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14 Mar 79

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

Doc # 983/14

CG

RM II (17) - PA

see my comments

HB

cc: ED

Fx-8

March 14, 1979

I gave orig to
Russ. M.
direct 3/15/79



PROGRAM ANALYSIS
AND EVALUATION

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Chief, Records & Declass Div, WHS
Date: JUL 01 2016

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Comments on Draft Consolidated Guidance - INFORMATION
MEMORANDUM

We have reviewed the comments on the CG provided by the Military Departments, the JCS, and other OSD offices. In this memorandum I summarize what appear to me to be the most important issues raised by the comments and give you my recommendations.

The original schedule for processing the CG called for you to have one meeting with the Services and CJCS to discuss their comments. If this meeting can still be accommodated on your (severely disrupted) schedule, then I am sure a number of the issues in this memo will come up -- although the agenda for the meeting is intended to be left to the Services and CJCS. If such a meeting cannot be arranged, then you could note your reactions on this memo and we will revise the CG accordingly. (For the numerous lesser issues arising from the comments, we are preparing a notebook covering the details of our proposed revisions to the CG; we will send you this notebook next week.)

One major issue not addressed below is the substantial revision required in the Persian Gulf section (Section F) because of Iran. Much of the analysis concerning a joint US and Iranian defense of Iran against a Soviet invasion is no longer applicable. We are simply deleting that analysis and indicating the new direction we intend to take in analyzing our needs in that area now. Until that analysis is completed, we will have no basis for changing the guidance on forces for the Persian Gulf (although as the Services and Joint Staff indicate, the needs will likely be greater).

OK
This should be noted

1. Policy, Strategy, and Fiscal Guidance

By far the dominant theme in the Service and JCS comments on the CG is that the fiscal guidance is inadequate to carry out national policy and strategy. The JCS in forwarding their Joint Strategic Planning Document point to: (1) the overall Soviet growth in military expenditures, (2) the relative decline in our strategic nuclear capability, (3) our inability to meet the needs of worldwide conflict with the Soviet Union, and (4) our inability to fight simultaneously in Central Europe and in a non-NATO contingency, all as evidence of a "severe strategy - force mismatch". They believe that "forces developed in response to this draft CG are likely to involve high risk of failure of

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deterrence and of defeat should deterrence fail." Jim Woolsey says he does not see how the Navy can reach even "minimal conformance" with the policy section. The Air Force view is that the guidance is "overly optimistic" about our military capabilities and that our force structure "will lack the requisite flexibility and mobility to secure the interest of the United States around the world." The Army puts it simply that "the forces envisioned by the CG will not support our national strategy," and the funds "will not support fully even the force envisioned by the CG."

The CG is intended to be a consolidated (and consistent) statement of policy, capabilities, and resources. The forces assumed in the CG are -- or should be -- consistent with the Fiscal Guidance stated in the CG. The CG analyzes the capabilities of these forces and assesses those capabilities in terms of national objectives. For example, our ability to defend against an all-out conventional attack in Central Europe is assessed in terms of force build-ups after mobilization. Although no strong conclusions are drawn, the CG points out that the roughly 2:1 disadvantage we would face in ground force firepower "does not support high confidence in NATO's ability to carry out its forward defense strategy." Similarly, with regard to "essential equivalence" in strategic forces, the CG says "the narrow lead in on-line warheads we expect in the early to mid-1980s, compared with the very large Soviet lead in other indices, does not constitute a satisfactory essential equivalence picture." The CG goes on to point out that our mobility forces would be capable of handling deployments to both Central Europe and the Persian Gulf only if there were a 45 day lag between them. Finally, the CG analyzes our naval capabilities in the cases of primary interest, including the cases cited in the proposed definition of maritime superiority. Whether we will have "maritime superiority" or not depends, I think, on how one chooses to interpret its definition.

Recommendation:

The problem here is not with the CG -- the CG does what it is intended to do. The issue is whether the fiscal guidance allows forces adequate to carry out national policy. This is a judgement that should be considered at the highest levels of government and should be the primary agenda item for the PRC on the Consolidated Guidance. I recommend no change in the Consolidated Guidance on this issue unless decisions at that meeting indicate changes are in order.

There will always be differences on what confidence a given force level produces of a particular outcome. I think you & I agree that the margin is thin. The sources + views say it's thin or even negative.

I agree this is the issue.

2. Distribution of Fiscal Total Among Services

Walt LaBerge says "the avowed emphasis on NATO capabilities, and the Army's contribution thereto, appears at variance with what we see as a noticeable skewing of funds allocation away from the Army." The Navy notes that both the Army and Air Force growth rates for FY 81 are well above the Navy's rate. The Navy feels that the method of derivation for the DoD total should be applied to each Service (thus implying that each Service should have the same growth rate in the fiscal projections). The Air Force notes that it has programmed several

There is indeed a unanimous view among all components that the others are getting more than their share.

Perhaps that should be formally noted.

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major new strategic initiatives (MX, ALCM, CMC) that have significant cost implications in the future. The fiscal guidance does not adequately provide for these programs. The Air Force feels its share of the defense budget steadily declines over the FY 81-85 period.

The following table shows the distribution of the defense budget and fiscal guidance for the Military Departments for FY 78-85. Also shown are average annual growth rates for FY 78-80 and FY 80-85. The table shows the Army's share of the fiscal total increasing slightly after FY 78, the Navy's share decreasing slightly, and the Air Force's share staying about the same. The Army and the Air Force had positive growth FY 78-80 but the Navy's growth was negative. All Military Departments have average annual growth rates between 2 and 3% FY 80-85. The growth rates from FY 80 to FY 81 are Army +3.2%, Navy -1.1%, and Air Force +3.3%.

Military Departments Budget and Fiscal Guidance
(FY 80 Budget \$B)

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81^{b/}</u>	<u>FY 82</u>	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>Average Annual Growth FY 78-80</u>	<u>Average Annual Growth FY 80-85</u>
Army c/ (% Total)	32.5 (28)	33.4 (29)	34.0 (29)	35.1 (30)	36.2 (30)	37.4 (30)	38.5 (30)	39.0 (29)	2.3%	2.8%
Navy c/ (% Total)	44.8 (39)	44.0 (38)	44.0 (38)	43.5 (37)	44.5 (37)	46.9 (37)	48.7 (38)	50.8 (38)	-0.9%	2.9%
Air Force c/ (% Total)	37.4 (33)	37.5 (33)	39.0 (33)	40.3 (34)	40.6 (33)	40.9 (33)	42.3 (33)	43.8 (33)	2.1%	2.3%
TOTAL Military Depts.	114.7 (100)	114.9 (100)	117.0 (100)	118.9 (100)	121.3 (100)	125.2 (100)	129.5 (100)	133.6 (100)	1.0%	2.7%

2.8%
2.9%
2.3%
2.7%

Highlight table

^{a/} Basic level
^{b/} Excluding 2% allowance for budget scrub
^{c/} For comparability, service totals include an allocation of the FY 80 pay raise in FY 80-85 that is carried in the Defense Agency line in the CG: Army \$.88, Navy \$.78, AF \$.68.

Recommendation:

Apart from adjustments to accommodate any changes you may make in the mandatory program guidance, I recommend no change in the distribution of the fiscal guidance. That distribution was based on the January, 1979 FYDP, prorated to match, in total, the FY 80 Presidential budget submission and its out-year projections. The Military Department totals were then rebalanced to reflect those items of mandatory guidance having fiscal impacts not already reflected in the FYDP. Since the FYDP reflects the decisions on last year's POMs and budget submissions, and the CG mandatory guidance provides your new initiatives for this year, these two items provide the best indication of overall priorities for resource allocation. Since the distribution of the fiscal guidance is based on these two items, I do not believe it should be changed.

I agree

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3. Triad vs Dyad

Section B of the CG points out (P. B-8) the decline in ICBM survivability and, noting (P. B-14) that "an affordable, politically acceptable, and survivable rebasing scheme for ICBMs may not be achievable", presents a comparative analysis of alternatives that include a Dyad (i.e., no ICBM modernization), duly noting the perceptual risk ("some would view the adoption of a Dyad as a defeat for the U.S.").

On the other hand, the DPG states that "The U.S. will plan and program the maintenance of a strong and enduring TRIAD" as a matter of policy.

Both Dan Murphy and the Navy comment that this is inconsistent. The JCS, the Air Force, and the DIA believe that the PD-18 study "Modernization of the ICBM Force", and the FY 80 Defense Report, have put the issue of MX in survivable basing to rest within the DoD, and that "emphasizing" a modernized Dyad represents a step backward.

But the issue has by no means been put to rest. The President's reservations about MPS are clear; the costs of a good air-mobile alternative are likely to be enough to give anyone pause; more affordable versions of the air-mobile system are likely to preserve few of the desirable characteristics that we have come to associate with ICBMs, and that are the main reason we're interested in trying to preserve this leg in the first place. It might just turn out that a splendid Dyad is the way to go.

To dismiss that possibility is to stick one's head in the sand. To dismiss it as a matter of "policy" is to say that policy has more to do with means (missiles, airplanes, submarines, and other pieces of hardware) than it does with ends (effectiveness, survivability, dependence on strategic or tactical warning, essential equivalence, and other components of deterrence). It is also to say that "policy" is free to ignore the world around us -- or at least the world that will be around us in the early '80s when our success in carrying out this policy will depend not so much on our forces, or even our resolve, as on how we -- and the world -- interpret "strong and enduring".

Recommendation:

I see three possible solutions:

- o Delete the analysis in Section B.
- o Change the DPG.
- o Change the last sentence of the first full paragraph on Page B-14 to:

~~"Thus, although our policy is to maintain a strong and effective Triad, we may be forced to redirect our strategic force modernization resources to build on the strengths of our SLBM and bomber forces."~~

of the land-based component will depend on how well we are able to achieve the special values at an affordable cost.

I put it this way because triplication has a virtue in itself -- even if the third leg is somewhat less cost-effective which I don't think it need be) because it ensures against a temporary reduction of effectiveness in one of the legs.

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4. ICBM Deactivation

AF, JCS, and USDR&E state that it is premature to set a policy that directs deactivation of ICBMs to meet assumed SALT II limits on MIRVed systems.

Navy planning has assumed block retirement of Poseidon submarines at 25 years service life. In response to last year's CG, the question of Poseidon operation beyond 25 years was studied; major conclusions were:

1. Poseidon operation beyond 25 years is not unreasonable; however, further study is necessary to determine specific costs; and

2. shipyard capacity does not exist for dismantlement of all Poseidon submarines at 25 years without major impact on the Navy industrial base.

Without specific guidance in the CG, the Navy will have to assume some level of sharing of retirements due to SALT and to program the retirement of 2-3 SSBNs in 1985 at about 21 years of service life. If SALT MIRV reductions are to be shared, the FY 1981 Navy POM will program no overhauls for submarines likely to be retired early. A subsequent decision to retain those submarines will require the reprogramming of overhaul funds and a restructuring of the entire overhaul/retirement schedule. Additionally, programs to enhance Poseidon survivability, such as sonar improvements, will probably be dropped as not worth the money if the SSBNs are to be retired at 25 years.



Recommendation:

We should retain the guidance to plan for the retention of Poseidon and retirement of silo-based ICBMs to conform with expected SALT II limitations on MIRVed launchers.

plan to retain Poseidon & not decide on silo-based ICBMs until SALT is ratified.

5. Additive Forces/Simultaneity

The JCS are concerned that "Forces required for other (non-NATO) contingencies are not recognized as additive forces as called for by PD-18 These forces . . . should possess sufficient strategic lift to respond simultaneously to both contingencies in a timely manner."

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The Air Force is concerned primarily with the CG's failure to assign sufficient weight to the Persian Gulf in response to a Soviet attack focused in Europe, and the resulting lack of guidance to buy additional new dedicated airlift. The Air Force says it has "significant concern with /the/ premise . . . that Central Europe is the most vital area outside of the United States and that we must accordingly structure our forces based primarily on the situation there." "Specifically, the level of pre-positioned equipment in Europe and the disinterest in modernized intra-theater airlift are seen as a tendency . . . to overemphasize Europe at the expense of global flexibility." "A NATO war linked to significant activity in the Persian Gulf would overtax our capabilities."
There is some thought that a NATO war alone would do that.

The CG does, in fact, suggest that, if there were no conflict in progress elsewhere, we would likely send almost everything to Europe in view of the adverse force ratios. However, Section C of the CG does assess the impact on NATO of a simultaneous "half-war" in that the displayed force ratios in Europe exclude the three divisions earmarked for the Persian Gulf. With respect to simultaneity of initiation of conflicts, the CG recognizes (and the comments emphasize) that the Soviets might try to take advantage of our inability to deploy forces simultaneously to both Central Europe and elsewhere (especially the Persian Gulf). The CG takes the view that if war breaks out in Central Europe and elsewhere at exactly the same time, we would be able to concentrate on Central Europe first, because of such actions as stockpiling oil to allow an oil SLOC standdown, and provision of supplies to allies such as the ROK. Clearly, we cannot do more outside of Central Europe without doing less inside, and the current "balance" is the most we can afford.

We have a substantial capability to deploy forces to the Persian Gulf by air now. That capability will grow over the next few years with the programmed C-5, C-141, and CRAF enhancements. Whether this capability would be "enough" in the absence of a war in Europe is unclear because of the uncertainty in the forces we should program for the Persian Gulf. War in Europe would, however, use up essentially all of this airlift capacity if we were to meet our programmed deployment schedule. The most efficient way to increase our flexibility to use airlift to the Persian Gulf or to the Flanks simultaneously with a war in Central Europe is to buy and preposition even more materiel in Central Europe. The CG encourages the Services to consider such additional prepositioning--particularly Army air defense hardware and Air Force materiel handling equipment. The CG also suggests the Services consider additional airlift at the Enhanced Level, but we are unlikely to be able to afford adequate airlift for complete simultaneity.

Recommendation:

Clarify CG to note that forces for the "non-NATO contingency" were not included in the assessment of the balance in Europe.

note that explicitly along with this assessment

OK

6. Maritime Superiority

The Navy argues that the Naval section of the CG (Section "L") "contradicts established administration policy and numerous public statements by administration officials on the goal of maritime superiority."

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The real issue centers on the interim definition of maritime superiority offered in the DPG. It says that the U.S. Navy should be able to "threaten Soviet forces and facilities (emphasis added) even in their coastal waters." Because only carriers can currently threaten Soviet facilities, the Navy seems to interpret this guidance to mean that carrier strike forces should be programmed on the basis of attacking the Soviet mainland early in a NATO war.

Section L encourages the development of U.S. and allied forces adequate to successfully perform maritime missions essential to our security. It also says that the potential gains from carrier strikes against the USSR are at best uncertain, and the risks appear high, particularly during the early days of a NATO war. For these reasons, Section L concludes that we should not now program carrier forces explicitly for offensive operations near the USSR. This is consistent with your Chicago speech, where you pointed out the unfavorable cost leverage that would result from programming enough carriers for strikes against the USSR.

Section L stresses the utility of carrier forces in responding flexibly to a broad spectrum of potential crises around the world as the primary programming criterion. As in last year's edition of the CG, the Navy is directed to program carrier forces "with sizing principally based on meeting contingencies outside of Europe and on peacetime presence needs. The capabilities of the force on the European flanks, in the Center Region, and for SLOC protection during a NATO war should then be checked for adequacy." We do not believe this programming basis for carrier forces contradicts the overall goal of maritime "superiority," so long as that continues to be defined in the DPG strictly in terms of "sufficiency."

Recommendation:

I recommend that Section L remain unchanged, and that the DPG be modified to remove the statement that implies, as a matter of policy, that we should reallocate resources away from other and better justified missions in an attempt to build the capability to destroy "facilities" in the Soviet Union using carrier forces. We have clarified Section L to remove any implied restriction on actual operational use. The basic CG deals primarily with force programming, and is not intended to inhibit contingency planning or actual usage.

I disagree. This needs rewriting to say that we want to be able to attack Sov. land facilities later in the war if we are able early in the war to seal off the Straits, + consequently have option to move to attack Patagonia - low risk or less likely Murman coast.

7. Tactical Air Forces

Sections K, Tactical Air Forces and P, Research, Development and Acquisition have major inconsistencies as now written. Section K discusses the increasing cost and complexity of tactical air weapon

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systems. It also highlights serious equipment and aircrew readiness-related problems in the operational forces today. It directs the Services to address these problems and to recommend in their POMs how they propose to solve them. Section K indicates that one of the possible actions we might have to take in order to solve these problems is a reduction in the technological sophistication of our tactical air systems.

While the aircraft-oriented part of Section P's Air Warfare subsection is generally consistent with Section K, the weapons part directs "business as usual" in tactical air developments:

"develop an effective airfield attack capability . . . emphasis on standoff and self-protection weaponry."

"The IIR Maverick and IR Attack Weapon variant should receive continued emphasis."

"Air Force should continue development of the GBU-15 CW with the IIR Maverick seeker."

"Develop the DME-guided GBU-15 Planar Wing weapon . . ."

Munitions . . . "Develop a terminally guided Hard Structures

Recommendation:

Section P (R&D) should add a couple of sentences to the effect that Section K expresses strong concerns about affordability of tactical air programs and asks for Service recommendations. To the degree that the Services elect to press for technological advances as part of the solution, then the R&D guidance provides priorities.

ok

Furthermore, I believe all the detailed programmatic guidance in Section P should be placed in an R&E annex issued by Bill Perry. (We are already handling C³I guidance this way.) The CG is not intended to be a vehicle for detailed OSD management of Service programs. Other examples of such guidance cover defense radars, separate missiles for Assault Breakers, and light weight armored vehicle).

8. POMCUS Expansion

The Joint Chiefs of Staff recommend "that the results of the Army POMCUS study be used as a basis for the decision to ultimately expand POMCUS stocks. Therefore, the requirement to POMCUS beyond FY 82 should await completion of analysis directed by the FY 1980-1984 CG."

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The Army says it is "preparing to show the FY 80 and 82 POMCUS impacts in our POM 81-85. We propose to continue to plan for POMCUS beyond FY 82 but suggest that it is inappropriate to include detailed programming for POMCUS beyond FY 82 until clarification of congressional action on the FY 80 and 81 budgets confirms the level of support for our POMCUS initiatives. Additionally, POMCUS is not solely an Army issue. The proper mixture of PWRS, POMCUS, airlift and fast sealift must be determined. The JCS should be enjoined to provide you their best estimate of the proper mix of the many elements involved in the rapid reinforcement equation."

The analytical basis for POMCUS expansion is neither complicated nor very uncertain. Purchasing, prepositioning and protecting additional large and heavy equipment is clearly the best way to reduce Pact-NATO force ratios during the M+10-M+30 period. Furthermore, the Army FYDP already includes the several billion dollars that were transferred from the Air Force and Navy last year for the express purpose of expanding POMCUS further. For the Army to accept this money and be willing to "plan" for its intended purpose but be reluctant to "program" for it, is contrary to the way the PPB system works. Ongoing studies may, in fact, suggest that some adjustments in unit designations or phasing may be appropriate. But this is also true of many parts of the FYDP. Until some explicit reason to change is developed, the POMs and FYDP should reflect the "best estimate" of how programmed funds will be spent. It is probably unrealistic for the Army to suggest that the JCS take a formal position on the major resource allocation issue involving the "mix" of POMCUS, PWRS, airlift and sealift.

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Recommendation:

The Army should program the funds provided for POMCUS expansion for the purpose for which they were provided. The CG should (and does) acknowledge the possibility of future adjustments as a result of ongoing studies.

Why not tell Army to plan only, but reassign the funding to other Services. should tell us something.

9. Army Combat Service Support

The Army states "we believe the restriction that limits Europe oriented Active Component (AC) Combat Service Support (CSS) units to FY 80 manpower levels is inappropriate. Last year, along with increases to combat forces, you approved FY 81-84 increases to AC CSS units. This CG would reverse that decision. In accord with your priority, the Army is pursuing Host Nation Support (HNS), Reserve Components and minimal essential AC CSS units; however, we need the active component restriction deleted so as to propose the best mix of forces."

Let's not shove it down their throat. Allow this - program for one year D/V in 1983; reassign (plan) the rest + manage their funds elsewhere

The Army's concern over its tactical support force structure appears based primarily on a lift-unconstrained compilation of the doctrinal support "requirements" for forces needed for both the Persian Gulf and NATO contingencies rather than on a work-load oriented assessment of the minimum specific needs of the European theater. Section C of the CG shows that NATO has a much larger support tail than the Pact. This, plus the failure of the Army to date to explicitly justify CSS growth

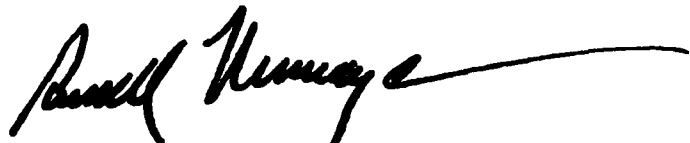
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above the FY 80 levels, plus the overall recruiting problems, suggested that a cap should be applied to CSS. The Army is correct, however, in observing that the CY 78 APDM did approve some out-year growth. The growth in question is about 4-6000 soldiers in Tactical Support increments on top of the 130,000 soldiers authorized in FY 80. The exact number depends on the ultimate rate of return of the Korea Division.

Recommendation:

Revise CG to limit future programmed Army CSS levels to those approved in the CY 78 APDM, vice the actual FY 80 levels. These higher manning levels would then be reviewed in some detail during the POM cycle. ok



Russell Murray, 2nd
Assistant Secretary of Defense
Program Analysis and Evaluation

cc: DepSecDef
Service Secretaries
CJCS
Service Chiefs
USD(P)
USD(R&E)
ASD(C)
ASD(C3I)
ASD(MRA&L)
ASD(ISA)
Advisor to the Secretary for NATO Affairs
DUSD (Policy)

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