



PROGRAM ANALYSIS AND EVALUATION

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ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

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Chief, Records & Declass Div, WMS
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MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Reclama to the Navy Program Decision Memorandum

The Navy and JCS reclaims to the Navy Program Decision Memorandum (PDM) have been reviewed by OSD. The attached book has been prepared to assist you in your 7 September major issue meeting with the Secretary of the Navy and Chief of Naval Operations.

A brief summary of the Navy reclama and OSD staff recommendations on specific items follow:

Reclama to the Navy PDM

In total, the PDM reduced the Navy POM program by \$145 million in FY 79 and by \$3.4 billion over the program years. Within the 5-year total, the largest reductions were \$3.6 billion in shipbuilding (notably nuclear cruisers, amphibious ships, and mine countermeasures ships) and \$.7 billion in V/STOL development. The largest additions were \$1 billion for peacetime material readiness and \$1.3 billion for auxiliary and support ships (which the Navy wanted to acquire under a build and charter program).

The Navy reclama would add up to \$312 million in FY 79 and \$5.4 billion over the program years. The bulk of these funds would be for amphibious and mine countermeasures ship procurement, acceleration of V/STOL, and other Navy and Marine Corps aviation programs. These areas, together with the PDM limitation on Navy civilian employment, are highlighted in SecNav's forwarding memo. The reclama does not mention offsets.

The specific issues addressed in the reclaims are:

o Navy Force Planning. The Navy did not reclama your decision to explore the consequences of basing projection force program planning on Case 4/5 rather than Case 1. The JCS, however, evidently feel that the PDM implies a shift in philosophy prior to completion of the on-going Navy Force Planning Study. Since the PDM does not in fact pre-judge this issue, and since there is much to gain by looking at projection forces from a fresh perspective, I recommend you reaffirm your decision.

o Navy V/STOL Development. The Navy has objected strongly to your decision to reduce the pace and scope of V/STOL development and has

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I tend to agree

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asked for full restoration. The reclama mentions an independent Technology Review Panel established by ASN(R,E&S) to assess V/STOL technologies. The Navy feels that this panel and other top level oversight will ensure that we will know in time whether or not technology will be able to support this development. We continue to doubt that V/STOL will be cost-effective even if feasible. The Navy reclama does not address the major problems and concerns highlighted in the GPF Issue Paper. There is no substantive basis for claimed V/STOL benefits or improved capabilities. A more deliberate pace is therefore indicated, and I recommend you reaffirm the PDM. DDR&E concurs.

Probably Support
18/7/60
RIP/level
we need to look at the effect of AY88 decision plus V/STOL K&F decision on balance in CVN vs CVN argument

I see no reason to piece 1/3 instead of 1.15, I'd go for the latter

o Amphibious Lift Objective. The PDM defined an interim amphibious lift objective to be the capability to lift 115% of a MAF Assault Echelon (AE), in contrast to the previously approved objective of 1 1/3 MAF AE. The reclama asks that the old objective be retained, at least until the on-going Navy Force Planning Study is completed. In support of this request the Navy asserts that, with lift for 115% MAF AE, we could not undertake a Case 4 action without severely weakening our capability to respond to a Case 1 contingency. The reclama also mentions lack of analysis to support a reduction in the objective force. I recommend you reaffirm the PDM. Neither the 115% nor 133% AE objective forces is directly supported by studies or analysis. In fact, the requirements for amphibious shipping are based on judgments about size, response time, and simultaneity of amphibious operations. The rationale developed in the GPF Issue Paper supports a reduction to 115%. The identification of the objective as "interim" permits flexibility to make changes based on the Force Planning Study while also putting appropriate pressure on the Navy to support analytically its amphibious lift objectives.

I tend to agree with PAE's recommendation

Take out the LSD-41 because I know what to do but because 2 LSD-41s doesn't strike me as a good idea. No one has come up with a program that gets with 115%.

o Amphibious Ships. Consistent with reducing the amphibious lift objective to 115% MAF AE, the PDM cancelled the LSD-41 program. It also delayed programming of any new amphibious ships until we have a clearer picture of the Landing Craft, Air Cushion (LCAC) design and operating concepts. The reclama requests deferral of the eight ship LSD-41 program for one year to provide time to evaluate results of several on-going studies, including examination of LCAC/LSD-41 compatibility. Given the relative youth of the active amphibious fleet (average age: 10 years) and the uncertain utility of this capability in conflict with the USSR, I recommend you reaffirm the PDM. With a lift objective of 115% MAF AE, only 2 LSD-41s would be needed. Cancelling the LSD-41 program would promote more efficient procurement than a 2-ship LSD-41 program by encouraging the Navy to replace more than one existing amphibious ship class with a new amphibious ship design. DDR&E supports the reclama, on the basis that final decisions can be made next year when the results of various on-going studies will be available.

o Mine Countermeasures (MCM) Ships. On the basis that (1) an adequate minehunting sonar and a mine neutralization vehicle have not been fully developed, (2) discussions and agreements with our allies concerning minesweeping responsibilities have not been undertaken, and (3) there currently is no viable concept for assault minesweeping against serious opposition, the PDM deferred Navy's MCM ship program (15

ships in the program years, 19 ships total). The reclama requests restoration of the full program, arguing that interim minehunting and mine neutralization systems have been satisfactorily tested, that the U.S. should have an MCM force adequate to its needs regardless of allied capabilities or cooperation, and that MCM ship force levels are not determined by assault minesweeping, which is currently performed by helicopters whenever the water is less than 200 feet deep. Since it is clear that we must get on eventually with this program, I recommend that you accept the Navy's assurances relative to the minehunting and mine neutralization systems and authorize construction of the first five MCM ships during the program period. However, I also recommend that you reaffirm the PDM language requiring development of improved assault sweeping concepts and negotiations with allies. An appropriate alternative, with which DDR&E concurs, is included at Tab E.

Probably serious cost implications?

OK 11

o Build and Charter Program. The Navy accepts the PDM decision not to procure support ships through build-and-charter in FY 79. However, they request permission to continue to seek enabling legislation in order to pursue a build-and-charter option in FY 80. The danger with the build-and-charter concept is that the Navy may acquire a fleet that it cannot afford to maintain. I do not recommend support for legislative approval since this constitutes an end-run around the intent of the PDM decision. DDR&E concurs.

Agree

o Ordnance Requirements for Anti-Surface Ship Warfare. Your PDM decrements the POM procurement of MK-48 torpedoes, Harpoon, and Tomahawk, to account for the contribution of NATO forces and all pertinent weapons systems and to delete non-oceangoing minor combatants from the target list. The Navy reclama recommends the POM procurement based on a recent Navy restudy of the requirements. This study increases the target list by 50%, reallocates targets to MK-48s, Harpoon, and Tomahawk, and adjusts the torpedo Pk. It results in a requirement greater than POM levels. The study is not good analysis. Non-combatant ships are arbitrarily added to the target list, and the reallocation of targets to these three sophisticated weapons decreases the number of combatants by 63% while increasing the weapons requirement by 39%. I recommend you reaffirm your PDM decision, while requiring the Navy to rethink all of its anti-surface ship ordnance requirements in time for POM 80. DDR&E concurs, except for the MK-48 torpedo.

2

o Polaris Submarine Retirement. The PDM deferred retirement of Polaris submarines by placing them in a caretaker status and maintaining them in the force structure. The Navy reclama recommended retirement and emphasized the inefficiencies associated with caretaker status. The Navy reclama presented no additional information not considered at the time of the PDM decision.

✓

I think we probably need to keep some O

o Naval Aviation Modernization. The reclama to this issue requests a return to the POM AV-8B program, restoration of the AV-8A/C Conversion in Lieu of Procurement (CILOP) and AV-8A UE force structure, and cancellation of A-4M procurement. The reclama argues that the AV-8B aircraft is the key to the Marine Corps forward basing concept of light attack aircraft. However, to accept the reclama at this point

procurement in the force plan. It's Do N cost figures are accurate. AV-8B since more AV-8B's if Navy can provide other fund offsets may be worthwhile

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would be to presuppose that the on-going Marine Corps AV-8B versus F/A-18 cost-effectiveness evaluation will justify continuation of the AV-8B. I recommend you reaffirm your PDM decision on the AV-8B issue. DDR&E concurs with the DON reclama.

must close book

o Marine Corps Fighter Force Structure. Your PDM decision reduced USMC fighter force structure by 3 squadrons. The reclama recommends maintaining the existing 12 squadrons of Marine fighters and reinstating the planned F-4J CILOP program. Reasons cited include Congressional and Navy perceptions of a growing Soviet threat, relatively low cost (\$20 million in FY 79, \$237 million over FY 79-83), and potential difficulty in maintaining overseas commitments. Although the Soviet Air Force is undertaking a modernization, it is apparent the 36 aging F-4 aircraft considered here would do little to influence the balance between Warsaw Pact and NATO air forces, which each possess thousands of aircraft. Further, Marine tactical aviation should be sized to meet the needs of Marine ground forces operating according to the division/wing concept. I recommend that you reaffirm the PDM.

78B suggestion to cut resources should be looked at how many are needed - see serial number

Don't do

o Fleet Logistic Support Aircraft. The PDM directed the Navy to cancel procurement of 36 CH-53Es and use the funds to procure 24 modified C-2A aircraft for the COD mission. The Navy reclama states that some CH-53Es are needed for heavy lift and Vertical Onboard Delivery (VOD) support. They would like to develop a mix of Navy CH-53Es and COD aircraft within their POM funding profile for the CH-53E program. The Navy's proposed mix would be submitted for your consideration by September 30, 1977. If the proposed mix is unsatisfactory you could then direct the Navy to proceed with the PDM. I recommend that you accept the reclama. DDR&E concurs.

OLL

o Marine Corps Procurement Versus End Strength. The Marine Corps has offered an additional alternative that would increase their end strength beyond the PDM level of 192,600. The Marine Corps proposes to continue the end strength increase at a rate of 650 per year to man combat and combat support units that are currently at zero strength, arriving at 195,200 in FY 83. The PDM freed approximately \$94 million to meet high priority modernization requirements. The Marine Corps alternative reduces these reallocatable resources by \$50 million. I recommend that you reaffirm the PDM.

I tend to agree.

o T&CCP Reductions. The Navy believes that the T&CCP personnel reductions for FY 79 and FY 80 should be taken from the recently imposed FY 78 Congressional personnel reductions. The OSD position is that the PDM recognized that some Congressional cuts would be imposed in FY 78. However, the relative magnitude of the actual cuts may now warrant some relief in FY 79 to assist in absorbing the FY 78 reductions. An appropriate alternative is included at Tab M.

10x

o Combat Sustainability - Secondary Items. The PDM limited FY 79-83 war reserve procurement to support of U.S. forces in a 90-day NATO conflict, U.S. and ROK forces in a 90-day Asia conflict, and a special contingency stockpile.

- The Navy asserts this would reduce its safety level for secondary items from 60 to 45 days and urges that the 60-day safety level be restored. ASD(MRA&L) supports restoring \$64 million in FY 81-83 contingent on the Navy's completion of a detailed study of war reserve safety level requirements.

I'll have at it, but need an explanation of what this all means.

- The Marine Corps claims they are exempt from the 90-day guidance since their unique mission responsibility is not attributable to any assumed war scenario. They are requesting the restoration of the total \$16 million PDM reduction to provide a 180-day secondary item war reserve level.

I think not

o Family Housing Construction at Remote Sites. The PDM deleted funds for family housing construction at remote sites in FY 79 pending evaluation of results of HUD mortgage insurance in those areas. The DON requests the restoration of \$35.5 million, claiming the help from HUD is highly questionable. The OSD staff view is that HUD must be given the opportunity to take action.

As for Army

o Women. The PDM approved a growth in female enlisted accessions leading to 40,500 enlisted women by FY 83. The Navy proposes reducing female accessions to levels in the Navy POM, leading to 30,700 enlisted women by FY 83. The ASD(MRA&L) recommends reaffirming the PDM decision. ✓

o Civilian Substitution. The PDM converted 7,300 Navy military positions to civilian in FY 79 and FY 80 in addition to the 4,700 proposed in the POM. This decision would reduce accessions and help the all-volunteer force continue to work. The Navy requests that they be permitted to develop plans for civilian substitution of the 7,300 additional military positions by FY 81, and program this substitution in POM 80. The ASD(MRA&L) recommends a third alternative that would accept the Navy number of 7,300 positions and slip the PDM schedule by one year. Under this alternative, the approved Defense program would reflect the Navy's plan.

Probably OK, but need to be consistent with A + AF Decis.

o First Term Attrition. In order to save money and reduce accessions, the PDM set first-term attrition goals at 40% for non-high school diploma graduates and 20% for high school graduates. These goals would be phased in by FY 80. The reclama requests restoration of all resources removed by the PDM. The PDM requires 59,000 fewer accessions (31,000 Navy, 28,000 Marine Corps) than the POM program. The ASD(MRA&L) recommends reaffirming the PDM decision. ✓

✓ - Difficult on a compromise with Army that will be applicable to MC.

o Navy Recruit Training. The PDM reduces Navy recruit training from eight to seven weeks in FY 79. The Navy reclama requests retention of the present 8-week Navy recruit training curriculum, including Ship's Work Training. The ASD(MRA&L) recommends reaffirming the PDM decision. ✓

o Specialized Skill Training. The PDM reduced student loads, staff and supporting manpower by 1.5% to 10% in FY 79-83. The DON reclama requests restoration of POM levels in student loads, staff and

supporting manpower on the assumption that future reductions in specialized skill training are not possible without degrading readiness. The ASD(MRA&L) recommends reaffirming the PDM decision.

Let's discuss with out B some relief to handle Army/Navy problems.

o Civilian Employment. The PDM limited direct hire civilian employment for FY 79 and beyond to the FY 78 levels of 299,600. The decision is based on continuing the FY 78 Presidential ceiling on DoD manpower into the program years. The PDM permits the number to be increased only to compensate for civilian substitution. The Navy reclama requests approval of the POM-programmed civilian strength levels. The ASD(MRA&L) recommends reaffirming the PDM decision.

Needs to decide for all services together.

o PCS Travel. The PDM made two adjustments: (1) it approved full travel entitlements for all DON junior enlisted personnel being assigned overseas, and (2) it required an offsetting saving by increasing time between PCS moves by three months for the Marine Corps. The DON reclama opposes increasing the average time between Marine Corps PCS moves by three months because it would impede implementation of the unit rotation program currently in planning. The ASD(MRA&L) recommends a third alternative which would extend junior enlisted entitlements to overseas moves as in the PDM, but delay implementation of PCS increases for the Marine Corps until FY 81.

o Naval Selected Reserve. The PDM approved the Navy POM Selected Reserve Strength of 52,000, with eight Seabee Battalions. The Navy reclama requests that the Selected Reserve Strength be funded at the FY 78 level (approved by Congress) of 87,000 including 17 Seabee Battalions, and that the associated 904 active military end strength be restored. The ASD(MRA&L) recommends reaffirming the PDM decision. Based on the shortage of equipment and personnel for the Seabee Battalions and the poor rationale for 36,000 Selected Augmentees for Headquarters and shore staffs, ASD(PA&E) also recommends reaffirming the PDM decision.

I incline this way but still needs further discussion.

*F-14/A-7 vs F/A-18
I incline to go with the latter in PDM
leaving open the possibility
(which would require a very
careful study now to keep it open)
to go to F-14/A-7 during the
budget review.*

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