiles: for the Army, $2,842,500,000; for the Navy, $2,555,000,000; for the Marine Corps, $223,024,000; for the Air Force, $4,658,246,000.

NAVAL VESSELS

For naval vessels: for the Navy, $10,290,100,000.

TRACKED COMBAT VEHICLES

For tracked combat vehicles: for the Army, $3,487,300,000; for the Marine Corps, $281,739,000.

TORPEDOES

For torpedoes and related support equipment: for the Navy, $516,600,000.

OTHER WEAPONS

For other weapons: for the Army, $655,400,000; for the Navy, $200,200,000; for the Marine Corps, $136,344,000; for the Air Force, $3,047,000.

AUTHORIZATION OF APPROPRIATIONS FOR CONTRIBUTION TO AIRBORNE WARNING CONTROL SYSTEM (AWACS) FOR NATO

SEC. 102. There is authorized to be appropriated for fiscal year 1982 the sum of $358,200,000 to be available only for contribution by the United States of its share of the cost for such fiscal year of acquisition by the North Atlantic Treaty Organization of the Airborne Early Warning and Control System.

CERTAIN AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AIRBORNE WARNING AND CONTROL SYSTEM (AWACS) PROGRAM

SEC. 103. (a) During fiscal year 1982, the Secretary of Defense, in carrying out the Multilateral Memorandum of Understanding Between the North Atlantic Treaty Organization (NATO) Ministers of Defense on the NATO E–3A Cooperative Programme, signed by the Secretary of Defense on December 6, 1978, may—

(1) waive reimbursement for the cost of the following functions performed by personnel other than personnel employed in the United States Air Force Airborne Warning and Control Systems (AWACS) program office:

(A) auditing;
(B) quality assurance;
(C) codification;
(D) inspection;
(E) contract administration;
(F) acceptance testing;
(G) certification services; and
(H) planning, programming, and management services;

(2) waive any surcharge for administrative services otherwise chargeable; and

(3) in connection with the NATO E–3A Cooperative Programme for fiscal year 1982, assume contingent liability for—

(A) program losses resulting from the gross negligence of any contracting officer of the United States;

(B) identifiable taxes, customs duties, and other charges levied within the United States on the program; and

(C) the United States share of the unfunded termination liability.

(b) Authority under this section to enter into contracts shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION—AUTHORIZATION OF APPROPRIATIONS

SEC. 201. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States for research, development, test, and evaluation, as authorized by law, in amounts as follows:

For the Army, $3,905,200,000; for the Navy (including the Marine Corps), $6,086,371,000; for the Air Force, $9,398,100,000; for the Defense Agencies, $1,934,400,000 of which $53,000,000 is authorized for the activities of the Director of Test and Evaluation, Defense.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1982, such additional sums as may be necessary for increases in salary, pay, retirement and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in this title.

REPEAL OF REQUIREMENT FOR ANNUAL REPORT ON INDEPENDENT RESEARCH AND DEVELOPMENT AND BID AND PROPOSAL COSTS

SEC. 202. (a) Section 203 of Public Law 91-441, October 7, 1970 (10 U.S.C. 2358 note), the Department of Defense Authorization Act for 1971, is amended by repealing subsection (c).

(b) Section 203 of such law is further amended by redesignating subsections (d) and (e) as subsections (c) and (d).

TITLE III—OPERATION AND MAINTENANCE—AUTHORIZATION OF APPROPRIATIONS

SEC. 301. (a) Funds are hereby authorized to be appropriated for fiscal year 1982 for the use of the Armed Forces of the United States (other than the Coast Guard) and for other activities and agencies of the Department of Defense, as authorized by law, in the amount of $63,283,040,000.

(b) In addition to the funds authorized to be appropriated in subsection (a), there are authorized to be appropriated for fiscal year 1982 such additional sums as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law for civilian employees of the Department of Defense whose compensation is provided for by funds authorized to be appropriated in this title.

REPEAL OF REQUIREMENT FOR ANNUAL OPERATION AND MAINTENANCE REPORTS

SEC. 302. (a) Section 138 of title 10, United States Code, relating to annual authorization of appropriations, is amended by repealing subsection (e).

(b) Section 138 of such title is further amended--

(1) by striking out "subsection (f)" in subsection (a)(6) and inserting in lieu thereof "subsection (e)"; and

(2) by redesignating subsection (f) as subsection (e).

(c) Subsection (e) of such section, as redesignated by subsection (b)(2), is amended—

(1) by striking out "(1)"; and

(2) by striking out "paragraph (2)".

(d)(1) The heading of such section is amended to read as follows:

"§ 138. Annual authorization of appropriations and personnel strengths for the armed forces; annual manpower requirements report".

(2) The item relating to such section in the table of sections at the beginning of chapter 4 of such title is amended to read as follows:

"138. Annual authorization of appropriations and personnel strengths for the armed forces; annual manpower requirements report.".

TITLE IV—ACTIVE FORCES—AUTHORIZATION OF END STRENGTHS

SEC. 401. The Armed Forces are authorized strengths for active duty personnel as of September 30, 1982, as follows:

(1) The Army, 786,300.

(2) The Navy, 554,700.

(3) The Marine Corps, 192,100.

(4) The Air Force, 586,800.

TITLE V—RESERVE FORCES—AUTHORIZATION OF AVERAGE STRENGTHS

SEC. 501. (a) For fiscal year 1982, the Selected Reserve of the Reserve components of the Armed Forces shall be programmed to attain average strengths of not less than the following:

(1) The Army National Guard of the United States, 392,800.

(2) The Army Reserve, 235,300.

(3) The Naval Reserve, 87,600.

(4) The Marine Corps Reserve, 37,600.

(5) The Air National Guard of the United States, 98,600.

(6) The Air Force Reserve, 62,800.

(7) The Coast Guard Reserve, 11,700.

(b) Within the average strengths prescribed in subsection (a), the reserve components of the Armed Forces are authorized as of September 30, 1982, the following number of Reserves to be serving on full-time active duty for the purpose of organizing, administering, recruiting, instructing, or training the Reserve components:

(1) The Army National Guard of the United States, 11,439.

(2) The Army Reserve, 6,285.

(3) The Naval Reserve, 208.

(4) The Marine Corps Reserve, 447.

(5) The Air National Guard of the United States, 3,312.

(6) The Air Force Reserve, 701.

(c) The average strength prescribed by subsection (a) for the Selected Reserve of any Reserve component shall be proportionately reduced by (1) the total authorized strength of units organized to

serve as units of the Selected Reserve of such component which are on active duty (other than for training) at any time during the fiscal year, and (2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at any time during the fiscal year. Whenever such units or such individual members are released from active duty during any fiscal year, the average strength prescribed for such fiscal year for the Selected Reserve of such Reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

(d) Upon a determination by the Secretary of Defense that such action is in the national interest, the authorizations prescribed in subsection (b) may be increased by not more than five percent.

INCREASE IN NUMBERS OF CERTAIN PERSONNEL ON ACTIVE DUTY IN SUPPORT OF THE RESERVE COMPONENTS

SEC. 502. (a) During the period October 1, 1981 through September 30, 1982 the table in section 517(b) of title 10, United States Code, (relating to the number of enlisted personnel in grades E–8 and E–9 who may be on active duty in support of the reserve components) is suspended. For such period such table shall read as follows:

"Grade:	
E–9:	
Army	222
Navy	146
Air Force	76
Marine Corps	4
E–8:	
Army	908
Navy	319
Air Force	307
Marine Corps	12"

(b) During the period October 1, 1981 through September 30, 1982 the columns under the headings "Army" and "Air Force" contained in the table in section 524(a) of title 10, United States Code, (relating to the number of reserve officers in certain grades who may be on active duty in support of the reserve components) are suspended. For such period such columns shall read as follows:

"Army	*Air Force*
1105	189
551	194
171	147"

TITLE VI—CIVILIAN PERSONNEL—AUTHORIZATION OF END STRENGTHS

SEC. 601. (a) The Department of Defense is authorized a strength in civilian personnel, as of September 30, 1982, of 1,024,900.

(b) The strength for civilian personnel prescribed in subsection (a) shall be apportioned among the Department of the Army, the Department of the Navy (including the Marine Corps), the Department of

the Air Force, and the agencies of the Department of Defense (other than the military departments) in such numbers as the Secretary of Defense shall prescribe. The Secretary of Defense shall report to the Congress within sixty days after the day of the enactment of this Act on the manner in which the initial allocation of civilian personnel is made among the military departments and the agencies of the Department of Defense (other than the military departments) and shall include the rationale for each allocation.

(c) In computing the strength for civilian personnel, there shall be included all direct-hire and indirect-hire civilian personnel employed to perform military functions administered by the Department of Defense (other than those performed by the National Security Agency) whether employed on a full-time, part-time, or intermittent basis, but excluding special employment categories for students and disadvantaged youth such as the stay-in-school campaign, the temporary summer aid program and the Federal junior fellowship program and personnel participating in the worker-trainee opportunity program. Personnel employed under a part-time career employment program established by section 3402 of title 5, United States Code, shall be counted as prescribed by section 3404 of that title. Whenever a function, power, or duty, or activity is transferred or assigned to a department or agency of the Department of Defense from a department or agency outside of the Department of Defense, or from another department or agency within the Department of Defense, the civilian personnel end strength authorized for such departments or agencies of the Department of Defense affected shall be adjusted to reflect any increases or decreases in civilian personnel required as a result of such transfer or assignment.

(d) When the Secretary of Defense determines that such action is necessary in the national interest or if any conversion of commercial and industrial type functions from performance by Department of Defense personnel to performance by private contractors which was anticipated to be made during fiscal year 1982 in the Budget of the President submitted for such fiscal year is not determined to be appropriate for such conversion under established administrative criteria, the Secretary of Defense may authorize the employment of civilian personnel in excess of the number authorized by subsection (a), but such additional number may not exceed 2 percent of the total number of civilian personnel authorized for the Department of Defense by subsection (a). The Secretary of Defense shall promptly notify the Congress of any authorization to increase civilian personnel strength under this subsection.

TITLE VII—MILITARY TRAINING STUDENT LOADS—AUTHORIZATION OF TRAINING STUDENT LOADS

SEC. 701. (a) For fiscal year 1982, the components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army, 75,728.
(2) The Navy, 65,133.
(3) The Marine Corps, 18,311.
(4) The Air Force, 46,389.
(5) The Army National Guard of the United States, 14,537.

(6) The Army Reserve, 10,830.
(7) The Naval Reserve, 1,041.
(8) The Marine Corps, 2,835.
(9) The Air National Guard of the United States, 2,157.
(10) The Air Force Reserve, 1,405.

(b) The average military student loads for the Army, the Navy, the Marine Corps, and the Air Force and the Reserve compents authorized in subsection (a) for fiscal year 1982 shall be adjusted consistent with the manpower strengths authorized in titles IV, V, and VI of this Act. Such adjustment shall be apportioned among the Army, the Navy, the Marine Corps, and the Air Force and the Reserve components in such manner as the Secretary of Defense shall prescribe.

TITLE VIII—GENERAL PROVISIONS

REPEAL OF $5,000,000 CANCELLATION CHARGE CEILING ON MULTI-YEAR PROCUREMENT CONTRACTS

SEC. 801. Section 810 of the Department of Defense Appropriation Authorization Act, 1976, is repealed.

REPEAL OF REQUIREMENT FOR REDUCTION IN NUMBER OF SENIOR-GRADE CIVILIAN EMPLOYEES OF THE DEPARTMENT OF DEFENSE

SEC. 802. Section 811 of the Department of Defense Appropriation Authorization Act, 1978 (10 U.S.C. 131 note), is amended by repealing subsection (a).

RESEARCH GRANTS

SEC. 803. Section 2358 of title 10, United States Code, relating to research projects, is amended by inserting "or by grant" after "contract" in clause (1).

REPEAL OF LIMITATION ON ENLISTMENT AND INDUCTION OF PERSONS INTO THE ARMED FORCES WHOSE SCORE ON THE ARMED FORCES QUALIFICATION TEST IS BELOW A CERTAIN LEVEL

SEC. 804. Chapter 31 of title 10, United States Code, relating to enlistments in the Armed Forces, is amended—

(a) by repealing section 520.

(b) The table of sections at the beginning of such chapter is amended by striking out:

"520. Limitation on enlistment and induction of persons whose score on the Armed Forces Qualification Test is below a prescribed level.".

REPEAL OF PROFIT LIMITATIONS ON CONTRACTS FOR AIRCRAFT AND NAVAL VESSELS

SEC. 805. (a) Chapter 141 of title 10, United States Code, relating to miscellaneous procurement, is amended—

(1) by repealing section 2382.

(2) The table of sections at the beginning of such chapter is amended by striking out:

"2382. Aircraft: contract requirements.".

(b) Chapter 633 of title 10, United States Code, relating to naval vessels, is amended—

(1) by repealing section 7300.

(2) The table of sections at the beginning of such chapter is amended by striking out:

"7300. Contracts for construction: profit limitation.".

FEDERAL EMERGENCY MANAGEMENT AGENCY,
Washington, D.C., March 23, 1981.

Hon. GEORGE BUSH,
President of the Senate
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is draft legislation "To authorize appropriations for civil defense programs for fiscal years 1982 and 1983, and for other purposes."

In accordance with section 408 of the Federal Civil Defense Act of 1950 (50 U.S.C. App. 2260) the bill authorizes the appropriation of $132,842,000 for civil defense programs for 1982. This is the same amount as that included for those programs in the President's budget for fiscal year 1982. The civil defense programs are now included in the budget request for the Federal Emergency Management Agency (FEMA). The civil defense functions were transferred to FEMA effective July 15, 1979, pursuant to Executive Order 12148.

The bill also amends section 408 of the Federal Civil Defense Act. That section currently limits to $40 million per annum appropriations which can be made for contributions to the States for expenses under section 205 of the Act.

We have recently included under section 205 contributions in addition to those for emergency management assistance (formerly called personnel and administrative expenses). These contributions will fund certain maintenance and recurring expenses which had been funded by individual project applications under section 201(i). This plus inflation will cause the total amount of the assistance under section 205 to exceed the $40 million limitation. In fiscal year 1981 the amount which will be expended for section 205 programs is estimated to be $39,034,000. The proposed amount for fiscal year 1982 is $46,237,000. We therefore suggest a figure in the Act of at least $47,000,000.

The Office of Management and Budget advises that there is no objection to the submission of this proposal for consideration of the Congress and its enactment would be in accord with the President's program.

Sincerely yours,

BERNARD T. GALLAGHER,
Acting Director.

[Enclosure.]

A BILL To authorize appropriations for civil defense programs for fiscal years 1982 and 1983, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby

authorized to be appropriated for the fiscal year ending September 30, 1982 to carry out the provisions of the Federal Civil Defense Act of 1950, the sum of $132,842,000 and for the fiscal year ending September 30, 1983 such sums as may be necessary.

Section 2. Section 408 of the Federal Civil Defense Act of 1950, as amended (50 U.S.C. App. 2260), is further amended by striking the figure $40,000,000 in the second proviso and substituting $47,000,000 in lieu thereof.

COMMITTEE ACTION

In accordance with the Legislative Reorganization Act of 1946, as amended by the Legislative Reorganization Act of 1970, there is set forth below the Committee vote to report this bill, S. 815, as amended.

In favor: Senators Tower, Thurmond, Goldwater, Warner, Humphrey, Cohen, Jepsen, Quayle, Denton, Stennis, Jackson, Cannon, Byrd of Virginia, Nunn Hart and Exon.

Opposed: Senator Levin.

Vote: 16–1.

The other roll call votes on amendments to the bill which were taken up during the course of the markup have been made public and are available at the committee.

FISCAL DATA

With respect to 5-year cost projections, under Public Law 91–510, the Legislative Reorganization Act of 1970, certain Senate rules and procedures were revised. Shown below is the legislative language:

SEC. 252(a) (1) The report accompanying each bill or joint resolution of a public character reported by any committee of the Senate (except the Committee on Appropriations) shall contain—

(A) an estimate, made by such committee, of the costs which would be insured in carrying out such bill or joint resolution in the fiscal year in which it is reported and in each of the five fiscal years following such fiscal year (or for the authorized duration of any program authorized by such bill or joint resolution if less than five years), except that, in the case of measures affecting the revenues, such reports shall require only an estimate of the gain or loss in revenues for a one-year period; and

(B) a comparison of the estimate of costs described in subparagraph (A) made by such committee with any estimate of costs made by any Federal agency;

(C) in lieu of such estimate or comparison, or both, a statement of the reason why compliance by the committee with requirements of subparagraph (A) or (B), or both, is impracticable.

(2) It shall not be in order in the Senate to consider any such bill or joint resolution if such bill or joint resolution was reported in the Senate after the effective date of this subsection and the report of that committee of the Senate which reported such bill or joint resolution does not comply with the provisions of paragraph (1) of this subsection.

Below is the letter received in compliance with the legislation. The bill is an annual authorization and does not, within its own terms,

generate costs, beyond fiscal year 1982 even though the funds authorized to be obligated by this act may not be expended for several years in the future. The fiscal year authorizations herein provided are reviewed annually by the committee and the Congress.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., April 24, 1981.

Hon. JOHN G. TOWER,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 252(a) of the Legislative Reorganization Act of 1970 (P.L. 91–510), the enclosed schedule provides an estimate of how the amended authorization now requested in fiscal year 1982 will be expended over the fiscal year 1982–1987 period.

The uncertainty of future year Defense programs precludes precise projections, but the enclosed schedule provides my estimate of the range of authorizations required during each of next five years required to support the forces contained in the Annual Defense Report on the fiscal year 1982 budget.

Sincerely,

JOHN R. QUETSCH,
Principal Deputy Assistant Secretary of Defense (Comptroller).

Enclosure.

ESTIMATED EXPENDITURES PROCUREMENT AND R.D.T. & E.

Fiscal year 1982 Authorization Request: $73,075.3 million.

Fiscal year:	*Millions*
1982	$17,135.2
1983	25,811.4
1984	15,813.7
1985	6,102.5
1986	2,895.8
1987	2,865.7
Beyond	2,451.0

I estimate that to support the forces in the Annual Defense Report on the fiscal year 1982 budget, authorizations for procurement and R.D.T. & E. in the range of $107–191 billion would be required.

ESTIMATED EXPENDITURES PROCUREMENT, R.D.T. & E. AND O. & M.

Fiscal year 1982 Authorization Request: $136,358.4 million.

Fiscal year:	*Millions*
1982	$68,911.6
1983	34,959.8
1984	17,035.4
1985	7,269.0
1986	2,895.8
1987	2,865.8
Beyond	2,421.0

I estimate that to support the forces in the Annual Defense Report on the fiscal year 1982 budget, authorizations for procurement, R.D.T. & E. and O. & M. in the range of $170–305 billion would be required.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 5, 1981.

Hon. JOHN TOWER,
Chairman, Committee on Armed Services, U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressioinal Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for S. 815, the Department of Defense Authorization Act, 1982.

Should the Committee so desire, we would be pleased to provide further detail on the attached cost estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

1. Bill number: S. 815.
2. Bill title: Department of Defense Authorization Bill, 1982.
3. Bill status: As ordered reported by the Senate Committee on Armed Services on April 28, 1981.
4. Bill purpose: This bill authorizes appropriations during fiscal year 1982 for:

The procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons;
Research, development, test, and evaluation;
Operation and maintenance;
Civil defense; and
Yorktown, Virginia Bicentennial.

This bill prescribes authorized personnel strengths for each active duty component, for the Selected Reserve of each Reserve component, for the civilian personnel of the Department of Defense and for military training student loads.

The bill proposes changes in the method of calculating adjustments to the cost-of-living allowance (COLA) for retired military personnel and in the liability of the federal government regarding claims for property damage, personal injury, or death resulting from Army or Air National Guard training activities.

The bill includes additional provisions which do not have a cost impact.

5. Cost estimate:

Estimated authorization:

Fiscal year:	*Millions*
1981	—$95
1982	177,259
1983	1
1984	1
1985	1
1986	1

Estimated outlays:

Fiscal year:	*Millions*
1981	—95
1982	109,672
1983	36,701
1984	18,780
1985	6,078
1986	2,359

The costs of this bill fall within budget function 050.

See Table 1 for additional detail.

6. Basis of Estimate:

All estimates assume enactment by July 1, 1981, that funds will be appropriated for the full amount of the authorization, and that funds will be available for obligation by October 1, 1981.

Title I—Procurement, Title II—Research, Development, Test, and Evaluation, and Title III—Operation and Maintenance

The estimated outlays in the Procurement, Research, Development, Test, and Evaluation, and Operation and Maintenance titles are based on historical outlay rates for these accounts.

Section 107 of Title 1 permits the Secretary of Defense to waive reimbursement and surcharges for services otherwise chargeable and assume other contingent liabilities associated with the North Atlantic Treaty Organization (NATO) E–3A program. CBO estimates the costs of this section to be about $11 million, consistent with past CBO and Administration estimates.

Title IV—Active Forces

The estimates for active military personnel include the pay and allowances associated with these personnel. Retired pay is excluded. Pay costs are based on pay as included in the fiscal year 1982 President's Budget and an October pay raise of 4.8 percent. Adjustments for committee changes were made at the average cost of the category personnel affected by the committee change. The Table 1 estimates in parentheses show the added costs of alternative pay raise assumptions: first, the added costs of a 9.1 percent pay raise in October 1981 and second, the added costs of the President's pay proposal (the 9.1 percent October pay raise plus a 5.3 percent pay raise in July 1981).

Section 402 limits the number of Army nonhigh school graduates in fiscal year 1982 to not more than 35 percent of all nonprior service males enlisted or inducted into the Army in fiscal year 1982. If the present relationship between miiltary and private sector pay is continued but no special pay raises are approved, about 60 percent of the Army's male, nonprior service (NPS) recruits would hold high school diplomas in 1982, versus the 65 percent required by this provision. If these projections prove accurate, the Army would have to fall about 11 percent short of its numerical goal for male recruits (roughly 12,000 men) to boost the high school graduate percentage to 65 percent.

As an alternative to cutting its 1982 end strength to accommodate this recruiting shortfall, the Army might choose to emphasize other policies lessening the numerical goals for male recruits. These could include expansion of prior service recruiting and futher career retention improvements. Hence, no shortfall in end strength was assumed in estimating costs of this legislation.

Continuing the present relationship between military and private sector pay would require a pay raise of about 9 percent in October. If the miltary received a lower pay raise, such as the 4.8 percent assumed in the basic cost estimate of this legislation, theArmy's outlook for 1982 worsens considerably. On the other hand, if subsequent legislation approves a special pay raise for military personnel in addition to the 9 percent annual raise, the Army might meet the goals set in this legislation without any recruiting shortfall or change in recruiting or retention policies.

Title V—Reserve Forces

The estimates for reserve military personnel include the pay and allowances associated with these personnel. Retired pay is excluded. Pay costs are based on pay as included in the fiscal year 1982 President's Budget and an October pay raise of 4.8 percent. The Table 1 estimates in parentheses are the added costs of the alternative pay raises discussed above under Title IV, Active Forces.

Title VI—Civilian Personnel

The costs of the civilian personnel authorization are reflected in the authorizations for other titles because civilian personnel funding is included in the Research, Development, Test, and Evaluation and Operation and Maintenance authorizations. Some civilians are financed through military construction and family housing, which will be authorized in a separate bill. The only cost attributed to the civilian personnel title is the amount needed to fund a 4.8 percent October 1981 pay raise.

Title VIII—Attack-Related Civil Defense

Title VIII authorizes appropriations of $126,842,000 for carrying out the provisions of the Federal Civil Defense Act of 1950. Outlays are estimated on the basis of historical spendout rates for similar programs.

Title IX—General Provisions

Section 904 repeals the Vinson-Trammell Act relating to profit limitations on contracts for aircraft and naval vessels. This Act was suspended in the fiscal year 1981 Department of Defense authorization; the repeal of the Act is not expected to have any further impact.

Section 909 defers the September 1981 cost-of-living adjustment of military retired pay contingent upon similar deferral of the cost-of-living adjustment of civil service retired pay. The March 1982 cost-of-living adjustment of military retired pay is to be based on a full year's change in the Consumer Price Index. The bill provides that all COLA adjustments of military retired pay after August 1, 1982 will be the same as those of Civil Service retired pay. The bill provides no specific language detailing the frequency of the cost-of-living adjustment after March 1982 although the Committee staff has indicated that the annual adjustment would be permanent. The CBO estimate shows anticipated savings if legislation is enacted for a permanent annual cost-of-living adjustment. These savings are shown in parentheses and do not add to the estimate totals.

Section 910 delays the effective date of the ceiling on the number of senior-grade civilian employees of the Department of Defense. The

fiscal year 1981 Department of Defense authorization stipulated that after September 30, 1981 the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 could not exceed 96 percent of the number of civilian DoD employees in those grades on July 30, 1977. After September 30, 1982, the total number of civilian DoD employees in grades GS–13 through GS–18 could not exceed 94 percent of the July 30, 1977 level in those grades. This bill eliminates the fiscal year 1982 ceiling.

The Department of Defense estimates that its civilian personnel strength is already at or below the 96 percent level previously required in 1982. Thus, the removal of the 1982 reduction requirement is not expected to have a cost impact.

Section 912 provides that the federal government be liable with respect to claims for property damage, personal injury, or death resulting from Army or Air National Guard training activities. Currently the Service Secretary may authorize payment of claims up to a limit of $25,000, but in past cases full compensation of a claimant has not been provided. As a result, personal suits have been lodged against individual national guardsmen. Under this legislation, the United States would incur all costs associated with claims resulting from tortious acts of on-duty guardsmen receiving federal pay while training.

Section 918 authorizes appropriations of $750,000 for the Yorktown, Virginia Bicentennial.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Alice Hughey, Mick Miller, Tom Phillips, Julia Doherty, and Dan Huck.

10. Estimate approved by:

C. G. NUCKOLS
(For James L. Blum,
Assistant Director for Budget Analysis).

TABLE 1.—COSTS OF S. 815 AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE

[By fiscal year, in millions of dollars]

	1981	1982	1983	1984	1985	1986
Title I—Procurement:						
Estimated authorization		51,704				
Estimated outlays		4,882	19,526	16,403	5,601	2,358
NATO E–3A program waivers:						
Estimated authorization		11				
Estimated outlays		11				
Title II—Research, development, test, and evaluation:						
Estimated authorization		21,114				
Estimated outlays		11,905	7,563	1,170	476	
Title III—Operation and maintenance:						
Estimated authorization		63,576				
Estimated outlays		52,920	8,720	1,197		
Title IV—Active forces:						
Sec. 401—End strength ceilings:						
Estimated authorization		36,764				
Estimated outlays		36,169	595			
Costs of alternative pay raises:						
9.1 percent in October 1981:						
Estimated authorization		(1,274)				
Estimated outlays		(1,256)	(18)			
9.1 percent in October 1981 and 5.3 percent in July 1981:						
Estimated authorization		(3,021)				
Estimated outlays		2,978)	(43)			

TABLE 1.—COSTS OF S. 815 AS REPORTED BY THE SENATE ARMED SERVICES COMMITTEE—Continued

[By fiscal year, in millions of dollars]

	1981	1982	1983	1984	1985	1986
Title V—Reserve forces:						
Sec. 501—Average strengths:						
Estimated authorization		3,439				
Estimated outlays		3,190	249			
Costs of alternative pay raises:						
9.1 percent in October 1981:						
Estimated authorization		(62)				
Estimated outlays		(61)	(1)			
9.1 percent in October 1981 and 5.3 percent in July 1981:						
Estimated authorization		(148)				
Estimated outlays		(146)	(2)			
Title VI—Civilian personnel:						
Estimated authorization		962				
Estimated outlays		934	28			
Title VIII—Civil defense:						
Estimated authorization		127				
Estimated outlays		99	19	9		
Title IX—General provisions:						
Sec. 909—Retired pay COLA:						
Estimated authorization	−95	−440	(−397)	(−387)	(−400)	(−386)
Estimated outlays	−95	−440	(−397)	(−387)	(−400)	(−386)
Sec. 912—National Guard claims:						
Estimated authorization		1	1	1	1	1
Estimated outlays		1	1	1	1	1
Sec. 918—Yorktown Bicentennial:						
Estimated authorization		1				
Estimated outlays		1				
Total:						
Estimated authorization	−95	177,259	1	1	1	1
Estimated outlays	−95	109,672	36,701	18,780	6,078	2,359

76-244 O - 81 - 12

CONGRESSIONAL ACTION ON PROCUREMENT, R.D.T. & E., OPERATIONS AND MAINTENANCE, AND CIVIL DEFENSE AUTHORIZATION REQUESTS

Fiscal year	Authorization request	Senate authorization	House authorization	Conference	Appropriated
1964	$15,358,691,000	$14,951,491,000	$15,856,391,000	$15,314,291,000	$14,364,690,000
1965	17,185,300,000	17,040,140,000	16,914,800,000	16,967,620,000	16,722,391,000
1966	19,363,050,000	15,283,800,000	15,303,400,000	[1] 19,468,250,000	[1] 19,320,550,000
1967	20,769,659,000	17,170,059,000	17,858,059,000	[1] 21,404,459,000	[1] 21,057,559,000
1968	21,066,432,000	20,765,332,000	21,481,032,000	21,168,032,000	20,149,432,000
1969	22,385,052,000	21,341,738,000	21,636,964,000	21,625,750,000	18,491,041,000
1970	21,963,660,000	19,988,886,000	21,347,860,000	20,710,502,000	[2] 19,311,520,000
1971	20,317,430,000	[3] 19,242,889,000	20,237,489,000	[3] 19,929,089,000	[3] 18,997,376,000
1972	[4 5 7] 22,359,129,000	[6] 21,016,417,000	[5] 21,252,682,000	[6] 21,316,870,000	20,461,802,000
1973	[8] 23,272,971,000	20,521,671,000	21,318,788,250	[9] 21,588,747,000	19,567,838,000
1974 [10 12]	21,959,100,000	20,947,653,000	20,445,255,000	21,299,520,000	20,163,250,000
1975 [11]	23,130,139,000	21,819,321,000	22,642,963,000	22,195,037,000	[13] 20,892,540,000
1976	28,562,388,000	[15] 25,233,535,000	26,539,023,000	25,513,383,000	24,850,879,000
1977T	5,863,737,000	5,271,798,000	5,474,017,000	5,354,723,000	5,193,638,000
1977	[14] 34,218,765,000	31,831,348,000	33,256,443,000	32,522,202,000	31,626,183,000
1978	[16] 36,258,150,000	36,329,077,000	36,484,962,000	36,573,681,000	33,771,625,000
1979	[17] 37,486,012,000	37,339,869,000	36,557,869,000	37,255,969,000	35,461,500,000
1980	40,123,241,000	40,108,896,000	41,393,243,000	41,390,457,000	40,644,202,000
1981 [18]	46,908,600,000	51,960,692,000	53,143,244,000	52,853,324,000	50,677,951,000
1982	136,491,251,000				

[1] Includes supplemental which is not included in House/Senate authorizations since supplemental request was received subsequent to House/Senate action on initial authorization request.
[2] Of this amount $350,000,000 to be derived by transfer from stock funds.
[3] Includes $334,000,000 for Safeguard construction and family housing.
[4] Reflects budget a mendment submitted subsequent to House action (+$111,000,000).
[5] Includes $183,600,000 for Safeguard construction and family housing.
[6] Includes $109,570,000 for Safeguard construction and family housing.
[7] Includes $59,762,000 additional requested for civilian pay increases pursuant to Public Law 91-656.
[8] Includes $3,000,000 for special foreign currency program for Navy under R.D.T. & E. appropriation; includes fiscal year 1973 budget amendments of $54,000,000 for civilian personnel pay raise, $254,800,000 for various programs, and June 27, 1972, amendments of $770,000,000 for Southeast Asia and SALT related items.
[9] Includes $644,900,000 additional authorization in sec. 801 of Public Law 92-570.
[10] Includes $2,600,000 for special foreign currency program for Navy under R.D.T. & E. appropriation.
[11] Includes $2,570,000 for special foreign currency program for Navy under R.D.T. & E. appropriation.
[12] Does not include the Feb. 4, 1974, supplemental authorization request for procurement and R.D.T. & E. in the amount of $1,244,589,000.
[13] Does not include $700,000 appropriated for military support of South Vietnam.
[14] Includes authorization amendments ($317,000,000 addition to Air Force missiles for Minuteman, $974,000,000 addition to Navy shipbuilding and $200,000,000 for Navy R.D.T. & E.). These amendments were received subsequent to, and therefore not considered in, House authorization action.
[15] Includes $221,000,000 fiscal year 1976 supplemental authorization for repair and modernization of the U.S.S. Belknap guided missile cruiser.
[16] Includes the July 13, 1977 supplemental authorization for procurement and R.D.T. & E. in the amount of $404,970,000 as well as subsequent congressional action.
[17] Includes the Feb. 28, 1979, amended supplemental authorization request for procurement and R.D.T. & E. in the amount of $2,002,200,000, as well as subsequent congressional action.
[18] Does not include the Mar. 11, 1981, supplemental authorization request for procurement and R.D.T. & E. in the amount of $2,958,594,000.

Notes:
During fiscal years 1964 and 1965 tracked combat vehicles were not subject to authorization action.
During fiscal year 1964, 1965, and 1966 the emergency fund under R. & D. was not subject to authorization action.
Authorization for other weapons was not required prior to fiscal year 1971.
Authorization for torpedoes and related support equipment was not required prior to fiscal year 1972.
Senate/House authorizations reflect only those major weapons systems for South Vietnam support which would be subject to authorization process (excludes personnel and operating funds).
Authorization for civil defense was not required prior to fiscal year 1978.
Authorization for operations and maintenance was not required prior to fiscal year 1982.

RELATIONSHIP OF ANNUAL AUTHORIZATION TO DEPARTMENT OF DEFENSE APPROPRIATIONS

History of Section 138, Title 10, United States Code

(Superseding "Section 412")

The jurisdiction of the committee so far as specific annual authorizations are concerned was increased significantly in 1959 by the enactment of section 412(b) of Public Law 86–149 which required annual congressional authorization of appropriations for the procurement of aircraft, missiles, and naval vessels. That law was amended and expanded as follows:

In 1962 (Public Law 87–436) to require similar authorization of appropriations for research, development, test, or evaluation associated with aircraft missiles, and naval vessels;

In 1963 (Public Law 88–174) to require authorization of appropriations for all research, development, test, or evaluation carried on by the Department of Defense;

In 1965 (Public Law 89–37) to require authorization of appropriations for the procurement of tracked combat vehicles;

In 1967 (Public Law 90–168) to require annual authorization of the personnel strengths of each of the Selected Reserves of the Reserve components as a prior condition for the appropriation of funds for the pay and allowances for the Reserve components;

In 1969 (Public Law 91–121) to require authorization of appropriations for the procurement of other weapons to or for the use of any armed force of the United States. (Essentially, heavy, medium, and light artillery, antiaircraft artillery, rifles, machineguns, mortars, small arms weapons, and any crew-fired piece using fixed ammunition);

In 1970 (Public Law 91–441) to require authorization of appropriations to or for the use of the Navy for the procurement of torpedoes and related support equipment; and to require authorization of the average annual active duty personnel strength for each component of the Armed Forces as a condition precedent to the appropriation of funds for this purpose;

In 1972 (Public Law 92–436) to require annual authorization for the average military training student loads for each component of the Armed Forces, and modified the provisions relating to authorization for active duty personnel strength;

In 1973 (Public Law 93–155) to require authorization for end strength civilian employment for each component of the Defense Department in each fiscal year;

In 1975 (Public Law 94–106) to require the annual authorization of military construction of ammunition facilities; and

In 1980 (Public Law 96–342) to require the annual authorization of appropriations of funds for the operation and maintenance of any armed force or the activities and agencies of the Department of Defense (other than the military departments) for fiscal years beginning after September 30, 1981.

Also, in 1973 these enactments were codified by section 803(a) of Public Law 93–155 into title 10, United States Code, as section 138. The law today reads as follows:

§ 138. Annual authorization of appropriations and personnel strengths for the armed forces; annual manpower requirements and operations and maintenance reports.

(a) No funds may be appropriated for any fiscal year to or for the use of any armed force or obligated or expended for—

(1) procurement of aircraft, missiles, or naval vessels;

(2) any research, development, test, or evaluation, or procurement or production related thereto;

(3) procurement of tracked combat vehicles;

(4) procurement of other weapons;

(5) procurement of naval torpedoes and related support equipment;

(6) military construction (as defined in subsection (f); or

(7) the operation and maintenance of any armed forces or the activities and agencies of the Department of Defense (other than the military departments);

unless funds therefor have been specifically authorized by law.

(b) Congress shall authorize the personnel strength of the Selected Reserve of each reserve component of the armed forces. No funds may be appropriated for any fiscal year for the pay and allowances of members of any reserve component of the armed forces unless the personnel strength of the Selected Reserve of that reserve component for that fiscal year has been authorized by law.

(c)(1) Congress shall authorize the end strength as of the end of each fiscal year for active-duty personnel for each component of the armed forces. No funds may be appropriated for any fiscal year to or for the use of the active-duty personnel of any component of the armed forces unless the end strength for active-duty personnel of that component for that fiscal year has been authorized by law.

(2) Congress shall authorize the end strength as of the end of each fiscal year for civilian personnel for each component of the Department of Defense. No funds may be appropriated for any fiscal year to or for the use of the civilian personnel of any component of the Department of Defense unless the end strength for civilian personnel of that component for that fiscal year has been authorized by law.

(3) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, recommending the annual active duty end strength level for each component of the armed forces for the next fiscal year and the annual civilian personnel end strength level for each component of the Department of Defense for the next fiscal year, and shall include in that report justification for the strength levels recommended and an explanation of the relationship between the personnel strength levels recommended for that fiscal year and the national security policies of the United States in effect at the

time. The justification and explanation shall specify in detail for all military forces, including each land force division, carrier and other major combatant vessel, air wing, and other comparable unit, the—

(A) unit mission and capability:

(B) strategy which the unit supports; and

(C) area of deployment and illustrative areas of potential deployment, including a description of any United States commitment to defend such areas.

It shall also include a detailed discussion of (i) the manpower required for support and overhead functions within the armed forces and the Department of Defense, (ii) the relationship of the manpower required for support and overhead functions to the primary combat missions and support policies, and (iii) the manpower required to be stationed or assigned to duty in foreign countries and aboard vessels located outside the territorial limits of the United States, its territories, and possessions. Such report shall also identify, define, and group by mission and by region the types of military bases, installations, and facilities and shall provide an explanation and justification of the relationship between this base structure and the proposed military force structure together with a comprehensive identification of base operating support costs and an evaluation of possible alternatives to reduce such costs.

(d)(1) Congress shall authorize the average military training student loads for each component of the armed forces. Such authorization is not required for unit or crew training student loads, but is required for student loads for the following individual training categories—

(A) recruit and specialized training;

(B) flight training:

(C) professional training in military and civilian institutions: and

(D) officer acquisition training.

No funds may be appropriated for any fiscal year for training military personnel in the training categories described in clauses (A)–(D) of any component of the armed forces unless the average student load of that component for that fiscal year has been authorized by law.

(2) The Secretary of Defense shall submit to Congress a written report, not later than March 1 of each fiscal year, recommending the average student load for each category of training for each component of the armed forces for the next three fiscal years, and shall include in that report justification for, and explanation of, the average student loads recommended.

(e)(1) The Secretary of Defense shall submit to Congress a written report, not later than February 15 of each fiscal year, with respect to the operations and maintenance of the Army, Navy, Air Force, and Marine Corps for the next fiscal year. The Secretary shall include in each such report recommendations for—

(A) the number of aircraft flying hours for the Army, Navy, Air Force, and Marine Corps for the next fiscal year, the number of ship steaming hours for the Navy for the next fiscal year, and the number of field training days for the combat arms battalions of the Army and Marine Corps for the next fiscal year;

(B) the number of ships over 3,000 tons (full loads displacement) in each Navy ship classification on which major repair work should be performed during the next fiscal year; and

(C) the number of airframe reworks, aircraft engine reworks, and vehicle overhauls which should be performed by the Army, Navy, Air Force, and Marine Corps during the next fiscal year.

(2) The Secretary shall also include in each such report the justification for and an explanation of the level of funding recommended in the Budget of the President for the next fiscal year for aircraft flying hours, ship steaming hours, field training days for the combat arms battalions, major repair work to be performed on ships of the Navy, airframe reworks, aircraft engine reworks, and vehicle overhauls.

(3) The Secretary shall also include in each such report a projection (made in accordance with paragraph (4)) of the combat readiness proposed to be maintained during the next fiscal year of—

(A) each Army and Marine Corps division, brigade, and regiment;

(B) each Navy, Air Force, and Marine Corps air wing and squadron;

(C) each Navy aircraft carrier, other major surface combatant, general purpose submarine, ballistic missile submarine, and amphibious ship;

(D) each Air Force strategic and tactical airlift squadron; and

(E) such other units as the Secretary considers appropriate.

(4) Each projection made pursuant to paragraph (3) shall be made—

(A) using the overall readiness ratings and the four resource-related readiness ratings of the Unit Status and Identify Report of the Department of Defense; and

(B) using the levels of funding proposed in the Budget of the President for the next fiscal year.

(f)(1) In subsection (a)(6), the term "military construction" includes any construction, development, conversion, or extension of any kind which is carried out with respect to any military facility or installation (including any Government-owned or Government-leased industrial facility used for the production of defense articles and any facility to which section 2353 of this title applies) but excludes any activity to which section 2673 or 2674, of chapter 133, of this title apply, or to which section 406(a) of Public Law 85–241 (71 Stat. 556) applies.

(2) In subsection (f):

(A) "Combat arms battalions" means armor, infantry, mechanized infantry, air assault infantry, airborne infantry, ranger, artillery, and combat engineer battalions and armored cavalry and air cavalry squadrons.

(B) "Major repair work" means, in the case of any ship to which such subsection is applicable, any overhaul, modification, alteration, or conversion work which will result in a total cost to the United States of more than $10,000,000.

REGULATORY IMPACT

Paragraph 11(b) of rule XXVI of the Standing Rules of the Senate requires that a report on the regulatory impact of a bill be

included in the report on such bill. The committee finds that in the case of S. 815 as amended there is no regulatory impact other than a reduction in regulatory impact resulting from the repeal of the Vinson Trammell Act (Sections 2382 and 7300 of Title 10, United States Code) pursuant to Section 904 of S. 815. The Act, if not repealed, would necessitate the promulgation of regulations by the Department of Defense and the Internal Revenue Service requiring defense industry contractors to file various reports on contracts with the Department of Defense which involve the construction or manufacture of aircraft or naval vessels or parts thereof.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, changes in existing laws proposed to be made by the bill are shown as follows: Existing law to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman.

TITLE 10, UNITED STATES CODE

SUBTITLE A—GENERAL MILITARY LAW

PART I. ORGANIZATION AND GENERAL MILITARY POWERS

* * * * * * *

PART I. ORGANIZATION AND GENERAL MILITARY POWERS

* * * * * * *

CHAPTER 4. DEPARTMENT OF DEFENSE

SEC. * * *

§ 141. Director of the Defense Security Assistance Agency: appointment, powers, and duties

* * * * * * *

§ 138. Annual authorization of appropriations and personnel strengths for the armed forces; annual manpower requirements and operations and maintenance reports

(a) No funds may be appropriated for any fiscal year to or for the use of any armed force or obligated or expended for

(1) procurement of aircraft, missiles, or naval vessels;

(2) any research, development, test, or evaluation, or procurement or production related thereto;

(3) procurement of tracked combat vehicles;

(4) procurement of other weapons;

(5) procurement of naval torpedoes and related support equipment;

(6) military construction (as defined in subsection (e) of this section; [or]

(7) the operation and maintenance of any armed force or of the activities and agencies of the Department of Defense (other than the military departments);

(8) procurement of ammunition for the Army; or

(9) procurement of any other service, facility, or equipment for the Department of Defense;

unless funds have been specifically authorized by law.

(b) *(1)* Congress shall authorize the personnel strength of the Selected Reserve of each reserve component of the armed forces. No funds may be appropriated for any fiscal year for the pay and allowances of members of any reserve component of the armed forces unless the personnel strength of the Selected Reserve of that reserve component for that fiscal year has been authorized by law.

(2) The Secretary of Defense shall submit to the Congress each year, not later than February 15, a written report concerning the equipment of the National Guard and the Reserve components of the armed forces for each of the three succeeding fiscal years. Each such report shall include—

(A) recommendations as to the type and quantity of each major item of equipment which should be in the inventory of the Selected Reserve of the Ready Reserve of each Reserve component of the armed forces;

(B) the quantity and average age of each type of major item of equipment which is expected to be physically available in the inventory of the Selected Reserve of the Ready Reserve of each Reserve component as of the beginning of each fiscal year covered by the report;

(C) the quantity and cost of each type of major item of equipment which is expected to be procured for the Selective Reserve of the Ready Reserve of each Reserve component from com-

mercial sources or to be transferred to each such Selected Reserve from the active-duty components of the armed forces; and

(D) the quantity of each type of major item of equipment which is expected to be retired, decommissioned, transferred, or otherwise removed from the physical inventory of the Selected Reserve of the Ready Reserve of each Reserve component and the plans for replacement of that equipment.

The report required by this paragraph shall be prepared and expressed in the same format and with the same level of detail as the information presented in the annual Five Year Defense Program Procurement Annex prepared by the Department of Defense.

* * * * * * *

§ 141. Director of the Defense Security Assistance Agency: appointment, powers, and duties

(a) There is a Director of the Defense Security Assistance Agency, appointed from civilian or military life by the President, by and with the advice and consent of the Senate.

(b) The Director shall perform such duties relating to security assistance as the Secretary of Defense may prescribe, including— --

(1) being the principal advisor to the Secretary on security assistance matters; and

(2) supervising all security assistance activities in the Department of Defense.

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CHAPTER 18. MILITARY COOPERATION WITH CIVILIAN LAW ENFORCEMENT OFFICIALS

§ 371. Use of information obtained by members of the armed forces

The Secretary of Defense may provide to Federal, State, and local civilian law enforcement officials any information collected during the normal course of military operations that may be relevant to a violation of any Federal or State law.

§ 372. Use of armed forces equipment and facilities

The Secretary of Defense may make available any equipment, base facility, or research facility of the armed forces to any Federal, State, or local civilian law enforcement official if the making of such equipment or facility available for use by such official will not adversely affect the military preparedness of the United States.

§ 373. Training and advising civilian law enforcement officials

The Secretary of Defense may assign members of the armed forces to train Federal, State, and local civilian law enforcement officials in the operation of military equipment made available to such officials pursuant to section 372 and to provide expert advice relevant to the purposes of this chapter, if the provision of such training or advice

will not adversely affect the military preparedness of the United States.

§ 374. Regulations

(a) The Secretary of Defense shall issue such regulations as may be necessary to insure that the provision of any assistance, or the provision of any equipment or facility, to any Federal, State, or local civilian law enforcement official does not—

(1) impair any training or operation necessary to the military preparedness of the United States; or

(2) include or permit direct participation by any member of the armed forces in any search and seizure, arrest, or other similar activity unless participation in such activity by members of the armed forces is otherwise authorized by law.

(b) The Secretary of Defense shall also issue such regulations as may be necessary to insure that reimbursement for the provision of assistance, including the provision of any equipment or facility, under this chapter to any Federal, State, or local civilian law enforcement official may be obtained whenever the Secretary of Defense determines such reimbursement to be appropriate.".

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CHAPTER 31. ENLISTMENTS

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§ 517. Authorized daily average: members in pay grades E–8 and E–9

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Grade	Army	Navy	Air Force	*Marine Corps*
E–9	[209] *222*	[140] *146*	[71] *76*	*4*
E–8	[823] *908*	[302] *319*	[302] *307*	*12*

* * * * * * *

§ 524. Authorized strengths: reserve officers on active duty for administration of the reserves in grades of major, lieutenant colonel, and colonel and Navy grades of lieutenant commander, commander, and captain

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"Grade	Army	Navy	Air Force	Marine Corps
Major or lieutenant commander	[821] *1,105*	823	[170] *189*	51
Lieutenant colonel or commander	[503] *551*	425	[183] *192*	35
Colonel or Navy captain	[163] *171*	177	[146] *147*	19

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CHAPTER 137. PROCUREMENT GENERALLY

Sec.
2301. Declaration of policy.
2302. Definitions.

* * * * * * *

§ *2315. Laws inapplicable to the acquisition of automatic data processing equipment to be used for certain purposes*

No provision of law, other than the provisions of this chapter, and chapter 141 of this title, shall be applicable to the procurement by the Department of Defense of any automatic data processing equipment or services if the function, operation, or use of such automatic data processing equipment or services—

(1) involves intelligence activities;

(2) involves cryptologic activities related to national security;

(3) involves the command and control of military forces;

(4) involves equipment which is an integral part of a weapon or weapons system; or

(5) is critical to the direct fulfillment of military or intelligence missions, except that the exclusion provided for in this clause (5) shall not include procurement of any automatic data processing equipment or services if such equipment or services are to be used for routine administrative and business applications, such as payroll, finance, logistics, or personnel management.

CHAPTER 139. RESEARCH AND DEVELOPMENT

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§ 2358. Research projects

Subject to approval by the President, the Secretary of Defense or his designee may engage in basic and applied research projects that are necessary to the responsibilities of the Department of Defense in the field of basic and applied research and development and that relate to weapons systems and other military needs. Subject to approval by the President, the Secretary or his designee may perform assigned research and development projects—

(1) by contract *or by grant* with educational or research institutions, private businesses, or other agencies of the United States;

(2) through one or more of the military departments; or

(3) by using employees and consultants of the Department of Defense.

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CHAPTER 141. MISCELLANEOUS PROCUREMENT PROVISIONS

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§ 2382. Aircraft: contract requirements

[(a) The Secretary of a military department may not contract for the manufacture of all or part of any complete aircraft, unless the contractor agrees—

[(1) to report under oath to the Secretary, when the contract is completed, as prescribed in subsection (b);

[(2) to pay any excess profit into the Treasury;

[(3) to make no division of any contract or subcontract for the same article for the purpose of evading this section;

[(4) that the books and manufacturing spaces of its plant, affiliates, and divisions may at any time be audited and inspected, respectively, by any person designated by the Secretary of the military department concerned, the Secretary of the Treasury, or an authorized committee of Congress; and

[(5) to make no subcontract unless the subcontractor agrees to the conditions set forth in this subsection.

[(b) The report required under subsection (a)(1) shall be in the form prescribed by the Secretary of the military department concerned. It shall state the total contract price, the cost of performing the contract, the net profit or loss, and the percentage of the contract price that is net profit or loss. A copy shall be sent to the Secretary of the Treasury to be considered with the Federal income tax returns of the contractor.

[(c) For the purposes of this section, "excess profit" means so much of the profits as the Secretary of the Treasury determines to be greater than 12 percent of the total contract price for contracts covered by this section and completed by a contractor or subcontractor within the taxable year. The method of computing excess profits shall be determined by the Secretary of the Treasury in agreement with the Secretary of the military department concerned. It shall be made available to the public.

[(d) When an excess profit is found owing, the Secretary of the Treasury shall allow credit for any Federal income taxes paid or to be paid on the excess profit. If a contractor or subcontractor has a net loss, or a net profit of less than 12 percent, on the aggregate of contracts or subcontracts covered by this section and completed in a taxable year, the deficiency shall be allowed as a credit against any excess profit for the next succeeding four taxable years.

[(e) When paid into the Treasury, an excess profit becomes the property of the United States. The surety under the contract is not liable for its payment.

[(f) This section applies to any division of a contract or subcontract covered by this section.

[(g) This section does not apply to—

[(1) a contract or subcontract for scientific equipment for communications, target detection, navigation, or fire control if the Secretary of the military department concerned designates the contract or subcontract for exemption; or

[(2) a contract or subcontract, or division thereof, if the amount involved is $10,000 or less.]

* * * * * * *

§ *2391. Prohibition on use of funds to relieve economic dislocations*

(a) In order to help avoid the uneconomic use of Department of Defense funds in the procurement of goods and services, it is necessary to prohibit the use of such funds for certain purposes.

(b) No funds appropriated to or for the use of the Department of Defense may be used to pay, in connection with any contract awarded by the Department of Defense, a price differential for the purpose of relieving economic dislocations.

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CHAPTER 163. MILITARY CLAIMS

Sec.

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§ *2738. Liability of the United States for certain tort actions of members of the Army National Guard of the United States and members of the Air National Guard of the United States*

The United States shall be liable with respect to claims for property damage, personal injury, or death caused by the act or omission of a member of the Army National Guard of the United States or the Air National Guard of the United States while such member is performing service under section 316, 502, 503, 504, or 505 of title 32, or performing service under any other provision of law for which such member is entitled to, or has waived, pay under title 37, in the same manner and to the same extent that the United States would be liable

in any other action brought against the United States under section 1346(b) of title 28 and chapter 171 of such title.

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CHAPTER 633.—NAVAL VESSELS

Sec.
7291. Classification.
7292. Naming.
7293. Number in service in time of peace.
7294. Suspension of construction in case of treaty.
7295. Vessels: under-age.
7296. Appropriations: available for other purposes.
7297. Changing category or type: limitations.
7298. Conversion of combatants and auxiliaries.
7299. Contracts: application of Public Contracts Act.
[7300. Contracts for construction: profit limitation.]
7301. Bids on construction: estimates required.
7302. Construction on Pacific Coast.
7303. Model basin; investigation of hull designs.
7304. Examination by board: unfit vessel stricken from Naval Vessel Register.
7305. Sale of vessel stricken from Naval Vessel Register.
7306. Use for experimental purposes.
7307. Restriction on disposal.
7308. Transfer or gift of obsolete, condemned, or captured vessels.

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[§ 7300. Contracts for construction: profit limitation

[(a) The Secretary of the Navy may not contract for the construction or manufacture of all or part of any complete naval vessel, unless the contractor agrees—

[(1) to report under oath to the Secretary, when the contract is completed, as prescribed in subsection (b);

[(2) to pay any excess profit into the Treasury;

[(3) to make no division of any contract or subcontract for the same article for the purpose of evading this section;

[(4) that the books and manufacturing spaces of its plant, affiliates, and divisions may at any time be audited and inspected, respectively, by any person designated by the Secretary of the Navy, the Secretary of the Treasury, or an authorized committee of Congress; and

[(5) to make no subcontract unless the subcontractor agrees to the conditions set forth in this subsection.

[(b) The report required under subsection (a)(1) shall be in the form prescribed by the Secretary of the Navy. It shall state the total contract price, the cost of performing the contract, the net profit or loss, and the percentage of the contract price that is net profit or loss. A copy shall be sent to the Secretary of the Treasury to be considered with the Federal income tax returns of the contractor.

[(c) For the purposes of this section, "excess profit" means so much of the profits as the Secretary of the Treasury determines to be greater than 10 percent of the total contract price for contracts covered by this section and completed by a contractor or a subcontractor within the taxable year. The method of computing excess profits shall be determined by the Secretary of the Treasury in agreement with the Secretary of the Navy. It shall be made available to the public.

[(d) When an excess profit is found owing, the Secretary of the Treasury shall allow credit for any Federal income taxes paid or to be paid on the excess profit. If a contractor or subcontractor has a net loss on the aggregate of contracts or subcontracts covered by this section and completed in a taxable year, the deficiency shall be allowed as a credit against any excess profit for the next taxable year.

[(e) When paid into the Treasury, an excess profit becomes the property of the United States. The surety under the contract is not liable for its payment.

[(f) This section applies to any division of a contract or subcontract covered by this section.

[(g) This section does not apply to—

[(1) a contract or subcontract for scientific equipment for communications, target detection, navigation, or fire control if the Secretary of the Navy designates the contract or subcontract for exemption; or

[(2) a contract or subcontract, or division thereof, if the amount involved is $10,000 or less. Aug. 10, 1956, c. 1041, 70A Stat. 450.]

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DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1976

Public Law 94–106 (89 Stat. 539)

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SEC. 810. No funds authorized for appropriation to the Department of Defense shall be obligated under a contract for any multiyear procurement as defined in section I–322 of the Armed Services Procurement Regulations (as in effect on September 26, 1972) where the cancellation ceiling for such procurement is in excess of [$5,000,000] *$50,000,000* unless the Congress in advance, approves such cancellation ceiling by statute.

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DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1978

Public Law 95–79 (91 Stat. 323)

* * * * * * *

TITLE VIII—GENERAL PROVISIONS

SEC. 811. (a)(1) * * *

(2) [After September 30, 1981, the total number of civilian employees of the Department of Defense in grades GS–13 through GS–18 (including positions authorized under section 1581 of title 10, United States Code) may not exceed the number equal to 96 percent of the number of such employees employed by the Department of Defense on June 30, 1977.] After September 30, 1982, the total number of such employees may not exceed the number equal to 94 percent of the num-

ber of such employees employed by the Department of Defense on July 30, 1977.

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DEPARTMENT OF DEFENSE APPROPRIATION AUTHORIZATION ACT, 1981

Public Law 96-342 (94 Stat. 1077)

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TITLE III—ACTIVE FORCES

* * * * * * *

LIMITATION ON ENLISTMENT AND INDUCTION OF PERSONS INTO THE ARMED FORCES WHOSE SCORE ON THE ARMED FORCES QUALIFICATION TEST IS BELOW A PRESCRIBED LEVEL

SEC. 302. (a) The number of male individuals (with no prior military service) enlisted or inducted into the Army during the fiscal year beginning on October 1, [1980] *1981*, who are not high school graduates may not exceed, as of September 30, [1981] *1982*, 35 percent of all male individuals (with no prior military service) enlisted or inducted into the Army during such fiscal year.

* * * * * * *

STRENGTHENING OF RESTRICTIONS ON CONVERSION OF PERFORMANCE OF COMMERCIAL AND INDUSTRIAL TYPE FUNCTIONS FROM DEPARTMENT OF DEFENSE PERSONNEL TO PRIVATE CONTRACTORS

SEC. 502. (a) No commercial or industrial type function of the Department of Defense [that on October 1, 1980, is being performed by] *that, on October 1, 1980, is being performed by fifty or more* Department of Defense personnel may be converted to performance by a private contractor—

(1) to circumvent any civilian personnel ceiling; or

(2) unless the Secretary of Defense provides to the Congress in a timely manner—

(A) notification of any decision to study such commercial or industrial type function for possible performance by a private contractor;

(B) a detailed summary of a comparison of the cost of performance of such function by Department of Defense personnel and by private contractor which demonstrates that the performance of such function by a private contractor will result in a cost savings to the Government over the life of the contract and a certification that the entire cost comparison is avaliable;

(C) a certification that the Government calculation for the cost of performance of such function by Department of Defense personnel is based on an estimate of the most efficient and cost effective organization for performance of such function by Department of Defense personnel; and

(D) a report, to be submitted with the certification required by subparagraph (C), showing—

(i) the potential economic effect on employees affected, and the potential economic effect on the local community and Federal Government [if more than 50 employees are involved,] of contracting for performance of such function;

(ii) the effect of contracting for performance of such function on the military mission of such function; and

(iii) the amount of the bid accepted for the performance of such function by the private contractor whose bid is accepted and the cost of performance of such function by Department of Defense personnel, together with costs and expenditures which the Government will incur because of the contract.

(b) If, after completion of the studies required for completion of the certification and report required by subparagraphs (C) and (D) of subsection (a)(2), a decision is made to convert to contractor performance, the Secretary of Defense shall notify Congress of such decision.

(c) The Secretary of Defense shall submit a written report to the Congress by February 1 of each fiscal year describing the extent to which commercial and industrial type functions were performed by Department of Defense contractors during the preceding fiscal year. The Secretary shall include in each such report an estimate of the percentage of commercial and industrial type functions of the Department of Defense that will be performed by Department of Defense personnel, and the percentage of such functions that will be performed by private contractors, during the fiscal year during which the report is submitted.

(d) In no case may any commercial or industrial type function being performed by Department of Defense personnel be modified reorganized, divided, or in any way changed for the purpose of exempting from the requirements of subsection (a)(2) the conversion of all or any part of such function to performance by a private contractor.

[(d)] *(e)* This section shall take effect on October 1, 1980.

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TITLE VIII—COMPENSATION AND RELATED BENEFITS

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CONTINGENT ONCE-A-YEAR ADJUSTMENT OF RETIRED AND RETAINER PAY

* * * * * * *

SEC. 812. (a)(1) * * *

(b)(1) Effective [August 31, 1981, but subject to paragraph (3)] *August 31, 1982, but subject to paragraph (2)*, section 1401a(b) of title 10, United States Code, relating to adjustment of

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(2) The amendment made by paragraph (1) shall not take effect unless *and until* legislation is enacted which provides for the adjust-

76-244 O - 81 - 13

ment of annuities paid under subchapter III of chapter 83 of title 5, United States Code, on a once-a-year basis. In the event such legislation is enacted, such amendment shall become effective with respect to adjustments in the retired pay and retainer pay of members and former members of the uniformed services at the same time that the legislation providing for such a once-a-year adjustment of annuities paid under subchapter III of chapter 83 of title 5, United States Code, becomes effective.

MILITARY SELECTIVE SERVICE ACT

(50 U.S.C. App. 451 et seq.)

* * * * * * *

SEC. 3. Except as otherwise provided in this title, it shall be the duty of every male citizen of the United States, and every other male person residing in the United States, who, on the day or days fixed for the first or any subsequent registration, is between the ages of eighteen and twenty six, to present himself for and submit to registration at such time or times and place or places, and in such manner, as shall be determined by proclamation of the President and by rules and regulations prescribed hereunder. *Each person required to present himself for registration under this Act shall furnish at such time and in such manner as the Director shall prescribe the social security account number of such person.* The provisions of this section shall not be applicable to any alien lawfully admitted to the United States as a nonimmigrant under section 101(a)(15) of the Immigration and Nationality Act, as amended (66 Stat. 163; U.S.C. 1101), for so long as he continues to maintain a lawful nonimmigrant status in the United States.

SEC. 10. (a) * * *

* * * * * * *

(i) The Director shall have access, in accordance with regulations prescribed by the President, to information contained in the records of any other department or agency of the Federal Government pertaining to the names, ages, and addresses of persons required to present themselves for registration under this Act. Such information may be used by the Director only for the purpose of ensuring that all persons required to present themselves for registration under this Act comply with the registration requirements of this Act.

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FEDERAL CIVIL DEFENSE ACT OF 1950

(64th Stat. 1245; 50 U.S.C. App. 2251–2297)

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APPROPRIATIONS AND TRANSFER OF FUNDS

SEC. 408. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act in the fiscal year ending September 30, 1977. No funds may be appropriated for any fiscal year beginning after September 30, 1977, for carrying out the purpose of this Act, unless such funds have been authorized for such

purpose by legislation enacted after the date of enactment of the Department of Defense Appropriations Authorization Act, 1977. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency or Government corporation designated to assist in carrying out this Act: *Provided*, That each such allocation or transfer shall be reported in full detail to the Congress within thirty days after such allocation or transfer: *Provided further*, That appropriations for the payment of travel and per diem expenses for students under section 201(e) shall not exceed $300,000 per annum; appropriations for expenditures under the fourth proviso of section 201(h) (donation of radiological instruments, et cetera) shall not exceed $35,000,000 per annum; appropriations for contribution to the States for personal equipment for State and local workers, under section 201(i) shall not exceed $2,000,000 per annum; and appropriations for contributions for personnel and administrative expenses under section 205 shall not exceed [$40,000,000] *$45,000,000* per annum.

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ADDITIONAL VIEWS OF MR. HART

I generally support the bill as reported, and I recommend my colleagues support it on the floor of the Senate.

Especially positive are the initiatives taken by the committee in the naval area. The bill as proposed by the administration was purely traditionalist in naval shipbuilding, emphasizing large carriers, cruisers, and nuclear submarines. For a number of years, the Senate has recognized that this is not an adequate response to the Soviet naval challenge. Numbers of ships are vitally important, but we cannot have enough numbers if each ship we build is extremely expensive. We must create new shipbuilding options, options which will allow us to build the larger number of ships we need.

The committee has acted to develop such options. It has once again demanded that the Navy produce a design for a light carrier, a ship costing only about one-third as much as a *Nimitz* class carrier. It has initiated a program to design a diesel-electric submarine. It has moved to give the new LHD–X amphibious assault ship a dual role as a carrier for VSTOL aircraft, and has continued the R. & D. program for a VSTOL fighter aircraft to go on it, the AV–8B+. It has added funding to the SEAMOD program to modularize naval weapons and sensors, prospectively reducing the time and cost of ship modernizations. It has provided funds for the ARAPAHO program, to base Naval Reserve anti-submarine helicopters on merchant marine ships in wartime. And it has reminded the Navy that a prime mission for the battleships is providing gunfire support for Marine operations ashore, for which mission the *Salem* class cruisers may be good alternatives to the second two battleships.

These actions continue the approach the Senate has taken for at least the last 3 years, an approach emphasizing new concepts and new technologies as a means to a larger, more effective Navy. Unfortunately, the leadership of the Navy seems to regard the Senate's concerns with an attitude bordering on contempt. Despite strong evidence that light carrier designs exist, the Navy refuses to provide them. The conventional submarine study requested last year, due no later than March 1, 1981, still has not been presented to the committee. The committee's initiative in including a combined amphibious assault ship/VSTOL carrier in last year's bill found no echo from the Navy in its LHD–X request. The Navy not only requested no funds for the AV–8B+—the only VSTOL fighter/attack aircraft we can hope to have in this decade—it has provided to date not one penny to the program out of last year's VSTOL R. & D. money.

The Navy appears to believe that if it can keep Congress from having any alternatives, it can get the ships it wants. This is both militarily and politically dangerous. Militarily, the ships sought by the Navy are so expensive as to insure they will continue to be top few in number at a time when trends in naval warfare suggest all

ships are growing individually more vulnerable. Politically, a growing body in both the Senate and the House are coupling their support for increased defense spending with demands for more imaginative and effective thinking about the art of war. Navy "stonewalling" of congressional desires for new concepts, new ships designs, and new ideas for using our limited dollars effectively can only work to turn military opponents into victors and political friends into enemies.

In areas other than naval shipbuilding, the bill includes some positive actions but also some programs which should be questioned. Prime among the latter is the F/A–18 naval fighter/attack aircraft. The continued cost escalation and performance problems of this aircraft make it clear that the F–18 is a financial, technical and conceptual failure. The cost growth is out of control, with the fighter version now costing almost as much as the far more capable F–14, and the attack version about four times as expensive as the equally capable A–7. Nor are we without alternatives: F–14's and A–7's could replace the planned F/A–18's for the Navy, and AV–8B's and B+s could equip the Marine Corps, with improved capabilities at lower cost for both services. The committee is to be commended for reducing the F–18 request, but reduction is no substitute for cancellation of this program.

The greatest deficiency of this bill is not immediately apparent, and is not the fault of the committee or the administration. It is a result of our long-standing defense debate, a debate focused largely on how much to spend and very little on what to spend it for. The deficiency is that there is not much correlation between the action recommended here and what history suggests is important for winning wars.

In terms of equipment, the bill provides more of the same: more of the same general kinds of ships, planes and tanks we have been designing and buying for decades. Further, it continues a process of equating capability on the battlefield with quantified "kill probabilities" demonstrated in highly structured tests. We seek these high "P_KS" with more and more technological complexity, often—as in the case of turbine engines in tanks—technology for its own sake.

In contrast, history suggests a few different characteristics we might seek in the development of new equipment:

Emphasis on change in kind, not just change at the margin. A plane or tank which performs 10 percent better than its predecessor creates few problems for the opponent. We need to focus on change which creates a whole new situation, change which makes many of the opponent's assets, forces and tactics obsolete. Historical examples include the rifled musket, quick-firing artillery, the machine gun, the submarine, and the tank. Opportunities for this kind of innovation are hard to find, but finding them is even harder for those fixated on reproducing "more of the same" with slightly greater performance, at the cost of much more money and complexity.

Quantity. In war, numbers count. Germany had the best fighter aircraft (ME–262) and tanks (Panther and Tiger) in World War II. But she had relatively few of them. American and Soviet tanks and planes, individually inferior but far more numerous, rolled over them. With its emphasis on $3.5 billion aircraft carriers, $650 million submarines, $40 million fighter planes and $2.5 million

tanks, the bill makes it unlikely we will have the numbers we need. Initiatives such as light carriers, diesel submarines and light armored vehicles are steps in the right direction, but such programs are still rare to find and rarer to get institutional military support.

What one might call "usability": the ability to function in bad weather, in the mud, in the hands of real soldiers, without much maintenance—in short, the ability to work in war. Much of our equipment does well in tests, in peacetime, under controlled conditions. But how will all this complexity, and resultant fragility, fare in war? Clausewitz warned that in war all things are simple, but even the simplest thing is extremely difficult. As our poor readiness rates show, using and maintaining much of our equipment is not simple even in peacetime.

Even more fundamental is the fact that the outcomes of battles and wars are usually not determined primarily by the characteristics of the equipment of the two sides. More important have been such things as unit cohesion, doctrine and tactics, the command system, officer selection and education, and the institutional structures of the armed services. The committee gives these factors little consideration. Does this mean we are satisfied with our current firepower/attrition doctrine, that we have evaluated it against maneuver doctrine and found it superior? That we truly believe an officer education system which teaches little military history and much management is most likely to develop officers who understand the art of war? That the bureaucratic organizational model of three of our four services results in the institutional behavior a successful military needs?

Or has our defense debate, in the Congress and in the Pentagon, simply failed to focus on what wins wars? I think this is in fact the case. Again, no one is to blame; this is the kind of situation that develops largely unnoticed. But a growing number of people, grouped loosely under the term "military reform," have noticed and are seeking to change the terms of the debate. I believe they will succeed, and that the debate of the 1980's will be fundamentally different from the "more is better vs. less is better" debate of the past decade. It will focus less on management, funding levels, and on what the services want, and more on the art of war itself. It will be driven by those who ask in the area of defense what President Reagan asked the Congress in his recent address on the economy: "Isn't it time that we tried something new?"

GARY HART.

MINORITY VIEWS OF MR. LEVIN

As reported out by our Armed Services Committee, the fiscal 1982 Defense Authorization Act lays the foundation for one of the largest military spending programs our Nation has undertaken since World War II.

Unfortunately, as constructed by our committee, this foundation has several flaws serious enough to force me to vote against it being reported to the full Senate.

These flaws compromise the features of this legislation which otherwise make positive contributions to our national defense—contributions which I strongly support and which I think are long overdue, especially in the areas of military readiness and strategic command, control and communications (C^3).

I strongly support efforts to improve our defense capabilities, and I do not think that there should be any doubt by the American people that we need to make improvements. This is particularly so regarding certain aspects of our conventional force capabilities.

It is for these reasons that I supported the increases in such readiness-related programs as aircraft engine spares, war reserve materials, depot maintenance and industrial mobilization preparedness, as well as increases in tank, tactical aircraft and ship procurement.

The committee's actions to increase the preparedness of our National Guard and Reserve Forces were generally commendable, also, as was its approval of an amendment aimed at eventually increasing the amount of competition for defense contracts. This latter action has the ultimate goal of achieving costs savings through more competitive bidding.

However, certain increases to the defense budget approved by the committee cannot be justified by realistic assessments of both the military threats we face and our own present (and future) capabilities to meet those threats.

Neither overly pessimistic nor overly optimistic assessments of our own strengths and weaknesses—or those of the Soviet—should be used as the basis on which to build our defense program. More realistic evaluations are required. The committee relied too heavily on extremely unrealistic assessments and the end result was the authorization of militarily unjustified systems, such as initial funding of a nuclear aircraft carrier and continued procurement of the Roland Army air defense system.

Let me now address some of the basic flaws in the committee's fiscal year 1982 Defense Authorization.

First, last November's election signaled that the American people have lost their patience with "business as usual" as far as government is concerned. They are tired of unresponsive Federal departments and agencies wasting their hard-earned tax dollars. They are tired of the

budgetary gimmickry practiced by successive past administrations both Republican and Democratic.

The public rightfully wants us to cut waste in the Federal budget—*including*, not excluding the defense budget. It wants us to obtain the most military capability out of every defense dollar, just as it is demanding we get more out of every dollar spent on domestic programs.

Our committee too often failed the test. It refused to eliminate $200 million from the defense budget in a targeted reduction of duplicative administrative and support functions at neighboring military bases—a recommendation well documented by Congress' own investigative agency, the General Accounting Office (GAO).

It refused to cut another $100 million from funds for consultants, a savings recommended by the Secretary of Defense himself but not included in the new administration's fiscal year 1982 budget revisions.

It refused to cut about $60 million to hire some 5,000 foreign workers at U.S. military bases overseas to fill positions the Army has not even validated as needed defense requirements. We are creating positions without following the customary process of requiring the Army to validate the need, and in the process, are spending $60 million to employ foreign citizens, mainly in Germany, when Germany and other NATO allies have not even kept their own defense spending commitments.

These proposed reductions were so modest as to constitute less than 2/10's of 1 percent of the entire defense budget, and they were not aimed at the sinew and bone of our military capabilities. They were aimed at the fat in our defense establishment—padding which can be reduced without threatening our national security.

That this padding exists was eloquently testified to by the new administration's own budget-cutter, Office of Management and Budget Director David A. Stockman. Mr. Stockman recently told another congressional committee that the reason he did not cut defense spending in the Reagan fiscal year 1982 budget revisions—compared to the extreme reductions recommended in other programs—is because:

> There is so much waste in the Defense Department it has taken us longer to figure it out.

In this light, the committee's rejection of these very modest savings is doubly disappointing.

The second basic flaw is the committee's legislative treatment of the "fencing" of the MX missile basing and new strategic bomber programs.

Since the new administration still is deciding how to base the MX missile and which type (or types) of new strategic bomber to develop, the committee properly restricted any obligation or expenditure on these programs until after those decisions are made and transmitted to Congress.

However, these programs may still proceed in whatever direction is decided by the President after the passage of 60 days in which Congress fails to pass a resolution of disapproval.

This indirect and almost passive legislative technique, in both cases substantively would surrender the Congress' authorization and ap-

propriations powers to the executive branch. As such, it weakens the voices of the American people—through their elected representatives—to express and vote their views on two of the most important defense programs this Nation ever may undertake.

In the case of the MX basing mode, its costs—financial and environmental—and its implications for strategic nuclear policy, deterrence and arms control are so great that the controversy surrounding the system is likely to continue and increase, rather than decrease, once the President decides on a basing mode.

Court suits are likely—if not certain—even if land withdrawal legislation is approved by Congress.

Land withdrawal legislation—already delayed—itself raises serious constitutional questions about the relationships between Federal and States rights, to say nothing of the specific issues regarding the pros and cons of amending, suspending or "fast-tracking" the administrative and judicial procedures established under the National Environmental Policy Act, the Federal Land Policy and Management Act and other laws to protect the public and our natural resources. We could be setting precedents of great import for the future.

Production and deployment of MX—in whatever basing mode—could divert substantial resources away from meeting our needs to improve our conventional Armed Forces.

Rightly or wrongly, our decisions about MX have attracted the keen attention of our NATO allies, some of which somehow think whether we deploy MX on land or sea is analogous to the dilemma they face in deploying new U.S. theatre nuclear weapons on their soil.

The cohesion of the NATO Alliance could be affected by what the United States decides to do with MX.

MX in whatever deployment mode will have major impact on the pace of reaching future arms control agreements and on their composition. It also could affect continuation of existing agreements, such as the ABM Treaty.

Regardless of one's position on these individual arms control efforts—SALT and ABM—MX will greatly impact them.

All of these points demonstrate how important and weighty are the executive branch and congressional decisions about MX. This is the world's largest military construction project—if not mankind's largest ever. The very shape of our future strategic nuclear and conventional military policies could be decided in the process of deciding about MX. The very safety and security of our own people, as well as those throughout the world, will be affected greatly by how we decide MX.

We should not make such decisions in an indirect manner which could well result in our never directly voting on this issue. That is what we would be doing by establishing the "motion of disapproval" procedure embodied in the committee's MX "fencing" language.

Congress, as the elected representatives of the American people, should take direct action and to vote up or down, in deciding MX.

The committee's "fencing" procedure may well result in the avoidance of an up-down vote. While it allows for a motion of disapproval after a presidential decision, it does not assure that such a motion will reach the floor or, if it does, will not be subject to a tabling motion.

Regarding the bomber program, the decision is almost as costly and as controversial as is the MX basing mode choice. One statement of

our committee colleague and chairman of the Strategic Forces Subcommittee, Senator Warner, demonstrates its complexities and import:

> Although modifying existing aircraft, as in the FB–111 stretch option, is the least costly approach, all of the bomber options which we are considering are very expensive.
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> Funding any of the bomber programs under consideration will place a major burden on the Defense budget even with the large increases anticipated by the Reagan administration. Thus, with cost being a major consideration, the Congress must weigh carefully any steps to develop or procure new strategic bombers. We must decide whether or not the United States can afford both a near-term bomber program as well as an advanced technology bomber program. We must ask whether or not advanced technology will be good enough and near enough to justify not doing a near-term bomber. And we must ask whether or not we can justify proceeding with two bomber programs, all in the context of our other strategic programs, such as the MX, Trident II and the air-launched cruise missile.

The third basic deficiency in this defense authorization is the manner in which the committee chose to address the need of our North Atlantic Treaty Organization (NATO) allies and Japan to increase their contributions to the common defense.

To convey to our allies that, as we are continuing to significantly expand our defense efforts, Congress and the American people place vital importance on the equitable sharing of the cost burden for the common defense, I introduced an amendment requiring the President to reduce by an amount he determined:

> (1) the number of U.S. troops stationed, or the number of U.S. defense dollars expended, in those NATO countries which fail in calendar year 1982 to meet the commitment to 3 percent annual real growth in defense expenditures made by each of the NATO allies and
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> (2) reduce the number of U.S. troops stationed, or U.S. defense dollars expended, in Japan if the Government of Japan fails to budget sufficient defense funds in 1982 to permit fulfillment of Japan's commitment to complete its mid-term defense plan one year earlier than originally planned. In both instances, the President would not have to make such reductions if he certified to the Congress that any such U.S. troop or expenditure reductions would adversely affect the national security of the United States.

With these waiver provisions, the practical effect of my amendment in terms of actually forcing troop reductions overseas would be far less than would be its symbolic value, which at this time is more important.

Adoption of this amendment would send an important signal to our allies that the American taxpayers, and their elected representatives, do not have unlimited patience to provide money and manpower to help defend other nations while these other nations continue to refuse to carry out commitments to more equitably shoulder the mutual security burden.

Instead, the committee repeated in this year's defense legislation the same language enacted into law last year expressing our concerns that our allies should do more in these areas and requiring a Defense Department report assessing the adequacy of allied contributions. As the author of that language last year, I no longer believe it adequately expresses the American frustration with the level of allied defense efforts. Nor does it establish any mechanism to actually achieve a more equitable division of labor between the United States and its allies. My amendment was intended to create such a mechanism as well as to more forcefully communicate the feelings of the American public on this issue.

The Soviet invasion of Afghanistan, the threat of intervention in Poland by the Soviet Union and its Warsaw Pact allies, and the potential for continuing instability in the region of the Persian Gulf which could threaten the economic health of ourselves and our allies, underscore the importance of improved military preparedness by *all* the member nations of the North Atlantic Treaty Organizations (NATO), and by Japan.

But the non-U.S. member nations of NATO, collectively and individually, and Japan, have failed even in the past year, to fully appreciate these threats to our mutual security and have not responded with the more determined defense effort now warranted and to which they specifically committed themselves.

The current pace and direction of the military efforts of NATO and Japan, including the failure of many NATO nations to meet the 3 percent annual real growth commitment on defense spending agreed to in 1977 and reaffirmed in 1979, the delay in NATO's Long Term Defense Program resulting from insufficient contributions to the common defense by the non-U.S. member nations, the weakening of support in some NATO nations to the agreed-upon modernization of the Alliance's long-range theater nuclear weapons, and the recent disappointing failure of Japan to increase its defense spending in 1981 as promised, are causes of great concern to the Congress and the American people.

Since the United States has provided the other members of NATO, and Japan, with a defense umbrella in the post-World War II era, thereby relieving these nations of a great national defense burden, and has contributed enormously to the economic recovery of these nations since World War II, especially the Federal Republic of Germany and Japan, it is especially hard to understand why these nations have been unwilling to increase their annual defense spending to levels commensurate with their economic resources and their commitments.

In suggesting such an amendment, I recognize that our allies in NATO certainly contribute more than is commonly realized to our mutual defense, and I understand the methodological and philosophical difficulties attendant in trying to measure what constitutes a "fair share" for each NATO nation and Japan.

Nevertheless, I believe that the present sacrifices being asked of the American people to support defense improvements for the common good must be shared by our alliance partners. This more mutual sacrifice is in the long term best interests of all our nations, as well as of the rest of the Free World.

I also must take exception to three other deficiencies in this authorization.

The committee repealed outright the profit-limiting Vinson-Trammell Act, the last vestige of direct protection the American taxpayer has against excess profits being made on defense contracts. By taking this action, the committee violated a specific commitment made by it and the entire Congress last year to study alternatives to Vinson-Trammell *before* outright repeal.

No hearings were held this year on this issue by our committee, and outright repeal removes the incentive for such activities in the future. At a time when we are greatly expanding defense spending, Congress should have seriously considered substituting more modern, alternative profit limiting mechanisms for Vinson-Trammell, instead of repealing the statute. Past Defense Department testimony, and present GAO statements recommended against the committee's action, also.

In another procurement related matter, the committee erred, in my opinion, by inserting a "Maybank amendment" into a defense authorization act for the first time. Previously included only in defense appropriations acts, the Maybank amendment excludes DoD from participating in the national program to target certain procurement contracts to firms in high unemployment areas when competitive prices still can be obtained by the government.

Since Congress last year partially repealed the Maybank provision as a pilot program to determine the costs and benefits of a complete repeal—an action many of us have urged—the committee's reinsertion of a full Maybank amendment into a defense authorization is unwise and contrary to the will of both the Senate and House of Representatives.

Lastly, the committee again enacted into law unrealistic fixed percentage limits on the numbers of non-high school graduates and of individuals scoring in Category IV on service entrance exams who can be recruited annually. This action could force the Army to reject as many as 10,000 individuals which Defense Department studies have demonstrated make acceptable soldiers.

Improving our Armed Forces is a question of both quantity and quality, and the committee's action sacrifies both to meet some arbitrary standard which has little relation to what personal characteristics are required for a man or woman to become a good soldier.

CARL LEVIN.

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