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THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

14 MAY 1982

MEMORANDUM FOR THE SECRETARY OF THE NAVY

SUBJECT: Navy FY1984-1988 POM

Your Program Objective Memorandum submitted on May 12 exceeds my approved Fiscal Guidance for FY84-88 as set forth on February 11, 1982, and repeated in my FY84-88 Defense Guidance on March 22, 1982, by the amounts shown below (which your staff has informally labelled a "negative wedge"):

	<u>84</u>	<u>85</u>	<u>86</u>	<u>87</u>	<u>88</u>	<u>Total</u>
Over Fiscal Guidance "Negative Wedge"	943	1427	1475	2084	-	5929

In addition:

You have funded the P-3C program only as an overguidance item despite the January 7 letter from the President to the Secretary of Defense that states: "As a minimum, our purchases in combination with our allies, should ensure continued, uninterrupted production at an efficient production rate through the late 1980s." As I have indicated to you earlier, we have made an international commitment on this program, on which we cannot now renege.

You have not provided funds for the MPS/NTPF resources you propose be transferred to the Air Force and the Army, which up to FY84 have appeared in the Navy program.

You have changed your POM to take early credit for 22 ship retirements recently discussed with the Congress, despite directions that the POMs were not to be amended to include these items, if not already reflected therein.

Finally, judging from your overguidance section you may not have provided adequate funds to accommodate current forward deployments.

Please prepare a list of offsets from your FY84-88 POM to account for both the "negative wedge" and also the four items discussed above that are not presently included within your proposed program. If you are recommending that current forward deployments be changed, I would also appreciate your thoughts on this issue. While the program review will continue on schedule, I would like to have your proposed list of changes and an amended tape by Friday, May 21st.

Frank C. Carlucci
Frank C. Carlucci

go home

Office of the Secretary of Defense
Chief, RDD, ESD, WHS
Date: 18 Sep 82 Authority: EO 13526 + 5 USC 552
Declassify: X Deny in Full:
Declassify in Part:
Reason: 18 -M- 1701

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