



DEPARTMENT OF THE NAVY
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20350

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Authority: EO 13526
Chief, Records & Declass Div, WHS
Date: AUG 27 2018

16 May 1983

MEMORANDUM FOR THE SECRETARY OF DEFENSE

Subj: Department of the Navy POM-85 (U) - ACTION MEMORANDUM

(S) The development of the Department of the Navy's POM-85 was marked again by yet another heavy decrement below expected fiscal guidance. The fiscal guidance for FY-85 declined \$3.9 billion relative to the previous FYDP, issued in January 1983. Readiness requirements and the magnitude of the threat did not decrease. Very difficult choices resulted. Many important programs were impacted; some were eliminated, and others were significantly reduced. Taking the constraints into account, the Department of the Navy is presenting a balanced plan to meet the President's strategic warfare modernization objective, to improve readiness and sustainability, and to continue our progress towards a modern, 600-ship Navy.

(S) In meeting the bounds of the POM-85 fiscal environment, more emphasis has been placed on aggressive management initiatives. Seventy-five RDT&E programs have been deferred or cancelled. Four major procurement programs were eliminated. We have restructured ship and aircraft procurement plans to provide more economical production rates and greater program stability, and management focus continues on multiyear procurements.

(S) POM-85 enhances the capabilities previously provided to the Marine Corps. It reinforces the current program by continuing ongoing modernization efforts; it maintains force structure at the previously programmed level; it moderately increases end strength in order to ensure at least a 90% overall Manning level in the Fleet Marine Forces; it achieves the sustainability and readiness objectives of the Defense Guidance; and it provides a minimum number of new initiatives designed to complement and improve the existing program.

(S) Major features of POM-85 are as follows:

- o As our highest priority, we have maintained the momentum of our strategic warfare modernization. One TRIDENT submarine is procured every year. The TRIDENT II-(D-5) missile program is funded for an initial capability in CY-89. However, fiscal constraints and the lack of a coordinated approach to the BMD penetration problem within DOD forced us to fund penetration aid development for the warhead above guidance. The command and control of sea based strategic forces will be enhanced greatly by the TACAMO modernization program, ECX aircraft procurement, and strategic communication improvements.

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- o Strategic mobility continues to receive high priority. Every element of the guidance -- including fast sealift, Maritime Prepositioning Ships, and increased dry cargo lift -- has been funded. These programs fully comply with your guidance concerning prepositioning and sealift to support Southwest Asia operations. The total cost of this program is in excess of \$5 billion, which had a severe impact on other Navy programs.
- o The Aircraft Procurement Plan has been restructured to achieve more efficient production rates. The procurement rates of the F-14A, A-6E, EA-6B and E-2C have been increased to more economical levels in some years of the FYDP and then zeroed. This procurement strategy will permit us to move rapidly toward buying out these lines, thus reducing by a net of two our active aircraft procurement lines. This has been a long-time goal of the Navy, your office and the Congress. The linchpin of this APN strategy is the procurement of 36 F-14's in FY-85 in order to minimize force level shortfalls. However, overall fiscal constraints prevented funding for these critical aircraft above the dollars required for 20 aircraft. If 36 F-14 aircraft can be procured in FY-85, the F-14 line will be shut down after FY-86, reopening in FY-89 to produce a significantly improved F-14D. A similar approach is pursued with 12 A-6Es in FY 85 and 86, then zero in 87 and 88, reopening in 89 with an A-6F with greatly improved maintainability, reliability, and survivability. RDT&E for both programs is included in this POM. In addition to allowing the Navy to fund aircraft lines at economical rates, this strategy also provides for the upgrade of a number of older, non-fleet compatible F-14 and A-6 aircraft to bring them to current fleet configuration.
- o The modernization of Marine Corps aviation is essential to ensure a strong Navy/Marine Corps capability. The procurement of AH-1T's will alleviate critical PAA shortages throughout the Active and Reserve AH community and flesh out an anti-armor capability for the three active AH squadrons. The JVK program continues the momentum to fill an urgent need to replace the aging medium lift helicopters in the Marine Corps' inventory by 1991. Continued procurement of the AV-8B and development of a trainer version of the advanced HARRIER will modernize the Marine Corps' light attack capability and allow transition of the A-4M to the Reserves.
- o Both the reduction in fiscal guidance and our priority to maintain readiness have necessitated the funding of fleet steaming days at the optimum training level, at the expense of forward deployed presence. This emphasis provides funds to support three forward deployed battlegroups. Fiscal resources for an additional battlegroup are requested above guidance.
- o The momentum to enhance sustainability continues. Ordnance procurement is programmed to balance the mix of threat and level-of-effort ordnance. Priority has been given to correcting war-stoppers -- those shortages which most critically affect warfighting capability.

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- o The far-reaching implications of the expected Congressional end strength reduction in FY-84 make it imprudent not to anticipate such an action in our planning for FY-85. As a consequence, programmed Navy manpower has been reduced by approximately 8,000 billets in FY-85 to maintain an executable program. These reductions in end strength will result in decreased readiness. We have structured our manpower programs carefully to minimize the effects of the reduced manning on our already undermanned shore facilities and to lessen the eventual retention impact of reduced sea-shore rotation.
 - o The requirement for a new design SSN has been well defined; the necessary R&D has been carefully scoped, and funds are programmed for this effort in FY-85 and beyond. The design is being developed to support authorization for the first new SSN in FY-89. This new RDT&E program will ensure that we maintain our submarine warfare superiority in the next decade against the increasingly quiet and fast Soviet submarine force.
 - o The POM-85 shipbuilding plan contains funding for a new class of surface combatant, of which the lead ship, the USS ARLEIGH BURKE (DDG-51), will be delivered in FY-89. Its military requirements have been refined over some six years to replace retiring general purpose destroyers. The DDG-51 design will provide effective, affordable and highly survivable combat capability midway between the SPRUANCE destroyer and the TICONDEROGA cruiser.
 - o This POM also maintains momentum towards attaining simultaneous lift capability for the assault echelons of a Marine Amphibious Force and an independent Marine Amphibious Brigade. It continues procurement of the LSD-41 class ships and its variants, the LHD-1, the Air Cushion Landing Craft (LCAC), and it extends the service life of the LPD-4 class ships.
- (p) Other significant features of the POM include:
- o Over the period of POM-85, 135 ships are procured. This represents 15 fewer ships during the period FY-85 to FY-88 than were authorized in the FYDP of January 1983. Although this represents a slower rate of build-up than our earlier plan, it nevertheless takes us towards our goal of 600 ships without seriously compromising other important initiatives and goals.
 - o The BIGEYE procurement program was eliminated even though it is the only ongoing offensive chemical warfare modernization effort. It is requested above guidance.
 - o Ordnance procurement is substantially increased for decoys and for HARM, air-to-air, and point defense missiles. TOMAHAWK procurement is slowed to reflect the number of available launchers. MAVERICK procurement is cancelled because of excessive cost growth. CAPTOR procurement is stopped after FY-85 to provide more lightweight torpedoes for NEARTIP conversion to meet higher priority needs. The production of MK-48 torpedoes is stopped in FY-85. Unfortunately, the warm production base for torpedoes will not be available until ADCAP production commences in FY-87.

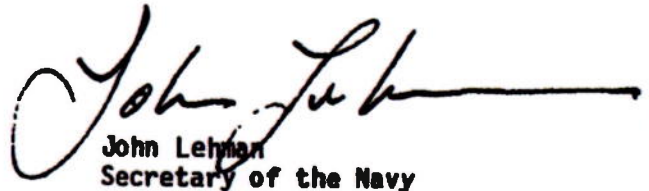
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- o The Navy has committed a significant share of its POM-85 resources to training, particularly in the area of base operating support. Funding for training BOS has been increased by \$55 million above the FYDP level. Though this represents a large percentage increase, it is absolutely essential to reverse the seriously deteriorating condition of the physical plant.

(S) Because of fiscal reduction from POM-84, many programs which are important to the execution of the Defense Guidance could not be programmed, such as C³I enhancement, Aviation Support Equipment and Technology Base growth. They are therefore requested above guidance. Additionally funding is requested for procurement of additional aircraft and for modernization programs for several classes of surface combatants. Funding is also requested to enhance optempo and to reduce the backlog of maintenance and repair.

(S) The POM-85 submitted by the Department of the Navy is balanced, priced properly, and internally consistent. Although it involves more risk than I consider advisable, it represents the best program to achieve our maritime objectives, given the fiscal constraints under which it was developed. It is a plan for maritime superiority.


John Lehman
Secretary of the Navy

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