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USDP-2

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Office of the Secretary of Defense  
Chief, RDD, ESD, WHS  
Date: 05 FEB 2016 Authority: EO 13526+ 5 USC 3552  
Declassify: X Deny in Full: \_\_\_\_\_  
Declassify in Part: \_\_\_\_\_  
Reason: \_\_\_\_\_  
MDR: 16 -M- 0934

ALCM PRODUCTION RATE

SPONSOR: ISP

Issue: Should the Air Force restore the ALCM production to the cost-effective rate of 480 units per annum in the FY84-86 period?

Military Department: U.S. Air Force

Rationale: The FY84 Air Force POM reduces the ALCM production rate in the FY84-86 period to 400 units per annum, a less economical production rate than the previously projected rate of 480. As a result the ALCM inventory will be 240 units less by the end of FY86 than otherwise possible, with a corresponding decrease in our capability to surge the B-52 modernization effort (i.e. convert more than 90 B-52G (PAA) to external ALCM carriage, convert some/all B-52Gs to external/internal ALCM carriage, and begin earlier the conversion of the B-52H force to ALCM carriers). Similarly there will be fewer ALCMs for recovery and reconstitution (R&R) of the bomber force, a consideration given the possibility of a protracted strategic conflict. Alternative 2 restores the production rates and provides for 3,780 (PAA) and 4,348 (total buy) ALCMs in the FYDP.

<u>Cost Summary:</u>	<u>TOA (FYDP \$ Millions)</u>	
	<u>FY84</u>	<u>FY84-88</u>
Estimated POM Resources (Alt. 1)	835.1	5000.1
Proposed Changes to POM Resources Alternative 2	64.6	224.2

DECLASSIFIED IN FULL  
Authority: EO 13526  
Chief, Records & Declass Div, WHS  
Date: FEB 05 2016

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Strategic Bomber Programs

DPA&E

Issue: Are POM programs to upgrade bomber capabilities sufficient for the 1980s?

Military Department: Air Force

Rationale: The Defense Guidance calls for ALCM procurement to be accelerated from 440 missiles in FY 83 to 480 per year starting in FY 85, building toward an ultimate force of 3780 operational missiles by 1990. Instead, the POM decreases ALCM procurement to 400 per year in FY 84-86, leading (according to the Air Force's Extended Planning Annex) to a total force of 2880 ALCMs. The POM also does not fund improvements to make B-52s fully effective in either a strategic or general purpose role. For example: (1) ALCM-carrying B-52Gs (90 PAA aircraft) are not equipped for internal cruise missile carriage; (2) non-ALCM B-52Gs (61 PAA aircraft) are given neither a standoff munitions capability nor ECM upgrades, calling into question their ability to carry out conventional and strategic missions; (3) B-52Gs are retained into the 1990s (last year the Air Force planned to retire B-52Gs as B-1Bs were deployed), but they are given only minimum safety-of-flight engine refurbishments, raising doubts about the future maintainability and reliability of their J57 engines; and (4) B-52Gs are not EMP hardened, thus reversing a PDM decision.

Alternative 2 restores air-launched cruise missile capabilities in the 1980s to previously-planned levels. ALCM procurement is accelerated starting in FY 85 (thus returning to the 3780 ALCM inventory objective), and 90 B-52Gs are modified for internal ALCM carriage (in addition to the external carriage funded in the POM).

Alternative 3 provides another way to restore some of the bomber capabilities cut in the POM. In this alternative, the peacetime alert rate for B-1Bs is increased from 30% to 40%, providing by 1990 about the same bomber capabilities as Alternative 2 in a surprise attack scenario. In a generated alert scenario, Alternative 3 would be as capable as the POM force; both would be less capable than Alternative 2.

Alternative 4 funds EMP hardening for B-52Gs, as called for in the Defense Guidance. This could be funded in combination with any of the previous alternatives.

Cost Summary:

	TOA (FYDP \$ Millions)	
	FY 84	FY 84-88 Total
Estimated POM Resources (Alt 1)	12,076	58,606
Proposed Changes to POM Resources		
Alternative 2	+111	+TBD
Alternative 3	+TBD	+TBD
Alternative 4	+TBD	+TBD

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Tanker Reengining

DPA&E

Issue: Is the POM's program for KC-135 reengining properly structured and funded?

Military Department: Air Force

Rationale: The January 1982 FYDP upgraded tanker capabilities by procuring 44 new KC-10 tankers and by reengining 300 existing KC-135s with new CFM56 engines. In addition, Congress added FY 82 funds to reengine 28 KC-135s with used JT3D engines; the Senate Authorization Committee has proposed reengining 28 more KC-135s with JT3Ds in FY 83. The KC-10s would be used to support general purpose forces; the KC-135s are intended primarily to support strategic missions but could be used for conventional contingencies as well. The Air Force POM continues the previously approved KC-10 program, reduces the CFM56 reengining program for KC-135s by over \$500M in FY 84, and does not continue the JT3D program initiated by Congress.

Alternative 2 provides more tanker capability than the POM at the same cost by expanding the JT3D program started by Congress. In this alternative, 36 KC-135s are reengined with JT3Ds in FY 84, which (assuming 28 aircraft are approved by Congress in FY 83) would give us 88 PAA KC-135s with JT3Ds. This would be enough for all Air National Guard KC-135s that are not collocated with active tanker squadrons. Offsets come from the KC-135 PACER GRADE engine improvement and the CFM56 programs.

Alternative 3 maintains the POM's CFM56 reengining schedule, but adds funds in FY 84 to support a multi-year contract arrangement, which would save about \$220M (constant FY 83 dollars) over FY 84-88.

Alternative 4 restores the CFM56 program to the January 1982 FYDP level and adds additional funds to support a multi-year procurement arrangement.

Cost Summary:

	TOA (FYDP \$ Millions)	
	FY 84	FY 84-88 Total
Estimated POM Resources (Alt 1)	827	7446
Proposed Changes to POM Resources		
Alternative 2	0	0
Alternative 3	+150	-340
Alternative 4	+645	+160

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