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PDM 79-83
Army (C)

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

August 16, 1977

Department of Energy Declassification Review	
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MEMORANDUM FOR THE SECRETARY OF THE ARMY

SUBJECT: Program Decision Memorandum for Department of the Army (U)

(U) This memorandum transmits my tentative decisions regarding Department of the Army programs for Fiscal Years (FY) 1979-1983. I approve the programs in the Program Objective Memorandum of May 9, 1977 as modified by the specific changes described in the following pages.

(U) I will entertain your reclama to these decisions. However, I urge you to bear in mind the fiscal realities we face and the problems we may have in funding even this approved program. My concern is that the more we cut and trim next fall during the budget review -- instead of now during the program review -- the harder it will be to maintain a balanced program. Additions you propose now will make the problem of balance even more difficult a few months hence. This problem would be eased, of course, to the extent that you can submit offsets to those items in your reclama that add funds to your program.

I. STRATEGIC FORCES

(U) No changes.

II. THEATER NUCLEAR FORCES

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Office of the Secretary of Defense

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MDR: 15-M-1579

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(U) A. Structure and Stationing Aspects of Force Withdrawals from Korea. Use forces withdrawn from Korea to form a mechanized division beginning with one brigade in FY 79. The division will consist

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eventually of two active and one Reserve Component brigade. Identify suitable Reserve Component units as soon as possible. However, formation of active elements beyond the first brigade from Korea will be phased to follow withdrawals planned for FY 80 and later.

(N) Additional procurement funding for the new mechanized brigade is not authorized in FY 79. Instead, direct one brigade set of equipment currently programmed for conversion of active light divisions to the new brigade. With the exception of one brigade, continue conversion of 24th and 9th Infantry Divisions to mechanized as currently scheduled.

(N) B. Light Utility (OH/UH) Helicopters. Structure the standard division aviation company in all divisions except the 101st Air Assault Division with 30 instead of 46 OH/UH helicopters using the Army plan for phased conversion to the proposed division aviation companies. Retain plans for instituting the aviation unit maintenance (AVUM) concept in these companies.

(N) C. War Reserve Equipment. Procure 385 additional Improved Tow Vehicles (ITVs) with FY 82 funds. Plan to position the additional ITVs in Europe either as POMCUS for early deploying units or as augmentation to existing active forces stationed in Europe.

(N) D. Artillery Force Composition. Reduce the programmed buy of M198 towed 155mm howitzers by 133 in FY 79. After considering and comparing the M109A2 and the UK-FRG-Italy SP-70, procure 162 additional self-propelled 155mm howitzers in FY 83.

(N) Convert four Europe-deployed battalions of 175mm self-propelled guns to M109A2s in FY 81 and 82 rather than to M110 8-inch howitzers.

(N) E. The Southern European Task Force (SETAF). Retain HQ SETAF and the associated support units at Vicenza. Inactivate the 1/509th Airborne Battalion Combat Team (ABCT) in FY 79. Retain the ACE Mobile Force capability represented by the 1/509th ABCT by stationing a CONUS-based ABCT in unaccompanied status at Vicenza on a rotational basis beginning in FY 79. ISA will coordinate the announcement of this action with the Department of State and SACEUR.

(N) F. 2½-Ton Trucks. Rebuild 1,300 trucks in FY 79. Thereafter, plan to rebuild or overhaul sufficient trucks to satisfy unit and maintenance float requirements, with procurement limited to that needed to replace expected peacetime losses, pending completion of a zero-based study of tactical wheeled vehicle requirements. That study should consider development and/or procurement of new systems to perform current tactical wheeled vehicle missions, and should include U.S. and European commercial and military truck alternatives. The results of this study should be fully reflected in the FY 80-84 Army POM.

(U) Accelerate efforts to implement reliability-centered maintenance (RCM) concepts on all truck fleets per existing guidance. Report to ASD(MRA&L) by March 31, 1978 on new truck maintenance policies revised to incorporate RCM principles and on maintenance resource

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implications of those revisions.

(S) G. Other Force Structure. Inactivate 3700 spaces in FY 79.

(S) Organize one Reserve Component brigade or its equivalent in FY 79 to provide rapidly deployable company-sized anti-armor augmentation to USAREUR divisions, using M551 Sheridans excess to active Army needs. Funds are provided in FY 79 to permit prepositioning of additional sets of equipment for these companies.

(S) H. Rapid Reinforcement of NATO. NATO's ability to counter a Warsaw Pact conventional offensive is critically dependent on rapid reinforcement with U.S.-based ground forces. The Army POM improves our reinforcement posture somewhat by funding one more division set of prepositioned equipment in the FY 79-83 program. However, in order to ensure that the Pact mobilization and reinforcement rate cannot significantly outstrip NATO's, it is necessary to take further action to enhance our reinforcement capability. In the light of the high priority of such a capability, this should be done within available Army resources, by reallocating Army priorities in favor of POMCUS and away from late-deploying combat and support forces. Accordingly, the following actions will be accomplished:

(S) 1. REFORGER and "2+10". In coordination with OJCS, take all necessary actions to ensure that by mid-CY 1978 all combat units of the 2+10 and REFORGER packages can be moved to Europe, issued their equipment, and prepared to start moving to their battle positions within 7 days of a decision to reinforce Europe. These actions include necessary adjustments in active and reserve equipment distribution. The ASD(ISA) will ensure that the 1978 U.S. DPQ submission commits both REFORGER and 2+10 to NATO by M+15. Requests for FY 78 reprogramming authority essential to the execution of this guidance will be supported by OSD. In the FY 80-84 POM submission, present proposals for further accelerating the above deployment rate in FY 79-84.

(S) 2. Additional POMCUS. Within previously allocated resources, program two additional mechanized division sets of POMCUS in Europe, with initial funding for the first in FY 79 and for the other in FY 81. This action should provide a total of three POMCUS division sets (plus one ACR) in place by end-FY 80 and five sets (plus one ACR) by end-FY 82. The ASD(ISA) and ASD(PA&E) will work with the Army and U.S. commanders in Europe to ensure that the additional POMCUS sites are suitably located, configured, and protected. Further ensure that additional CONUS-based units assigned POMCUS meet the same deployment rate goals as set for the REFORGER and 2+10 units. Identify to the ASD(PA&E) prior to September 1, 1977 the offsets necessary to fund the POMCUS increase from those portions of the Army program which contribute least to early combat capability in Europe.

(U) I. Air Cavalry. With OSD participation, conduct a study of the balance between air cavalry and armored cavalry. The study results should serve as the basis for the section of the FY 80-84 POM that addresses cavalry.

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(U) J. Attack Helicopter Companies. With OSD(PA&E) participation, conduct a study of structure alternatives for the attack helicopter company. The study should include field testing.

(U) K. General Purpose Forces Offsets. Offset funding for two additional sets of POMCUS.

IV. TELECOMMUNICATIONS & COMMAND CONTROL SYSTEMS

(U) A. Jam-Resistant Communications with Secure Voice Conferencing. Additional funds are provided for SHF satellite modems and secure voice/graphics conferencing equipment.

(U) B. Rapid Reaction Deployable/Airborne Command Center. Proceed with the development of an operational concept and plan for deployable C³ support to the CINCs spanning air, land, and sea-based assets. Coordinate with the Air Force and Navy the development of an integrated set of capabilities for deployable C³ to support the CINCs. RDT&E funding is provided for development of the Rapid Reaction Deployable C³ prototype in FY 80. The procurement funding supports acquisition of six full sets of equipment.

(U) C. Alternate National Military Command Center (ANMCC). MILCON funding for completion of the current ANMCC power improvement program and renovation of the air conditioning facility has been included in FY 79 & 80. FY 78 efforts for facility planning and advance MILCON design engineering will continue within presently programmed funds to maintain continuity of the project. FY 79-83 MILCON and procurement funding for full scale implementation of the Improved ANMCC (IANMCC) are deferred. My staff will provide separate guidance to JCS to undertake further studies on issues related to this deferral.

(U) D. COMSEC - Strategic/General Purpose. Procurement funds are provided for the acquisition of COMSEC equipment for WWMCCS conferencing.

(U) E. USEUCOM Command Facility. Procurement funds for the USEUCOM hardened command center are deferred from FY 79 to FY 80.

(U) F. SATCOM Ground Environment. Provide funds for the procurement of USC 28 equipment which will provide an anti-jam communications capability for WWMCCS and other users.

(U) G. Satellite Terminal Spares. Provide funds for the procurement of a full complement of spares adequate to maintain TSC 86 and MSC 61 terminals.

(U) H. TRI-TAC and TRI-TAC COMSEC. RDT&E funds are provided for the SHF Satellite Modem. Continue all other tasked developments. Increase procurement of the AN/TTC-39 family of switches and other TRI-TAC equipment in FY 80 and following years to support transitional plans.

(U) I. COMSEC - Tactical Data Systems. Rephase procurement schedule for new tactical data systems to be consistent with planned equipment

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availability. Funds are provided in FY 80 and beyond to support the acquisition of these systems.

(U) J. COMSEC - Tactical Secure Voice. Funds are provided to procure tactical secure voice equipment spares and spare parts.

(U) K. Defense Communications System. Reduce funding in FY 79 and 80 in accordance with latest AUTOSEVOCOM II schedule. Adjust funds in support of the Digital European Backbone and Automatic Technical Control programs to reflect the DoD approved DCS Five Year Plan. Provide procurement funds in FY 79 for CIP-67 and O&M funding for the outyears.

(U) L. T&CCP Reductions. Reduce manpower at a rate of one percent per year in recognition of current and planned cost reduction initiatives in the non-tactical communications area. Include personnel reductions resulting from new equipment programs. Make further adjustments in OMA to reflect a more reasonable level of effort.

(U) M. WWMCCS Operations Support. Reduce manpower and OMA to reflect a more reasonable level of effort.

(U) N. Telecommunications Offsets. Offset funding for USEUCOM Command Facility and Satellite Terminal Spares.

V. RESEARCH AND DEVELOPMENT

~~(U)~~ The RDT&E funding profile shown below is approved for planning purposes. It provides funding for all R&D actions within the Base Case POM and changes required by this memorandum.

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
RDT&E (TOA \$M)	2684	2784	2711	2937	3051

The above profile has been adjusted for the following actions:

(U) A. Foreign Weapon Evaluation. Funds transferred to OSD.

(U) B. Other Actions. Approved guidance for other research and development actions will be provided by DDR&E.

VI. INTELLIGENCE AND SECURITY

(U) Make adjustments as specified in the Intelligence and Security PDM.

VII. MANPOWER AND MANPOWER SUPPORT

(U) A. Enlisted Women in the Military. Program Army female enlisted accessions at the following levels or higher:

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Female Accessions (000)	21.1	23.0	25.2	25.3	25.3

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Continue to develop more opportunities for women and to make appropriate adjustments in assignment and deployment policies consistent with this goal.

(U) B. Civilian Substitution. Convert 5,300 positions from military to civilian during FY 79 and an additional 5,200 in FY 80. These conversions are additive to the 1,500 proposed in the POM. Contracting out is an acceptable alternative to civilian substitution, where contracting is consistent with OMB Circular A-76.

(U) C. First Term Attrition. Program total attrition rates (including training attrition) for male high school diploma graduates and non-graduates to fall to 20% and 40% respectively by FY 80 as follows:

Percent of Male Accessions Lost Over Three Years
by Fiscal Year of Entry

	<u>FY 78</u>	<u>FY 79</u>	<u>FY 80</u>	DECLASSIFIED IN FULL Authority: EO 13526 Chief, Records & Declass Div, WHS Date: OCT 20 2017
High School Graduates	25	23	20	
Non-Graduates	48	44	40	

(U) D. Specialized Skill Training. Reduce specialized skill training student loads, staff and supporting manpower by the following percentages below POM levels:

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
Percent Reduction From POM Program	1.5	3.5	6.0	8.0	10.0

(U) E. Civilian Employment. Limit direct hire civilian employment for FY 79 and beyond to 311,700. The number may be increased by the amount resulting from substitution of civilians for military as directed by paragraph B. above. This represents an upper limit on the civilian strength request in the September budget submission, and includes the effects of all decisions reflected in this memorandum.

(U) F. GS-13 and Above Strength. The number of civilian employees of the Department of Defense in grades GS-13 through GS-18 and in positions authorized under 10 USC 1581 is to be reduced by 2% per year in FY 79 and FY 80, all grades uniformly by that percentage. The reduction percentage for each DoD component, and strength ceilings by grade, will take into account each component's progress in achieving the previously directed reduction. The targets will be provided by the ASD(MRA&L) after receipt of actual employment levels as of July 30, 1977.

(U) G. Permanent Change of Station Travel. Adjust permanent change of station policies to extend average months between moves (adjusted for accession and separation) from 31.8 in FY 78 to 34.8 in FY 79-83. Extend travel and transportation entitlements to junior enlisted personnel on overseas moves (including designated point moves) beginning October 1, 1978. By September 30, 1977 submit to the ASD(MRA&L) your plan to achieve the increased time between PCS moves.

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(U) H. Remedial Education. Add \$3.0 million to each year for remedial training and off-duty high school completion. Use at least \$10.0 million of the money programmed for high school level programs for fully funded, on-duty remedial training in basic skills.

(U) I. College Level Off-Duty Tuition Assistance. Add \$14.3 million in each year for tuition assistance. For FY 82, \$3.6 million is authorized for matching funds under VEAP and \$22.6 million for the Secretary of Defense Contribution under VEAP. For 83, \$4.8 million and \$22.7 million is authorized for the respective VEAP programs.

(U) J. Reenlistment Bonus. Selective reenlistment bonuses are to be paid in a single lump sum payment upon reenlistment starting in FY 79. SRB payments, with the exception of level I bonuses, will be reduced by 12%.

(U) K. Air Force Civil Engineering Force. Army will continue to provide critical engineering work to the Air Force in the first 30 days of a war in Europe, consistent with the guidance of DoD Directive 1315.6.

VIII. LOGISTICS

~~(S)~~ A. Peacetime Materiel Readiness. Increase POM funding to improve the materiel readiness of weapons systems and equipment. The adjusted funding levels (plus or minus any OASD(C)-directed inflation adjustments) constitute a floor for the FY 79 budget submission. The funding floor, as adjusted during the OSD/OMB and Congressional budget reviews, will not be reduced during FY 79 budget execution without prior OSD approval. ASD(MRA&L), after consultation with the ASD(C), will provide instructions for developing improved logistics resource visibility and control.

~~(S)~~ Program your over-guidance request, after the required escalation adjustment, for maintenance support activities subject to the provision of complete rationale for funding requirements for each major category -- Product Improvement Program Study, Integrated Technical Documentation and Training, publications, technical assistance -- to OASD(MRA&L) by September 30, 1977. Should this additional funding be approved, after OSD review of supporting documentation, the funding floor will be as follows:

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
\$M	307	317	326	331	338

~~(S)~~ B. Combat Sustainability. FY 79-83 war reserve procurement will be limited 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.

~~(S)~~ 1. Munitions. Adjust ammunition procurement to be consistent with the OSD adjustments to POM ammunition requirements for U. S. and ROK forces. Recalculate consumption rates for ground ammunition and anti-tank guided missiles in time for use in developing the FY

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80 POM. This recalculation of consumption rates for U. S. and ROK forces should be based on an analysis that (a) gives adequate credit to complementary weapons systems and forces, and (b) assumes the NATO Allies have adequate war reserves of equipment and munitions to support themselves for as long as the U. S. Forces. Planned U. S. combat consumption rates and inventory objectives will not be increased directly or indirectly to compensate for the NATO Allies' current munitions inventory deficiencies until the Army submits a review and analysis of NATO Allied munition inventories and requirements.

2. Munitions Production Base Investment. Limit investment in new ammunition production facilities to that required to support efficient peacetime procurement. Specific projects deleted over the POM period include the RDX/HMX facility, most of the 8" and 155mm ammunition projects, the proposed multi-base propellant facility funded in FY 80 and additional capacity for the 105mm tank round in FY 82.

3. Secondary Items. Revise procurement in light of OSD adjustments to estimated wartime consumption patterns in the first 90 days of combat in both NATO and Asia. Reexamine the derivation of the POM-stated wartime consumption demands over time and provide the results to OASD(MRA&L) prior to the FY 80 POM submission.

4. Equipment. In conjunction with the OASD(PA&E) and the OASD(MRA&L), reexamine the war reserve requirements for major equipment. This review will provide the basis for adjustments in equipment war reserve procurement in the FY 79 budget review that are consistent with the above programming guidance for munitions and secondary items.

(U) C. Energy Conservation Investment Program (ECIP). Increase ECIP funding to achieve a 12% reduction (below 1975 levels) in facilities energy consumption by 1985. Reduce outyear O&M-funded RPMA program to reflect ECIP savings. Select and program ECIP projects in priority sequence based on annual energy savings per dollar invested.

(U) D. Construction Funding at Watervliet Arsenal. Transfer funding for construction to modernize artillery tube manufacturing facilities from procurement to MILCON and consolidate into FY 79.

E. Depot Maintenance Overhaul and Repair. Reduce excess POM funding in FY 82 and FY 83. Reduce combat vehicle backlogs to the management level by end-FY 79. Redistribute funding within OMA as necessary to reduce all other backlogs to the management level by end-FY 81. The resulting funding floor will be as follows:

	<u>FY 79</u>	<u>FY 80</u>	<u>FY 81</u>	<u>FY 82</u>	<u>FY 83</u>
\$M	850	872	869	841	818

(U) F. EUCOM Headquarters and ANMCC Cell. FY 79 MILCON funds for the construction of a wartime Headquarters for EUCOM is transferred to the MILCON, Defense Agencies appropriation, in accordance with Congressional direction.

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IX. SUPPORT TO DEFENSE AGENCIES AND DEFENSE-WIDE PROGRAMS

(U) A. Defense Intelligence Agency (DIA). Increase support to DIA by 4 military spaces in FY 79-83.

(U) B. National Security Agency (NSA). Reduce support to NSA by 6 military spaces in FY 80-83.

(U) C. DoD Overseas Dependents Schools. Transfer all dependents schools military construction funds to OSD, beginning in FY 79.

OTHER COMMENTS

(U) Approved TOA changes to the POM that are to be used to implement the specified program changes are given in the attached Appendix A. Appendix B summarizes approved active military manpower changes associated with the specific program decisions. Appendix C summarizes approved reserve military manpower changes.

(U) The budget to be submitted on September 30, 1977 and the Five-Year Defense Program (FYDP) to be updated in October 1977 should include these tentative decisions and their associated cost and manpower impacts, as reflected in Appendices A, B and C unless altered by my amended PDM decisions. Any reclama to these decisions should be submitted to me by August 22, 1977. At the same time a copy of the reclama should be forwarded to the ASD(PA&E).

(U) If, because of circumstances which have arisen since the POM was submitted, you believe that any minor force or procurement changes should be made to your original POM programs, as amended by this PDM, you may submit such proposed changes along with your reclama.

(U) I have approved shifting to an accrual basis for the budgeting of Retired Pay. OASD(C) will provide guidance in the future on how this decision will be implemented.

(U) I plan to meet with you on any reclama issues on August 25, 1977 after which I will review my initial decisions and issue amended PDMs.

Harold Brown

Appendices

cc: Secretary of the Navy
Secretary of the Air Force
Chairman of the Joint Chiefs of Staff
Director of Defense Research and Engineering
Assistant Secretaries of Defense
Assistants to the Secretary of Defense
Directors of Defense Agencies

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