BUDGET ACTIVITY: Aircraft & Related Equipment

Justification of Supplemental Requirements

Readiness and Modernization: The FY 1974 Program Supplemental request provides for initiation and acceleration of urgently required aircraft avionics and equipment developments. These efforts are summarized below.

P.E. 64206F P-4 Avionics - $2.4 million

A requirement exists for initiation of a low risk receiver power supply repackaging effort and initial engineering to convert the APR-36 Wild Weasel system for installation in the P-4E in lieu of the F-4D aircraft. These efforts will greatly improve the Wild Weasel system and make a major contribution to the capability to achieve and maintain air superiority.

P.E. 64212F Aircraft Equipment Development - $1.6 million

Additional funds are required for development of a terrain-avoidance/terrain following radar for Search and Rescue (SAR) helicopters. Flight tests will be accomplished on an F-111D which will lead to the development of a capability for the F-111D to deliver electro-optical (E-O) guided weapons. Additional FY 1974 funds are requested to accelerate development of a Helmet Mounted Laser device. These capabilities are urgently needed to increase the capability of rescuing downed airmen and to more effectively deliver E-O and Laser guided ordnance.
BUDGET ACTIVITY: Ordnance, Combat Vehicles and Related Equipment

Justification of Supplemental Requirements

Readiness and Modernization. Funds are included in the FY 1974 Program Supplemental to improve the effectiveness of various types of ordnance. Specific efforts to be initiated or accelerated are described below.

P.E. 646067 Armament/Ordnance Development - $4.3 million

Additional FY 1974 funds are needed to accelerate development of an aircraft shelter penetration ordnance capable of destroying hardened shelters and the aircraft inside. Funds are requested to develop a low altitude proximity sensor for the impact short delay fuse. This sensor will significantly increase the effectiveness of general purpose bombs against targets such as personnel, vehicles and light material. Other requirements are: (1) development of an air inflatable retarder to enable the F-111 to safely drop bombs from low altitudes at supersonic airspeeds; (2) completion of the design for a bomb package with reduced aerodynamic drag to be carried on the F-4 to increase the range about 30 percent with the same amount of fuel; (3) initiation of engineering development of the fuel air explosive (FAE).

P.E. 646067 Close Air Support Weapon Systems - $3.0 million

This increase is required to accelerate an alternate warhead demonstration program, which will include both a MK-19 warhead and an active warhead. The objective of the program is to expand the Electro-Optical and laser Maverick target spectrum. This effort encompasses airframe and fuse modifications and qualification, captive flight tests and launches.
BUDGET ACTIVITY: Other Equipment

Justification of Supplemental Requirements

Readiness and Modernization. Experience gained from Southeast Asia and observations made from the recent Middle East conflict have highlighted the importance of possessing a guided weapons and electronic warfare capability in a dense Surface to Air Missile (SAM) environment. The FY 1974 Program Supplemental request includes funds necessary to make improvements and accelerate the development of these capabilities particularly for use during night and adverse weather conditions. Specific programs to which high priorities have been assigned are discussed below.

P.E. 31011F Cryptologic Activities - [444] million

Additional FY 1974 funds are requested for Project 1148, COMPASS BRIGHT. This increase is required in order to accelerate the development and test of selected equipment. Current funds do not have the operation. The [444] million increase will provide the required

P.E. 63741F Defense Suppression - $8.5 million

MOGB-II - $1.0 million - Additional funds are needed to assure interface compatibility between the wing kit, auto-pilot and the electro-optical guidance unit for the modular guided glide bomb development. This is a systems engineering effort required for the longer ranged version of the MOGB. This effort must be initiated in advance of the demonstration program which investigates optimum stand-off profiles. Integration problems experienced in the IUT&E of MOGB-I during latter part of FY 1973 revealed the need for this effort.

Midcourse Guidance - $4.0 million - These funds provide for development of alternatives to provide guidance of stand-off weapons between the launch point and the target area. This guidance is presently provided only by DME and NO, which inhibits deployment flexibility. Alternatives available from current technology include LORAN, Inertial Navigation Systems and directional data link. These alternatives must be demonstrated to assure deployment flexibility of stand-off weapons.
Stand-Off Missile - $1.5 million - This increase is needed to determine the development program required to provide a stand-off missile (range 1500 nm) for the inventory. Preliminary analyses have indicated development cycles up to seven years. An advanced development program should be initiated as soon as possible to exploit evolving technology in propulsion, guidance and payloads.

Distance Measuring Equipment (DME SUU 54) - $3.0 million - This increase provides the cluster munition with DME guidance capability. DME guidance is not degraded by poor weather. Cluster munitions do not require the low CEP's provided by laser-guided systems (optical). The combination of DME with the cluster munition dispenser will provide a system with a strong capability. DME can also be used for midcourse guidance of the dispenser if a range extension kit is used.

P.E. 637447 Electro-Optical Warfare - $4.0 million

Accelerated development of a [DOD] Visual Countermeasures Pod is required because there is no equipment currently in the DOD inventory to counter the visually directed threat. This pod will combine many elements of technology necessary to provide such a combat capability.

P.E. 64709F Improved Tactical Bombing - $6.3 million

PAVE PACT - $2.5 million. Effort will be initiated in several areas leading to the development of a USAF Common Forward Looking Infrared Radar (FLIR).

PAVE PENNY - $1.0 million. Funds are needed to accelerate the completion of a PAVE PENNY capability on the A-7.

Digital Scan Converter - $2.3 million. Additional funds are needed to flight qualify a Digital Scan Converter for production.

PAVE SPIKE - $.5 million. These funds will improve the PAVE SPIKE capability to acquire targets at low altitude.

P.E. 64710F Reconnaissance/Electronic Warfare Equipment - $.2 million

Funds are needed to install and test a new long focal length camera which can be used for stand-off border surveillance operations in an USAF RF-4.

P.E. 64732F Drone/Remotely Piloted Vehicle System - $3.0 million

Additional funds are needed for Project 2107, Multi-Mission RPV. A requirement exists for a multi-mission RPV which can be used to perform reconnaissance, electronic warfare support and air-to-ground strike missions in heavily defended areas.
P.E. 64733F Surface Defense Suppression - $9.8 million

Electro-Optical Glide Bomb (EOGB) - $2.3 million. Funds are needed to integrate Distance Measuring Equipment (DME) guidance into the EOGB to provide a guidance capability which is not weather dependent.

Range Extension System/Cluster Munition Dispenser Integration - $2.0 million. These funds are needed to integrate the range extension system demonstrated in the Modular Guided Glide Bomb I (MGGI) with the cluster munition dispenser tested in the PAVE STORM project. This integration will provide an interim capability in advance of completed development of the MGGI.

MTT/AI demonstration - $5.0 million. These funds will provide for an operational demonstration of Moving Target Indicator (MTI) Radars and the Advanced Location Strike System (AUS). This combination will provide a capability for striking moving targets during adverse weather conditions.

P.E. 64736F Foreign Weapons Evaluation - $1.9 million

These funds are required to instrument and test type aircraft to determine infrared (IR) and other characteristics of these aircraft in a realistic combat situation.

P.E. 64738F Protective Systems - $1.1 million

An increase of $.1 million is required to initiate a joint program with the Navy to develop an countermeasure. (device nicknamed in order to provide protection against the threats. Funds in the amount of $.6 million are needed to complete development of the F-105 and A-7 pylon. To initiate missile launch detector (MID) development for slow moving aircraft such as the C-130 and helicopters requires $.1 million.

P.E. 64739F P-4/P-105 Protective Systems - $2.0 million

These funds are required to accelerate the FY 1974 portion of the ALQ-131 Advanced ECM Pod program, and to accelerate development/qualification of related aerospace ground support equipment (AGS), thus insuring delivery of all qualified AGS concurrent with the production of pod equipments.
P.E. 647629 Precision Emitter Location Strike System - $3.0 million

To improve the AESA Project 1949 and expedite it into the inventory, $2.5 million is required. Funds are needed to decrease response time for deployments. The remaining $.5 million is required to initiate the Deployable Data Base program, Project 2106. Funds are needed to modify an existing system used by the Defense Mapping Agency and demonstrate that it meets Air Force requirements. Development of systems to provide accurate will be initiated.
BUDGET ACTIVITY: Program-Wide Management and Support

Justification of Supplemental Requirements

Readiness and Modernization. The FY 1974 Program Supplemental request includes funds necessary for the exploitation of captured weapons. The uses to which these funds will be put and the expected benefits are discussed below.

P.E. 68305F Development and Test Support - $1.1 million

These funds will supplement the Armament Development Test Center (ADTC) weapons evaluation program for exploitation of captured weapons. [Deleted] The characteristics of these and other items expected to be made available will be examined as well as the effects of various U.S. developmental and inventory systems on this captured gear.
**DEPARTMENT OF THE AIR FORCE**

**END STRENGTHS AND BASE YEAR SUMMARY**

**AND COMPUTATION OF PAY INCREASE COSTS**

|                | 6/30/73 | 6/30/74 | FY 1974
|----------------|---------|---------|---------
|                | Class/  | Class/  | Class/  |
|                | Admin   | Wage    | Explo   | Admin   | Wage    | Explo   | Admin   | Wage    | Explo   |
|                | Action  | Explo   | Foreign | Action  | Explo   | Foreign | Action  | Explo   | Foreign |
|                |         |         |         |         |         |         |         |         |         |
| Civilian Personnel: |         |         |         |         |         |         |         |         |         |
| Full-Time Permanent Employment | 17,395  | 3,586   |         | 17,356  | 3,564   |         | 17,370  | 3,579   |         |
| Part-Time, Temp & Intermitent Employment | 75      | 16      |         | 71      | 16      |         | 75      | 16      |         |
| Disadvantaged Employment Programs | 955     |         |         |         |         |         |         |         |         |
| Other Non-Civilian Personnel |         |         |         |         |         |         |         |         |         |
| **TOTAL** | 18,425  | 3,602   |         | 17,427  | 3,580   |         | 17,445  | 3,595   |         |

**DEDUCT EMPLOYEES FOR WHOM PAY COSTS ARE NOT SHOWN**

Average strength used for pay increase purposes: 17,445 3,595 21,040

**COMPUTATION OF NET REQUIREMENT:**

1. Basic average salary 31 December 1972: 15,543 11,232
2. Basic average salary 1 October 1973: 17,121 11,588
3. Increase in basic average salary: 1,578 356
4. Increase in basic average salary applicable to current fiscal year: 1,455 356
   a/ Pay raise effective 1 January 1973: 792
   b/ Pay raise effective 31 October 1973: (656)
5. Total basic salary increase applicable to current fiscal year ($000): 25,386 1,284 26,672
6. Increases in overtime, holiday, and other variable pay due to pay increase ($000): 2,862 131 2,373
7. Civilian personal benefits ($000): 437 70 507
8. Increase in direct pay and related costs ($000): 28,067 1,485 29,552
9. Reimbursements to other accounts ($000): 269 387 656
10. Reimbursements from other accounts ($000): 687 55 742
11. Absorbed with available funds ($000): -0- -0- -0-
12. Additional appropriation required ($000): 27,649 1,817 29,466

a/ Recognizes that 1 October 1973 pay raise effective for 9 months in FY 1974.
Technical Support to the Secretary of Defense

and

the Joint Chiefs of Staff

Research, Development, Test, and Evaluation, Defense Agencies

(Dollars in Thousands)

FY 1974 Presently Available 15,588
FY 1974 Revised Estimate 17,013
FY 1974 Proposed Supplemental 1,425

Budget Activity: Military Sciences

Justification of Supplemental Requirements

Readiness and Modernization

Program Element # 6.51.01.D

The Weapons Systems Evaluation Group is requesting $625,000 in FY 1974 to support urgent tasks directed toward the collection and evaluation of data from the Arab-Israeli conflict and from the exploitation of captured Soviet equipment. The Secretary of Defense has directed WSEG to conduct a coordinated effort for the systematic collection, organization, publication and distribution of basic data concerning the effectiveness of various weapon systems under the operational conditions in the latest Arab-Israeli conflict. WSEG has also been directed to undertake an assessment of the effectiveness of U.S. and Soviet weapons, tactics and doctrine as indicated by their performance in the war. WSEG will determine what inferences may be drawn with regard to the performance of opposing U.S. and Soviet systems for a potential conflict between NATO and Warsaw Pact Forces in the Central Front in Europe. These tasks were initiated in October 1973 and WSEG has been incurring expenses toward the completion of this work since that time.
Background/Relevance: In May of this year the Net Technical Assessment program was revised and restructured to provide new emphasis on tactical problems. This restructure and increased financial support for the tactical area was achieved by decreasing our funding support to both our strategic and overview functional areas. The amount of money for these tactical studies is currently approximately $1.5M, divided equally among the naval, ground, and air tactical mission areas. These tasks have been reviewed within ODDR&E and are considered of primary importance to DDR&E's decision-making. Review of this effort indicates that it is not feasible to decrease the technical effort on these problems without going below threshold in each of these Centers of Excellence for these task efforts. Therefore, considering the Mid-East conflict and technical information to be gained, it is requested that supplemental funding be added to the Net Technical Assessment Program Element.

Current analytic efforts to determine "lessons to be learned from the Arab-Israeli conflict" involve what NTA would consider a Phase I over the next two and three months to derive a comprehensive quantitative data base together with an initial assessment in all of the tactical areas. These results should then require a longer scale, net technical examination to determine the proper impact of both U.S. and Soviet weapon contributions to this war, and to the more important assessment of direct US/USSR military capability. This more technical knowledge will be derived over a period of the next six to eight months and thereafter.

Description: These supplemental funds will be used as follows: (a) tactical air, (b) tactical ground, (c) tactical navy, and (d) systems integration. In the tactical air functional area contractual assistance will be requested to examine the technical aspects, primarily EW, of Soviet and US air defense systems, fighter aircraft, surface-to-air missiles, and air-to-air missiles which were specifically used during the combat period. Thus, the technical contribution of these items to our overall assessment of US/Soviet technology in this area will be improved. In the tactical ground area contributions in the area of armor, fire support and logistics needs to be determined. Again the importance of technical contributions to the conduct of combat will be developed. In the tactical Naval area the assessment of our current knowledge in the areas of target acquisition, platform position, and capability of the surface-to-surface Naval cruise missiles vis-a-vis U.S. technology needs to be determined. While some of these systems are scheduled to be analyzed as tasks by our Centers of Excellence, the increased emphasis on the data acquired during this war and its importance to combat will require additional personnel to perform these analyses in a timely manner. Conversely, the information derived from these analyses will be input into the on-going task at our Centers of Excellence to enhance and improve our final analytic results.
Justification of Supplemental Requirements.

Readiness and Modernization.

The proposed supplemental funds will allow for accelerated development and evaluation of advanced weapon system components for air delivery of ordnance at increased standoff ranges and small combat areas.

Development of an air delivery capability with longer standoff range is urgently needed to neutralize the escalating air defense threat.

The proposed program will develop and demonstrate target acquisition and designation in a clear weather environment, utilizing elements of ongoing advanced technology components such as high power face pumped lasers and a high resolution return beam vidicon acquisition system and a modestly upgraded stabilization system. The components will be assembled in appropriate pods for tests aboard an F-4 aircraft. This program represents a logical extension of previous work done jointly by ARPA and the Air Force which recently demonstrated delivery of laser guided ordnance by an F-4.

This program supplement will also provide for mutual assistance in the development, test and evaluation of small area systems under development by ARPA which potentially offer significant improvements in area fire delivery. This supplemental program includes the accelerated completion of the development, fabrication and test of two systems, an area fire submachine gun and multi-projectile and high explosive rounds of ammunition, and an area fire combat infantry rifle with its associated multi-projectile, high explosive and armor piercing ammunition. Upon completion of COT&E testing, feasibility evaluation will be initiated, thereby providing an independent assessment of these new and advanced small arms.

Classified by Director, TTO. Subject to ODS of Executive Order 11652. Automatically Downgraded at Two Year Intervals. Classified on December 31, 1982.
Title: Tactical Technology

Project Title: Target Acquisition and Identification

Category: Exploratory Development

BACKGROUND AND DESCRIPTION: The objectives of this project are to extend the capabilities and effectiveness of U.S. military forces to acquire, locate, and identify tactical targets and to reduce potential attrition of U.S. forces by denial of targets to enemy weapon systems. The efforts are applied research, technology development, and demonstration of prototype systems and concepts. The project includes application of new technologies to miniature remotely piloted vehicles (mini-RPVs) for development and evaluation of advanced secure communications techniques, missile weapons location, extension of laser technology, and investigation of countermeasure technology and techniques to provide a fundamental basis for assessing our BMD systems effectiveness against potential enemy BMD and evaluating counter-countermeasure options that could be employed.

RELATED ACTIVITIES: Mini-RPV system concepts and advanced forward looking infrared (FLIR) systems are being developed jointly with the Air Force. Other applications are being evolved, and results of ARPA efforts factored in, with the Army and Navy programs. The efforts on secure communications are being jointly funded with the USAF RADC and Army Electronics Command. Advanced video signal processing is being conducted at the Naval Undersea Center. The program on hostile weapons location systems is being developed jointly with the U.S. Army and its Commands. Some aspects of airborne (RFV) target acquisition are conducted and coordinated with the Air Force Avionics Laboratory. Development of the laser FLIR system is being conducted at the Air Force Avionics Laboratory. Investigations on countermeasures are jointly funded by the Naval Research Laboratory and Frankford Arsenal and conducted at White Sands Missile Range and Air Force Avionics Laboratory. The efforts on TOA/DME are being conducted in conjunction with the Services. Development and feasibility demonstration of FLIR are being conducted through the Air Force Avionics Laboratory and are coordinated through ODDR&E with the Services.
Title: Tactical Technology

Project Title: Target Acquisition and Identification

WORK PERFORMED BY: Work has been conducted at Naval Research Laboratory, Washington, D.C.; Naval Undersea Center, San Diego, California; Frankford Arsenal, Philadelphia, Pennsylvania; Ft. Monmouth, Red Bank, New Jersey; Air Force Avionics Laboratory, Dayton, Ohio; Army Night Vision Laboratory, Ft. Belvoir, Virginia; and by contractors such as Philco-Ford, Newport Beach, California; Lockheed Aircraft Company, Burbank, California; Hughes Aircraft Company, Culver City, California; Sanders Associates, Nashua, New Hampshire; Texas Instruments, Inc., Dallas, Texas; General Electric Company, Syracuse, New York; General Research Corporation, McLean, Virginia; Phillips Broadcast Equipment Corp., Montvale, New Jersey; Radiation Incorporated, Melbourne, Florida; Ohio State University, Columbus, Ohio; University of Southern California, Pasadena, California; Honeywell Radiation Center, Lexington, Massachusetts; and Northrop Corporation, Anaheim, California.

PROGRAM ACCOMPLISHMENTS AND FUTURE PLANS:

1. FY 73 and Prior Accomplishments: The mini-EPV concept was validated by successfully flight testing (35 flights) three systems. The ability to acquire and laser-designate a target for an F-4 aircraft strike was demonstrated. Possibility of a [deleted] designator at moderate energy levels [deleted] has been demonstrated. Possibility of appropriate data compression technology and secure data links for EPIs has been demonstrated. Seismic techniques [deleted] improved significantly [deleted] was completed [deleted] and has contributed to the Army development [deleted].

2. FY 74 Program: EPV capabilities will be extended [deleted]. Lower weight and cost of components [for target acquisition and designation] will be achieved to reduce overall system weight and cost. For manned aircraft a prototype system to acquire and designate tactical targets [deleted] has been evaluated. A prototype for the same mission [deleted] is under development. Other techniques such as [deleted] Exploitation of solid state microelectronic technology [deleted] and the use of large scale integrated circuits will provide the basis for low-cost [deleted] systems. A major multiphase effort [deleted] will be initiated to demonstrate the feasibility of low cost [deleted] tests [deleted] will be completed and the results used to identify techniques for hardening [deleted] receiver. Laboratory prototype models of three types of [deleted] systems for secure communications have been built. Other communications components and data links [deleted] are being constructed[deleted]. Techniques for bandwidth compression of video data have been evaluated and a new technique evolved for application to diverse DoD communications and data link problems. Technology and component...
Budget Activity: #7-Other Equipment

Project Title: Target Acquisition and Identification

Development was initiated in support of advanced TOA/DME and other position location systems. This project includes the development of a pod for the F-4 aircraft.

**FF 76 Planned Programs:**

- Increased emphasis will be placed on filling critical needs for improved capabilities for detecting and locating hostile weapons.
- The hostile weapon location systems (HWLS) program was initiated in FY 76 as an advanced technology program to find new means to counter the profuse threat of hostile weapons.
- ARPA has the primary responsibility to develop this program with strong Service participation, drawing heavily on existing Service research programs in this and related areas. In FY 77 the program will examine the feasibility of low-cost EOD systems and their subsystems.
- The feasibility of joint mini-RPV concept, will be demonstrated jointly with the U.S. Air Force.
- Secure communications systems for RPVs will be evaluated.
- New types of RPV payloads will be evaluated.
- A prototype video bandwidth compression module for RPVs will be developed and flight-tested.
- The fabrication of a laser system for target acquisition and designation will be continued with the Air Force.
- Combined systems will be fabricated and evaluated. These systems will provide significantly improved performance in various missions for high performance aircraft and RPVs.
- Low-cost, hardened devices will be evaluated jointly with the Services. A joint effort with the Services will evaluate potential concepts.

Program to Completion: The investigation of promising techniques, feasibility demonstrations, and exploratory development of subsystems and systems for the location of hostile weapons will continue through FY 79. Prototype development and field evaluation of promising techniques for target acquisition, designation and discrimination will be continued through FY 76. The evaluation of tactical communication systems will extend through FY 76. Development of new payloads, missions and configurations of RPVs will be extended through FY 76. Demonstration of RPV system concepts may continue through FY 77. The project will be completed in FY 76. In FY 76 advanced concepts will enter the stage of feasibility demonstration which should continue through FY 77. In FY 76 and FY 77 concepts for advanced defense systems now in the research phase may have advanced to the point that the feasibility of large-scale, low-cost defense systems can be demonstrated.

**Resources:** ($ in Thousands)

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Title: Tactical Technology

Budget Activity: MT-Other Equipment

Project Title: Weapon Technology and Concepts

Category: Exploratory Development

BACKGROUND AND DESCRIPTION: The objective of this project is to achieve major improvements in the combat effectiveness of U.S. General Purpose Forces by exploitation of advanced science and technology in new concepts for non-nuclear warheads, weapon delivery techniques, guns, and small arms. The project includes: applied research on weapon and weapon-effects mechanisms; technology and exploratory development; and demonstrations of concept and device feasibility. The main goals currently are to: develop liquid propellant gun technology for weapons ranging from small arms to 76mm automatic cannon; demonstrate concepts for active and passive closed-loop fire control systems to permit automatic cannon firing from moving vehicles; advance the technology of small arms and their ammunition with emphasis on high reliability, low cost, and area kill; pursue research and technology advances potentially capable of leading to new warheads with an order-of-magnitude improvement in effectiveness against various targets; test and determine the feasibility of an advanced class of self-initiated munitions and evaluate specific concepts for land and sea tactical operations; conduct exploratory development and exploit laser guidance technology for the development of "smart" hand-held antitank/anti-air weapon systems.

RELATED ACTIVITIES: The anti-armor/anti-aircraft technology effort is closely coordinated with and, in part, jointly funded by the Army. Feasibility studies on self-initiated munitions have been coordinated with the USAF and Naval Ordnance Systems Command, and the exploratory development phase will be conducted with the USAF (AEC, Eglin AFB). Since the inception of the small arms activity, joint efforts with the Services, primarily the Army, have been conducted and coordinated with the DoD Small Arms Advisory Committee. Development has been primarily conducted at AEC Laboratories. The new effort on advanced warhead technology will be conducted jointly at the Naval Weapons Center, China Lake, NASA, and AEC Laboratories.

WORK PERFORMED BY: Work has been performed by: Army Armament Command, Rock Island, Illinois; Army Missile Command, Huntsville, Alabama; Army Night Vision Laboratory, Ft. Belvoir, Virginia; Naval Weapons Center, China Lake, California; Naval Weapons Laboratory, Dahlgren, Virginia; Lawrence Livermore Laboratory, Livermore, California; Mitre, McLean, Virginia; Chrysler Corporation, Detroit, Michigan; Texas Instruments, Dallas, Texas; Pulsepower Systems, San Carlos, California; Ares, Fort Clinton, Ohio; Ling-Temco-Vought, Dallas, Texas; Stanford Research Institute, Menlo Park, California; Litton Industries, Norwalk, California; Aircraft Armament Inc., Cockeysville, Maryland; Raytheon, Wayland, Massachusetts, and Los Alamos Scientific Laboratory, Los Alamos, New Mexico.
Budget Activity: #7-Other Equipment  
Title: Tactical Technology

Project Title: Weapon Technology and Concepts

PROGRAM: ACCOMPLISHMENTS AND FUTURE PLANS:

1. FY 1973 and Prior Achievements: The critical long-range technology needs for improved U.S. anti-armor/antitank systems were identified through studies; exploratory developments and investigations were initiated in new gun design, closed loop fire control, advanced kinetic energy ammunition and dual-mode smart munitions for current 105mm weapons. Small arms ammunition were reduced in size and weight and a variety of new projectiles and rounds were developed and evaluated for use in area fire weapons. Liquid propellant technology was applied to the development of a new rifle. Laser-beamrider missile technology was explored and found feasible for joint antitank/anti-air defense applications.

2. FY 1974 Progress: Feasibility demonstrations of laser beamriding munitions, using modified DRAGON/SHILLELAGH missiles and a hand-held tracker will be performed. [will be developed for direct and indirect fire 105mm projectiles. The feasibility of a 75mm hypervelocity automatic cannon with an advanced round will be demonstrated. Evaluation of new armor protection is being tested which can lead to a significant weight reduction for assault vehicles. A new rifle concept will be transferred to the Army and the development of new classes of area fire ammunition is continuing. In addition, a light machine gun with plastic-encapsulated ammunition will be developed and evaluated. Preliminary design and development of specific target acquisition sensors and seekers will be accomplished to determine the feasibility of self-initiated munitions concepts. Exploratory investigations and computer design of advanced warheads will be performed. Feasibility tests are being done in this area. This project includes the readiness supplemental item for the development, test and evaluation of AN/PA developed small arms systems which offer significant improvements in area fire capabilities.

3. FY 1975 Planned Progress: The feasibility demonstrations of the laser beamrider technology effort will be completed; the advantages of this concept on the battlefield against armored vehicles and aircraft will be quantified; analysis and coordination will be conducted jointly with the Army to transfer the program. New rounds for the 105mm gun [will be fabricated for subsequent demonstration of longer range, direct and indirect fire capability. The design and fabrication of experimental self-initiated munition systems and their critical components for a feasibility demonstration will be initiated. Experimental development will continue. Fabrication of new shaped charge warheads and distributed munitions will be initiated for feasibility demonstration and validation of computer designs. The liquid propellant rifle prototype testing will be completed and the several area fire weapon rounds demonstrated.

RESOURCES: ($ in Thousands)

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Budget Activity: #7 - Other Equipment

Justification of Supplemental Requirements:

Readiness and Modernization

DESCRIPTIVE SUMMARIES AND OTHER DETAILS ON NATIONAL SECURITY AGENCY PROGRAMS ARE NOT INCLUDED AS THEY REQUIRE SPECIAL ACCESS. ADDITIONAL INFORMATION WILL BE PROVIDED DIRECTLY TO THE APPROPRIATE COMMITTEES.

Program Element: 410110

Project Title: Cryptologic Activities

Title: Cryptologic Activities

Budget Activity: #7 - Other Equipment
Budget Activity: #8 - Program-Wide Management and Support

Justification of Supplemental Requirements.

Postal Increase.

By agreement with the U.S. Postal Service, DoD is required to reimburse the Postal Service for indicia mail service based on a continuous sampling procedure. The sampling is performed by U.S. Postal Service as a part of their procedure for sampling all categories of mail. On this basis, commencing July 1, 1972, U.S. Postal Service started determining the mail volume for each DoD component to provide a basis for billing to begin in FY 1973. Final billing for FY 1973 unexpectedly shifted upward causing the Defense Documentation Center to be under-budgeted by $36 Thousand for FY 1974. A projection from recent sample data from U.S. Postal Service indicated that Postal Cost estimates, supporting the estimates used as a basis for the supplemental, are correct.

Program Element: #558018
Project Title: Defense Documentation Center

Title: Defense Documentation Center
Budget Activity: #8 Program-Wide Management and Support

POSTAL INCREASE: This increased funding for postal costs is required to support the Defense Supply Agency RDT&E mission to provide scientific and technical information services required by the Defense R&D Community.
### SUMMARY OF DEFENSE AGENCIES

**SUPPLEMENTAL APPROPRIATION REQUEST**  
**FISCAL YEAR 1974**  
($ in thousands)

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<td><strong>Total - Operation and Maintenance, Defense Agencies</strong></td>
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<td>1,149</td>
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| Office of Information for the Armed Forces | 194 | 10 | 204 | 110 |
| **Secretary of Defense**                    | 2,238 | - | 2,238 | 114 |
| **Joint Chiefs of Staff**                   | 526 | - | 526 | 116 |
| **Defense Contract Audit Agency**           | 5,477 | - | 5,477 | 120 |
| **Total - Operation and Maintenance, Defense Agencies** | 50,159 | 2,591 | 52,750 |      |

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<th>Wage</th>
<th>Total</th>
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<td><strong>Secretary of Defense (WMD)</strong></td>
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<td><strong>Defense Supply Agency</strong></td>
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<td><strong>Defense Intelligence Agency</strong></td>
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### Defense Mapping Agency

**Civilian End Strength and Man Year Summary**
and Computation of Pay Increase Costs

<table>
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<tr>
<th>Appropriation: DOD, Defense Agencies</th>
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<th>6/30/74</th>
<th>FY 1974 Man Years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Civilian Personnel</strong></td>
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</tr>
<tr>
<td>Full-time permanent employment</td>
<td>11</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Part-time, temporary and intermittent employment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Disadvantaged-employment programs</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other non-salaried personnel</td>
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<td>-</td>
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</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>11</td>
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</table>

Deduct employees for whom pay costs are not shown

Average strength, used for pay increase purposes

### Computation of Pay Requirement:

1. Basic average salary 31 December 1972
2. Basic average salary 1 October 1973
3. Increase in basic average salary
4. Increase in basic average salary applicable to current fiscal year
5. Pay raise effective 1 January 1973
6. Total basic salary increase applicable to current fiscal year (sum-years 4. above) ($000)
7. Civilian personnel benefits (applies to object class 12.1) ($000)
8. Increase in direct pay and related costs (1.4.8. 11.) ($000)
9. Reimbursements to other accounts (+) ($000) $317
10. Reimbursements from other accounts (-) ($000) $317
11. Absorbed within available funds (-) ($000) $317
12. Additional appropriation required (8.9.49.10.11.) ($000) $317

\( \text{g/ Recognize that 1 October 1973 pay raise effective for 9 months in FY 1974.} \)
### End Strengths

<table>
<thead>
<tr>
<th></th>
<th>6/30/73</th>
<th>6/30/74</th>
<th>Current FY Manyears</th>
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<tr>
<td></td>
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<td>Admin</td>
<td>Wage</td>
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<tr>
<td>Full Time/Permanent Employees</td>
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<td>11</td>
<td>--</td>
</tr>
<tr>
<td>Part Time/Temporary and</td>
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<td>--</td>
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<tr>
<td>Internship Employment</td>
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<td>Full Time/Permanent Employees (integrated Employment)</td>
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<tr>
<td>Other/Non-Covering Personnel</td>
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<td><strong>TOTAL</strong></td>
<td>170</td>
<td>11</td>
<td>--</td>
</tr>
</tbody>
</table>

### COMPUTATION OF NET REQUIREMENT:

1. Basic average salary 31 December 1972 ........................................ 13,208
2. Basic average salary 1 October 1973 ........................................... 14,607
3. Increase in basic average salary .............................................. 1,399
4. Increase in basic average salary applicable to current fiscal year \( \text{a/} \) ........................................ 1,202
5. Pay raise effective 1 January 1974 \( \text{b/} \) ................................ (719)
6. Pay raise effective 1 October 1973 ............................................ (483)
7. Total basic salary increase applicable to current fiscal year \( \text{c/} \) (Man-years X4, above) \((\text{\$000})\) ....................... 214
8. Increases in overtime, holiday, and other variable pay and to pay increase (applies to object class 11.3) \((\text{\$000})\) ................. 21
9. Civilian personnel benefits (applies to object class 12.1) \((\text{\$000})\) .................................................. 235
10. Increase in direct pay and related costs (5.6,6.7,8.1) \((\text{\$000})\) ................. 1,838
11. Reimbursements to other accounts \(+\) \((\text{\$000})\) .......................... 4
12. Additional appropriation required \((8.9-10.-11.)\) \((\text{\$000})\) ................. 2,069

\( \text{a/} \) Recognizes that 1 October 1973 pay raise effective for 9 months in FY 1974

---

DEFESE NUCLEAR AGENCY
Civilian End Strength and Manyear Summary
and Computation of Pay Increases
<table>
<thead>
<tr>
<th>Civilian Personnel</th>
<th>6/35/73</th>
<th>6/30/74</th>
<th>FY 1974 Manyears</th>
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<td>Wage</td>
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<tr>
<td>Full time permanent employment</td>
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<tr>
<td>Part time, temporary and intermittent employment</td>
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<td>-</td>
</tr>
<tr>
<td>Disadvantaged employment program</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>Other non-colling personnel</td>
<td>-</td>
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<td>TOTAL</td>
<td>90</td>
<td>101</td>
<td>98</td>
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**COMPUTATION OF NET REQUIREMENTS:**

1. Basic average salary 31 December 1972 .......................................................... 19,951
2. Basic average salary 1 October 1973 ................................................................. 22,125
3. Increase in basic average salary ................................................................. 2,174
4. Increase in basic average salary applicable to current fiscal year ................. 1,633
   Pay raise effective 1 January 1973 .................................................................... (929)
   Pay raise effective 1 October 1973 ................................................................ (704)
5. Total basic salary increase applicable to current fiscal year (Man years x 4. above) ($000) .......................................................... 160
6. Increases in overtime; holiday, and other variable pay due to pay increase (applies to Object Class 11.3) ($000) .......................................................... 2
7. Civilian personal benefits (applies to Object Class 12.1) ($000) .................... 14
8. Increase in direct pay and related costs (5. +6. +7.) ($000) .......................... 176
9. Reimbursement to other accounts (+) ($000) .................................................. 0
10. Reimbursement from other accounts (-) ($000) ............................................... 0
11. Absorbed within available funds (-) ($000) .................................................... 0
12. Additional appropriation required (8. +9. -10. -11.) .................................... 176
Page 221

DEFENSE INTELLIGENCE AGENCY

Civilian End Strength and Manyear Summary
and Computation of Pay Increase Costs

<table>
<thead>
<tr>
<th>Appropriation: DOD&amp;E, Defense Agencies</th>
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<th>FY 1974 Manyears</th>
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<td></td>
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<td>Part-time, temporary and intermittent employment</td>
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<td>0</td>
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<tr>
<td>Disadvantaged employment programs</td>
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<td>15</td>
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<tr>
<td>Other non-ceililng personnel</td>
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<td>2. Basic average salary 1 October 1973</td>
<td>18,310</td>
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<tr>
<td>3. Increase in basic average salary</td>
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<td>4. Increase in basic average salary</td>
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<td>to current fiscal year:</td>
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<tr>
<td>Pay raise effective 1 October 1973</td>
<td>(703)</td>
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<td>5. Total basic salary increase applicable to current fiscal year (man-years x $1,533 ($000)</td>
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<td>6. Increase in overtime, holiday, and other variable pay due to pay increases ($000)</td>
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<td>7. Civilian personnel benefits ($000)</td>
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<td>8. Increase in direct pay and related costs ($000)</td>
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<td>9. Reimbursements to other accounts (+) ($000)</td>
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<td>12. Additional appropriation required ($000)</td>
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/a Recognizes 1 October 1973 pay raise effective for nine months in FY 1974.
## Defense Supply Agency
### Civilian End Strength and Manyear Summary
#### and Computation of Pay Increase Costs

**Appropriation:** RDT&E

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<tr>
<td>Full-time permanent employment</td>
<td>400 55</td>
<td>409 54</td>
<td>403 54</td>
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<tr>
<td>Part-time, temporary and intermittent employment</td>
<td>1 -</td>
<td>1 -</td>
<td>-</td>
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<tr>
<td>Disadvantaged employment programs</td>
<td>- -</td>
<td>- -</td>
<td>- -</td>
</tr>
<tr>
<td>Other non-calling personnel</td>
<td>- -</td>
<td>- -</td>
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<td><strong>Total</strong></td>
<td>401 55</td>
<td>409 54</td>
<td>403 54</td>
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### Computation of Net Requirement

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<th>1973</th>
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<td>14,542</td>
<td>9,704</td>
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<td>2</td>
<td>Basic average salary 1 Oct 1973</td>
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<td>10,093</td>
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<td>3</td>
<td>Increase in basic average salary</td>
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<td>6</td>
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<td>7</td>
<td>Civilian personnel benefits (applies to OC 12.1)</td>
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<td>8</td>
<td>Increase in direct pay and related costs (5+6+7)</td>
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<td>Reimbursements to other accounts (+) (5000)</td>
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<td>Reimbursements from other accounts (-) (5000)</td>
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<td>Absorbed within available funds (-) (5000)</td>
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<tr>
<td>12</td>
<td>Additional appropriation required (8+9-10-11) (5000)</td>
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**Net Requirement (8+9-10-11)**: 368 ($000)
**Weapons Systems Evaluation Group**

**END STRENGTH AND MAN-YEAR SUMMARY**

**AND COMPUTATION OF PAY INCREASE COSTS**

<table>
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<tr>
<th>Appropriation: Research, Development, Test and Evaluation</th>
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<th>Current FY Man-Years</th>
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<td>Admin Action</td>
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<td>Employees</td>
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<td>are not shown:</td>
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<td></td>
</tr>
<tr>
<td>ADD:</td>
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</tr>
<tr>
<td>Part-Time &amp; Temporary Employment</td>
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<td></td>
</tr>
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<td>Non-coding personnel</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
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Average strength used for pay increase purposes: 36

**COMPUTATION OF NET REQUIREMENT:**

1. Basic average salary 31 December 1972 .......................... 9,179
2. Basic average salary 1 October 1973 ........................... 10,076
3. Increase in basic average salary ................................ 897
4. Increase in basic average salary applicable to current fiscal year a/ .......................... 757
   Pay raise effective 1 January 1973 .......................... (410)
   Pay raise effective 1 October 1973 .......................... (347)
5. Total basic salary increase applicable to current fiscal year (Man-Years x 4 above) ($,000) .......................... 28
6. Increases in overtime, holiday and other variable pay due to pay increase ($,000) .......................... 2
7. Civilian personnel benefits ($,000) .......................... 30
8. Increase in direct pay and related costs ($,000) .......................... 30
9. Reimbursements to other accounts ($,000) .......................... 30
10. Reimbursements from other accounts ($,000) ..........................
11. Absorbed within available funds ($,000) ..........................
12. Additional appropriation required ($,000) ..........................

a/ Recognizes that 1 October 1973 pay raise effective for 9 months in FY 1974.
**DEFENSE ADVANCED RESEARCH PROJECTS AGENCY**  
**Civilian End Strength and Manyear Summary**  
and Computation of Pay Increase Costs

<table>
<thead>
<tr>
<th>Appropriation: RDT&amp;E, Defense Agencies</th>
<th>End Strengths</th>
<th>Current FY Manyears</th>
</tr>
</thead>
<tbody>
<tr>
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<td>6/30/74</td>
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<tr>
<td>Civilian Personnel</td>
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<td></td>
</tr>
<tr>
<td>Full-time permanent employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Part-time, temporary and intermittent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disadvantaged employment programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other non-civilian personnel</td>
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<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>105</td>
<td>122</td>
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</tbody>
</table>

**COMPUTATION OF NET REQUIREMENT:**

1. Basic average salary 31 December 1972-----------------------------------------------20,125
2. Basic average salary 1 October 1973-----------------------------------------------22,008
3. Increase in basic average salary---------------------------------------------------1,883
4. Increase in basic average salary applicable to current fiscal year a/--------------------------1,242
   Pay raise effective 1 January 1973-----------------------------------------------(725)
   Pay raise effective 1 October 1973-----------------------------------------------(517)
5. Total basic salary increase applicable to current fiscal year (Man-years X 4. above) ($000) 149
6. Increases in overtime, holiday, and other variable pay due to pay increases (applies to object class 11.3) ($000) -
7. Civilian personnel benefits (applies to object class 12.1) ($000)----------------------13
8. Increase in direct pay and related costs (5.+6.+7.) ($000)-------------------------------152
9. Reimbursements to other accounts (+) ($000)------------------------------------------
10. Reimbursements from other accounts (-) ($000)----------------------------------------
11. Absorbed within available funds (-) ($000)--------------------------------------------
12. Additional appropriation required (8.+9.-10.-11.) ($000)-------------------------------152

a/ Recognizes that 1 October 1973 pay raise effective for 9 months in FY 1974.
The Naval Communication Station provides Fleet broadcasts, tactical point to point Communications, and is a critical link in the Defense Communication System. A new mission is being assigned to this station to support periodic presence of an Indian Ocean Task Group. This project provides facilities to improve Diego Garcia for logistically supporting the Task Group.

**MISSION AND PROJECT:** The Naval Communication Station provides Fleet broadcasts, tactical point to point communications, and is a critical link in the Defense Communication System. A new mission is being assigned to this station to support periodic presence of an Indian Ocean Task Group. This project provides facilities to improve Diego Garcia for logistically supporting the Task Group.

**REQUIREMENT:** Recent events in the Middle East, the energy crisis, and the potential for hostilities in an area subject to chronic instability has necessitated a re-evaluation of U.S. national interests in the Indian Ocean area, problems that may affect those interests, and the adequacy of the means now available for their protection. These national interests which could require an occasional increased Navy presence are: (1) free access to and transit in the Indian Ocean, (2) protection of U.S. nationals, and (3) protection of sea lines of communications. These events and interests are the basis of a requirement to provide logistic support facilities to support a task force operating in the Indian Ocean area.
Block F5, REQUIREMENT FOR PROJECT (CONTINUED)

REQUIREMENT: (CONTINUED)
Facilities to be provided are the minimum required to support surface and air operations. The additions to present facilities are:

- A fuel farm on fill land adjacent to the present fuel facility causeway, expansion of the aircraft parking apron, a 1,000' runway extension, a POL/general purpose pier, and an expansion of the power plant to meet the electrical requirement of the POL facilities.

CURRENT SITUATION: Facilities constructed and currently programmed for Diego Garcia have been closely tailored to the requirements of the communications mission. With the exception of the C141-capable runway, all other facilities have negligible capacity available to logistically support a task force in the Indian Ocean.

IMPACT IF NOT PROVIDED: If this project is not provided, there will be no fixed site to support carrier task force operations in the Indian Ocean area.

ADDITIONAL: Construction will be accomplished by the Naval Construction Force.
<table>
<thead>
<tr>
<th>IDBNTIFICATION CODE 07-30-0701-0-1-051</th>
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<tbody>
<tr>
<td>FY 1974</td>
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**PERSONNEL COMPENSATION:**

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<th>11.1 PERMANENT POSITIONS</th>
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<tr>
<td>11.3 POSITIONS OTHER THAN PERMANENT</td>
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**TOTAL PERSONNEL COMPENSATION**

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<td>21.0 TRAVEL AND TRANSPORTATION OF PERSONS</td>
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<td>22.0 TRANSPORTATION OF THINGS</td>
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<td>23.0 RENT, COMMUNICATIONS, AND UTILITIES</td>
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<td>25.0 OTHER SERVICES</td>
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<td>26.0 SUPPLIES AND MATERIALS</td>
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<td>31.0 EQUIPMENT</td>
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<td>32.0 LANDS AND STRUCTURES</td>
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<td>41.0 GRANTS, SUBSIDIES, AND CONTRIBUTIONS</td>
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<tr>
<td>43.0 INTEREST AND DIVIDENDS</td>
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**SUPPLEMENTAL REQUIRED FOR WAGE-BOARD PAY INCREASES**

| 49.0 TOTAL OBLIGATIONS | 1,117,452 | 1,121,318 | 3,866 |
### DEPARTMENT OF DEFENSE - MILITARY

**FAMILY HOUSING, DEFENSE**

**PROGRAM AND FINANCING (IN THOUSANDS OF DOLLARS)**

<table>
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<tr>
<th>IDENTIFICATION CODE 07-30-0701-0-1-051</th>
<th><strong>BUDGET PLAN (AMOUNTS FOR FAMILY HOUSING ACTIONS PROPONED)</strong></th>
<th><strong>OBLIGATIONS</strong></th>
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<td>Available</td>
<td>Estimated</td>
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#### PROGRAM BY ACTIVITIES:

1. **CONSTRUCTION:**
   - (A) CONSTRUCTION OF NEW HOUSING
     - 315,751
   - (X) CONSTRUCTION IMPROVEMENTS
     - 63,248
   - (C) PLANNING
     - 704

   **TOTAL CONSTRUCTION**
   - 381,699

2. **OPERATION, MAINTENANCE, & INT. PAY:**
   - (A) OPERATION (1) OPERATING EXPENSES
     - 338,132
   - (2) LEASING
     - 58,181
   - (B) MAINTENANCE OF REAL PROPERTY
     - 294,486
   - (C) INTEREST PAYMENTS
     - 2,136
   - (X) NEW IN PENSION, (1) CIVILIANS & MILITARY HOUSING
     - 2,903
   - (2) SERVICE-OWNER HOUSING
     - 713

   **TOTAL, OPER., MAIN., & INTEREST PAY**
   - 741,338

#### SUPPLEMENTAL REQUIRED FOR WAGE-BOARD PAY INCREASES
- 2,701

#### SUPPLEMENTAL REQUIRED FOR CIVILIAN PAY INCREASES
- 1,165

**TOTAL**
- 1,119,132

#### FINANCING:

**RECEIPTS AND REIMBURSEMENTS FROM:**

- **FEDERAL FUNDS**
  - (A) NON-FEDERAL SOURCES
    - -10,523

22. **UNOBLIGATED BALANCE AVAILABLE, START OF YEAR**

#### UNOBLIGATED BALANCE AVAILABLE, END OF YEAR

- 1,721

23. **UNOBLIGATED BALANCE LAPSED**

#### REDEEMPTION OF AGENCY DEBT
- 7,218

#### BUDGET AUTHORITY
- 1,087,631

#### APPROPRIATION
- 1,388,539

#### APPROPRIATION (ADJUSTED)
- 1,087,631

#### RELATION OF OBLIGATIONS TO OUTLAYS:

- OUTLAYS
  - 944,264

### Footnotes:

- (1) OBLIGATIONS EXPENSES
  - 338,132
- (2) LEASING
  - 58,181
- (B) MAINTENANCE OF REAL PROPERTY
  - 294,486
- (C) INTEREST PAYMENTS
  - 2,136
- (X) NEW IN PENSION, (1) CIVILIANS & MILITARY HOUSING
  - 2,903
- (2) SERVICE-OWNER HOUSING
  - 713
- 2,701
- 1,165
- 1,119,132
- 741,338
- -10,523
In other words, it will do away with the actual reading and usage of time, but the sheets which we all have here, are all available to us, and the members who feel very strongly about some points in the bill have the opportunity to object or to assent.

Who has a question?

Mr. CHARLES WILSON. Mr. Chairman.

The CHAIRMAN. Mr. Wilson.

Mr. CHARLES WILSON. Yes.

In the Army request here, there is something about postal charges. I notice you don’t have that in the Navy and Air Force, can you explain what that is?

General KJELLSTROM. Sir, within the total Army requirement for supplemental there is some $27 million and $45 000 is included in the R. & D. request. The Army respectfully submits that we can absorb the $45 000 requirement.

Mr. CHARLES WILSON. Why do you have postal charges that the other services don’t.

General KJELLSTROM. Sir, all the services have postal charges in the supplemental pending before the Appropriations Committees as a result of the increased postal rates that went into effect recently, and surveys which are now conducted by the postal service on the amount of usage that we have under the frank privilege that we enjoy.

Mr. CHARLES WILSON. Mr. Chairman, this is not an earth-shaking question. I’m sorry to have interrupted the hearing.

The CHAIRMAN. It is not an earth-shaking question but it is an indication of how we shake. If you will notice on your new franked envelope printed underneath it says this postage has been paid by Congress.

Mr. CHARLES WILSON. I think that has been corrected, Mr. Chairman.

The CHAIRMAN. We will start reading the bill now.

Mr. Slatinshek has a question.

Mr. SLATINSHEK. Admiral, throughout this entire request particularly in the procurement area and particularly in the aircraft area is the question as to whether or not if the Congress approves this authorization and provides the necessary appropriations, whether this, in fact, will give you any appreciable lead time in the procurement of these aircraft setting aside the question of whether you require them or not. The question is whether or not we, the Congress, must act expeditiously on this to provide you with these aircraft, or would you have the same time experience in delivery of these aircraft if action were taken in the fiscal year 1975 budget?

Admiral Cooke. I will ask Adm. William D. Houser to answer the question, sir.

Admiral Houser. Good morning, sir. We will accelerate by about 6 or 7 months the aircraft requested in the supplemental budget over that which will be requested in the later budget.
Mr. Slatinshek. Well, let me give you an illustration. I have a note here, the Navy requests 24 A4M's. And you indicate this is a Middle East payback. Further in your supporting data, you state that this supplemental combined with the fiscal year 1975 and subsequent buys will have the effect of meeting all the U.S. Marine Corps goals of all A-4M light attack force and equipping the U.S. Marine Corps Reserve with A-4EF aircraft.

Further, 44 were included in the fiscal year 1974 bill and 24 requested in the fiscal year 1975.

Basically, therefore, can these requirements be satisfied? In addition, these additional aircraft that you are asking here, are they the same producer?

Admiral Houser. They will.

Mr. Slatinshek. Will he augment his production capacity to get these aircraft out any faster?

Admiral Houser. They can be satisfied within the capabilities of the producer.

The McDonnell Douglas Aircraft Corp. makes this airplane on an ongoing line. The production rate can be increased fairly easily. This is not nearly up to his capacity for the tooling that he has. They can be produced. I might add that the Navy sent 46 A-4-type aircraft to Israel during October 1973. The 24 in the fiscal year 1974 supplemental are part of the proposed payback.

Mr. Slatinshek. You are telling the committee categorically that action on this bill will give you additional leadtime that you would not have otherwise and will result in the delivery of these aircraft in an equivalent time frame—you will achieve in an equivalent gain in time in delivery of the aircraft over what would be the result in the fiscal year 1975 buy?

Admiral Houser. Mr. Slatinshek, I was assured of that as recently as yesterday afternoon.

The delivery schedule has been reviewed with the contractor, and we could get them sooner if the money was in the fiscal year 1974 supplemental, over that which we would get in the fiscal year 1975 regular buy.

Mr. Slatinshek. Is that true of every one of the aircraft you have in this bill?

Admiral Houser. Yes, it is. They are all ongoing lines. There would be some acceleration. What happens is the money that is provided goes into providing some of the long-lead components. There can be some speedup. But none of the lines are near capacity at this stage. So, the lines can be speeded up to provide earlier delivery by providing money earlier.

Mr. Slatinshek. Thats all I have.

The Chairman. Without objection, the item of the Navy—

Mr. Leggett. Mr. Chairman.

Mr. Leggett. What is the reason that we need 24 A-4M's in this supplemental if we've got A-4's in both the regular 1974 budget and the regular 1975 budget?

Admiral Houser. Mr. Leggett, we transferred 48 A-4's to Israel as I said earlier. This is part of the payback for the airplanes that were sent over there. They were late model airplanes, A-4 E's and F's sent to Israel during October.
The supplemental was to provide among other things an opportunity to restore readiness which had been degraded somewhat, and these airplanes are part of that readiness.

Mr. Leggett. Why don't we have 46, then, for the payback?

Admiral Houser. I will go through the arithmetic which is somewhat involved. Out of the 46 airplanes, 24 are in the supplemental. And 17 others are being bought back through the repayment of foreign military sales for a total of 41. Five of the airplanes in here are F-5E's, which will be used in place of A-4's that were sent over. I think that comes to 46.

Mr. Leggett. As I understand it, we are going to have F-5's in our inventory now?

Admiral Houser. We will have F-5E's in our inventory to be used for a specialized purpose. The F-5E is a small, high performance airplane, which we would use as an adversary airplane in training our own pilots.

Mr. Leggett. How many of those will we require?

Admiral Houser. We requested five.

Mr. Leggett. Is that the first five of the F-5E's?

Admiral Houser. I will defer to the Air Force, but I believe a certain number of these have been sent over already. I saw one at Edwards Air Force Base about 2 months ago. It is an ongoing line, and a number of deliveries are coming up next year.

General Fish. That is correct. Some of them are being delivered currently to South Vietnam. These will not be the first ones.

Mr. Leggett. These are required for our force, is that correct?

Admiral Houser. That is correct.

Mr. Leggett. Isn't this the first acquisition for American forces?

General Fish. Yes, sir, it would be the first acquisition for American forces.

Mr. Leggett. Have we discussed that at all before the committee?

Mr. Slatinshek. Yes, Mr. Leggett.

Mr. Leggett. We have.

Mr. Slatinshek. Yes. As Admiral Houser indicated, they intend to use them for training purposes because of the characteristics of the aircraft.

Mr. Leggett. It is made in California; I understand it is a good aircraft. What I'm interested in is since we are buying the F-5's, how many of these totally do we intend to buy?

Admiral Houser. The Navy intends to buy five.

Mr. Leggett. How many does the Air Force intend to buy?

General Fish. The Air Force has no plans to buy any of them at this time, sir.

Mr. Leggett. Is there a worthwhile endeavor to buy just five aircraft?

Admiral Houser. I think it is, Mr. Leggett. It is a fairly simple airplane. The airplane can be supported through contract or maintenance, which is a reasonable way to do it instead of introducing it into your supply system. The airplane is similar to the T-38 which has given the Air Force good service as a training airplane. We believe it is a useful thing to do, it is a cheap airplane, cheap to operate, and it will give us what we need, which is a simulator for the MIG-21 airplanes.

Mr. Leggett. Since that is the new capability, why do we need it in the supplemental?
Admiral Houser. I pointed out that we have already given up 46 airplanes.

Mr. Leggett. This is a totally different aircraft than what was transferred?

Admiral Houser. We would like to have this airplane to use as a MIG simulator. It is a different capability. It is a reasonable capability. It is a cheap airplane that we can buy which will provide us with a reasonable simulation of what the Soviets have in their MIG-21's.

Mr. Leggett. You indicated 17 of the F-4's.

Admiral Houser. A-4's.

Mr. Leggett. A-4's you were buying back?

Admiral Houser. In connection with the foreign military sales program, sections 2208 and 2210 of title 10, United States Code, provides for reimbursement from the money received from sales to DOD appropriations.

Mr. Leggett. Under the revolving account?

Admiral Cooke. No, sir.

This is a reimbursable sale.

We gave 46 aircraft to the Israelis and will receive about $40 million in doing that.

That much money is enough to buy 17 A-4M's that we are procuring now.

For Navy account it is a reimbursable account coming from foreign military sales.

Mr. Leggett. You are buying that back right now?

Admiral Cooke. Yes, sir.

Mr. Leggett. You didn't need to come back to Congress to get that authorization?

Admiral Cooke. That is correct, sir.

The Chairman. Without objection the Navy request for $219,200,000 is approved.

The next request comes from the Air Force for $445 million.

Mr. Davis. Mr. Chairman.

Mr. Davis. I would like to ask one question at this point here; because I notice in the Air Force the incremental cost of the Middle East operation is 33.9.

I reckon it would be through all three branches that is why I waited until the last item here.

We put about $4 billion roughly already into this war. You say incremental cost.

How much more do you expect this war in the Middle East to cost us? What increment is this? How many more increments are coming?

General Fish. Sir, the incremental costs referred to here are those that are not reimbursed, as Admiral Cooke was just stating, from the security assistance appropriation—the Congress did provide $2.2 billion to equip and support the Israelis. Some of these costs, though—some of these equipments that are furnished to the Israelis are priced at original acquisition cost plus modifications, minus depreciation—that is the way it is calculated, because the law requires that we charge fair value. So then, what occurs is, we provide equipment at a lower cost than it costs less to replace it with newer models.

So to put the equipment back into the forces in equal numbers, we must come back to the Congress and ask for additional moneys and
authorizations. In the case of the Air Force the $39 million, most of it is for six C-130’s.

The C-130E’s that we furnished to the Israelis were built about 10 years ago, and using the pricing formula that I just described these aircraft come out to be about half the price of what it now costs to provide a C-130H off the production line. It will be a much more capable airplane we are getting back. We have enough money provided by Congress for six of them, we need additional money for the next six. That is the bulk of the money we are asking for here.

Mr. Davis. Just to put it in basics, what I’m trying to get to over and above the money we have given to Israel through the Congress, how much more will it cost the U.S. Government in total dollars to recover from this war through the three branches of the military? So then we can have a total figure that we can say, the United States put out $5 billion, $6 billion, $7 billion or $8 billion on the Middle East war.

General Fish. Sir, for the Air Force accounts, I say I know of no additional costs than the ones we have reflected in this supplemental and, of course, those that have been already appropriated by the Congress in the security assistance program.

Mr. Davis. In other words, this would be all three branches your last request, to recover from the Middle East?

General Fish. I speak for the Air Force—as far as I know.

General Kjellstrom. Sir, in the case of the Army, we have provided in this supplemental request for the payback of some 45 tanks, which is the incremental cost above the sale price of the first [deleted] tanks. Since the supplemental was submitted we have been directed to provide an additional [deleted] tanks. So that we have additional costs which will be coming down the road which are not included in this supplemental, which are not included in the 1975 budget, and there are additional line items which have been requested by the Israelis which have not yet been approved so that I may be able to provide a finite figure for the record, but then again I may have to qualify the record on the amount that we will be requesting at a subsequent date.

Mr. Davis. General, could you provide that figure for the record? And, also, are we going to be paying 1796 dollars for 1973 loan?

General Kjellstrom. It is possible, sir.

Mr. Davis. Would you provide those figures, with also the anticipated rate of inflation and increase in costs, please, sir?

General Kjellstrom. I would be happy to, sir.

Mr. Davis. Thank you.

[The following information was received for the record:]

Of the additional [delete] tanks approved for sales to Israel, [delete] are being provided by the Army. The Army estimates that the receipts from these sales will permit reimbursement procurement of [delete] tanks. The net result is a loss of [delete] Army tanks. A request for an incremental payback for these [delete] tanks would be about $16.7 million if included in the FY 75 Budget or about $19.5 million if requested in FY 76. Since the Office Secretary of Defense has not acted upon all Government of Israel requests for equipment, it is not possible at this time to compute anticipated incremental replacement costs.

General Fish. I would like to enlarge my remarks, if I could. I understood the question to ask the cost of the war. My answer is accurate, but in view of General Kjellstrom’s comments I believe it is
important to note if there is any additional assistance to be furnished
Israel, it is true that those things could also be of an Air Force nature.
I know of none that now have been approved or I would characterize
as the cost of the war.

Mr. Davis. Additional assistance will not be related though directly
to the October war.

The Chairman. Mr. Bennett.

Mr. Bennett. One question, we authorized the $2.2 billion I
thought it was for Israel a month or so ago, why isn't that authorization
enough for this? [Deleted.] Are we being asked for additional
funds in addition to the $2.2 billion?

Mr. Slatinshek. Mr. Chairman, perhaps I can add a little light to
that. Actually, what the services have here is the incremental costs, if
you will, over the book value of the equipment that was transferred to
the Israelis, and the cost of new equipment that is replacing it. How­
ever, it raises a question, because essentially the differential repre­
sents, if you will, depending on your point of view, a subsidy from the
defense budget to the Israel acquisition of this equipment.

The Chairman did raise this question in his opening statement as
to whether or not it would not be technically feasible for the Depart­
ment in circumstances of this kind to charge the recipient country
with the new cost, the cost of new equipment, despite the fact you
are giving them, if you will, old equipment, so that you can replace
your inventories without further burdening the defense budget. That
is essentially the question Mr. Davis has raised.

Mr. Bennett. I don't see much semblance to that to what I raised.
It may have a semblance.

Mr. Slatinshek. Yes, it does.

Let me further elaborate, Mr. Bennett. The Israelis paid for this
equipment that was transferred out of the money, the $2.2 billion
that we authorized. But they didn't pay enough to replace the equip­
ment for our inventories.

Mr. Bennett. We make another authorization on top of the $2.2
billion which we were told in this hearing right here in [deleted]. You
are telling me although they got that amount of money out of the
$2.2 billion, they want to get another authorization on top of the
$2.2 billion in order to make the differential in costs. [Deleted.]

Mr. Slatinshek. I'm sorry if I left that impression. What I'm
saying is they purchased this equipment from the Department at a
reduced price, and the money they used to pay this was taken from the
$2.2 billion that the Congress had given them.

Mr. Bennett. What are we paying now, then, what is this?

Mr. Slatinshek. This is simply to provide the respective services
with sufficient money to use the money they got from the foreign
sales plus an increment of money so they can buy new equipment to
replace that which was transferred from their inventory.

Mr. Bennett. This is not foreign aid, then. How does this go to
Israel finally?

Mr. Slatinshek. It doesn't go to Israel at all. It could be con­
strued as an indirect subsidy of the sale of equipment to Israel.

General Frank. Sir, if I may comment on the subsidy.

Mr. Bennett. That clarifies it for me, thank you.

The Chairman. Mr. Stratton.
Mr. STRATTON. Could I comment on that? I don’t think Israel needs any defenders, they do pretty well defending themselves, but it does seem to me we are exaggerating this point a little bit.

In effect [deleted] we gave them some 1968 models, now buying some 1974 models for the military. I don’t think that we have to charge the Israelis for giving modern equipment to our own military. These planes wear out, we are told. The ships wear out. And sooner or later they are going to be replaced. What they are doing in effect is getting a new model a little bit sooner.

But they are going to get a better model, an updated model. I think it is a fair charge against the military.

Mr. BENNETT. I thought that was made clear that this is not aid to Israel at all this is just replenishing our own stocks. I don’t see how it is a subsidy to Israel. They already got the money out of the $2.2 billion. I think if we stop right now I will understand it, if you explain it any more I may not.

[Laughter.]

The CHAIRMAN. Mr. Ichord.

Mr. ICHORD. I wanted to get my 2 cents in also and ask a question of the counsel.

Frank, as I understand this, this is just the increment cost on the replacement of the materials that have been furnished, the armaments and materiel that has been furnished Israel. You could still make this up out of the $2.2 billion—the total of $2.2 billion, which we probably will not supply.

How much have we supplied Israel to date, about a billion?

General KJELLSTROM. Roughly.

Mr. SLATINSHEK. Roughly.

Mr. ICHORD. This is to replace the cost on the billion, the increment cost on that billion, not the total $2.2 billion, is that not correct?

Mr. SLATINSHEK. Yes. What this amounts to is they got from Israel for the aircraft they transferred to them and they need a little more to buy a new model, as Mr. Stratton has indicated.

Mr. BENNETT. For us.

Mr. SLATINSHEK. For us, right.

Mr. ICHORD. Perhaps they should take the increment cost out of the armaments that we do not supply Israel, rather than just add it onto the amounts that we have already supplied. I will yield to the gentleman from New Mexico.

The CHAIRMAN. Mr. Runnels.

Mr. RUNNELS. Mr. Chairman, can anyone in the room tell us if the complete $2.2 billion has been called upon and transferred to the different agencies of the Department of Defense?

General KJELLSTROM. Yes, sir; it has not.

Mr. RUNNELS. The $2.2 billion as it was sold to this committee and the floor of the House, was to make up the difference and it was a real urgent matter. It had to be passed last December. And the $2.2 billion, if you will remember, was to pay the difference, or the President could give it to them if he wanted to.

I have asked in this closed session of the Secretary, back on February 14, had they called upon the $2.2 billion? I checked each week with the Department of Defense. And until this day, they have not answered the question as to how much of the $2.2 billion has been
called upon. And for the services to walk in here now and ask for a supplemental, and they have not used the $2.2 billion that this Congress has already appropriated, authorized, and given them the money, I don't see why we should be asked at this point in time to give any more supplemental until the full $2.2 billion is drawn out and given to the different agencies to where they can replace what they sent to Israel, because that is what it was for. If I'm mistaken, could you clarify it?

Mr. Slatinshek. Yes, sir; I think you are mistaken if you will pardon me.

What the $2.2 billion amounted to was the willingness of our country to endorse loans that would be made by banks to the Israel Government to enable them to have the credit to purchase equipment.

Mr. Runnels. From the United States.

Mr. Slatinshek. From whatever source they could but basically from the United States. We would underwrite their loans. We guaranteed the availability of this money.

Mr. Runnels. Was it mentioned even on the floor of this committee at that time it was to banks, and so forth? When it said on the floor, that the DOD needed the money to replace arms provided out of its inventory, one of the main selling points being that the arms had already been shipped on a cash sale basis. Israel could not pay, and default was imminent.

And if it defaulted, DOD said our military departments may not be reimbursed for millions of dollars of cost already incurred. Congress obliged the President and the DOD, sending them over a check for $2.2 billion. Now, if you will read the record if you can find anything of what you said, I will take back my words.

Mr. Stratton. Would the gentleman yield to me?

Mr. Runnels. I will yield back my time.

Mr. Stratton. I think it was quite clear to our subcommittee of which the gentleman was a member that the $2.2 billion dollars represented either grant or loan assistance to Israel for the purpose of military equipment.

Some of that military equipment was taken out of the U.S. stocks. And the cost of that, [deleted] as I referred to them, was then taken out of the $2.2 billion and returned to the Department of Defense.

Other funds were made available to Israel so that they could purchase equipment themselves, and these are the, either loan or grant arrangements that Mr. Slatinshek was referring to.

It was also made clear to the committee that this money was going to be made available for some period of time. We still don't have total peace in the Middle East as the gentleman is aware. There are still some very delicate negotiations going on. I dare say, although we might not want to say it publicly, that the question of whether we give them more equipment as the gentleman will remember, the billion dollars we gave them was not all that they wanted. The question of whether we give them more may be tied in with the acceptability of some settlement on the Golan Heights, and elsewhere. I don't think we have to have a total accounting of the $2.2 billion as of now.

It is going to be difficult when we are trying to get peace over there.

Mr. Runnels. [Deleted.]

Mr. Stratton. [Deleted.]

Mr. Tchorn. Mr. Chairman, since I have the time.
The CHAIRMAN. It is your time.

Mr. Ichord. My point is very simple, there is nothing to keep the military from doing it, we should have billed it to them at replacement cost since we are giving it to them anyway, rather than at the actual cost. That would have taken care of the situation. Then if Israel needs any more, if the replacement cost is not enough armament, we can come in and appropriate for it. I think it is outrageous to come in and ask for additional money at this time.

The CHAIRMAN. Mr. Price.

Mr. ROBERT PRICE. Mr. Chairman, thank you.

In your prepared testimony you said you were going to spend 30 million for airlift aircraft, necessary to procure 6 C-130H aircraft to replace 6 of the 12 C-130's sold. Who were the six 130's sold to?

General Fish. Sir, that is what we have been discussing at the last hearings. The 12 C-130E's were sold to the Israelis. They were 10-year-old aircraft, and the replacement cost of an H model is greater, so we must come back to the committee and ask for the other six. I hasten to say the reason we do this is because the law says we should charge fair value, and so that, by a matter of law, we have to price it this way rather than the replacement cost of the newer model.

Mr. ROBERT PRICE. Right, I understand that. On page 11 of your testimony here, high priority updating changes to the C-5A, accelerating a modified plane—preventive fix for wing cracks. Did the Air Force in its original specs for C-5A, underestimate in the design the need for a structurally secure wing, and now we have to—and knowing that they had done this, the company built the aircraft at the specs of the Air Force, and now they are coming back to correct the changes that were evident before they ever built the aircraft, because of the insufficient structural design requirements of the Air Force?

General Fish. Sir, I don’t believe that the Air Force built an airplane, nor did the corporation, that we knew we were going to have these kind of difficulties with. The fact is the wing does not have the fatigue life we had originally specified and hoped that the design would support.

Mr. ROBERT PRICE. Sir, did you structure down, though, the specs, in order to get under the price that was quoted to the Air Force? I have been told that they originally started out we will say with a structure design wing and requirement of the Air Force, and because they could not build this aircraft for the amount of money that the Air Force had to spend, that the specs were lowered in the wing section in order to get under this cost figure.

General Fish. No, sir, I wouldn’t so characterize it. I think that the record will show first of all that the cost of the C-5 rose considerably, and so rather than trying to hold it within a specified number the Air Force found it necessary to come back to this committee and to others, to the Congress, to get additional moneys to be able to build the aircraft in the manner that we thought it should be.

It is true that there were trade-offs made with the design and with the cost, as we proceeded to some degree. The fact is that now we have an airplane that is performing well. It did yeoman service in the Middle East, and yeoman service in the closing days of the Vietnam war. We believe it is a great national asset. In order for
this aircraft to be able to provide service on into the future, it is necessary that we find out as much as we can about the fatigue of the wing as it is now constituted. That is what we are proceeding with.

Mr. Robert Price. General, I have flown the C-5A, I agree with you it has done a yeoman service. In all the flights it went to the Azores and Israel it did not carry a capacity load, it carried about 85 percent of capacity load so they wouldn't structurally damage the aircraft so it would prolong its life.

But I'm questioning the advisability in the future for the Air Force to sacrifice known structural requirements to carry the loads that we would like to carry.

Now, we have done this on the B-52. Of course, no one ever thought that the bird would have to be called upon for this length of period of time, and I can understand the stress on that.

But here we are building a C-5A, and there has been a lot of comment on the cost rise because of inflation and labor costs with the company that builds it.

But here we are coming back it seems like on everyone of these big aircraft and we have to start beefing the wings on these things, not because of use, but because we sacrificed requirements when we started out.

General Fish. Sir, I'm glad you mentioned the B-52. It has been our testimony that we have learned a lot about fatigue life, of swept wing aircraft since we designed these airplanes.

It is this updated knowledge and technology that we now want to incorporate into what has already been an expensive airplane but one that is badly needed. That is the reason for the request.

The CHAIRMAN. Mr. Daniel.

Mr. Daniel? Mr. Chairman.

Does the supplemental request represent the difference between the purchase price and replacement cost?

Is that correct?

General Kjellstrom. Yes, sir.

A simple example for the Army, Mr. Daniel.

In the case of [delete] tanks, we sold the Israelis [delete] M-60 tanks out of stock earmarked for the Reserve components, but not in the hands of troops. We sold them [delete] M-48-A3 tanks, which were in depot stock destined to be issued to the Reserve components.

Those [delete] tanks were valued at $553 million. We can only buy back 155 M-60-A1, our first line production tank at a total cost of...

Mr. Daniel. You get on, more sophisticated, and more modern tank?

General Kjellstrom. Our inventory position in the Army will be only slightly improved as a result of the buy-back and pay-back of the 45 tanks in the supplemental.

Mr. Davis? Mr. Chairman. I yield to Mr. Davis.

Mr. Davis. Mr. Chairman, I would like to ask one final question here. Of course, Mr. Stratton referred to the transfers, we had transferred [deleted]. I would like to ask, what percentage of the life of the equipment transferred has expired, and also, by what percentage has the replacement cost increased over the original purchase cost of the transfer cost?
General Fish. As I understand your question, I will have to supply the details for the record. I ask General Hill to assist me if he can. The C-130 has about 30,000 flying hour life, fatigue life. The airplane accumulates about 1,500 hours a year. So it had about half—it was about a 10-year old airplane. It had about half of its fatigue life used up when we sold the airplane.

The difference between the costs of replacement and the cost at which we sold the airplanes at is $33.9 million.

Mr. Davis. What percentage increase is that?

General Fish. That is about 50 percent.

Mr. Davis. Could you provide these figures?

General Fish. Yes, sir, it is almost exactly 50 percent. In fact, until you asked me the question I didn’t realize the relationship. We are paying about 50 percent more, but we are getting a much more capable airplane. There is a lot more capability. And we are paying, the Congress is in effect buying a greater capability than we gave to the Israelis.

Mr. Davis. Could you also then provide for the record the percentage of the increase in capability?

General Fish. I will try, yes, sir.

Mr. Davis. Thank you.

[The following information was received for the record:] A percentage or quantitative comparison of capability does not accurately or completely reflect the advantages of the replacement aircraft. The newer C-130H model will, according to Lockheed data, cruise slightly faster (15–20 knots) and the specific range (nautical miles flown per pound of fuel consumed) is increased about 4%; however, the percentage increase in terms of ton/mile “capability” is negligible when considered in conjunction with short, intratheater, route segments characteristic of the tactical airlift mission. In this sense, “capability” may not have been the most appropriate term. Rather than capability in the classic sense, the advantages of the new aircraft are realized from improved reliability and maintainability. The T56A–15 engines being installed on the new aircraft will have a 4,000 hour time between overhaul (TBO) as opposed to the 2400 hours TBO of the T56A–7 engines installed on the original C-130E aircraft. In addition, the new aircraft will improve the reliability and maintainability of other systems such as radar, communications navigation equipment, cargo handling system (dual rails), auxiliary power unit and the braking system. These improvements, while relatively low in cost, will improve system and aircraft performance as well as provide significant cost avoidance in future years.

The Chairman. Mr. Pike.

Mr. Pike. One question: Would you provide for the record, and I don’t expect you to have this off hand. Would you provide for the record the amount of this supplemental appropriation authorization request which is going to the Lockheed Corp., as either a principal contractor or a principal subcontractor.

General Fish. Yes, sir, we will provide that.

[The following information was received for the record:] The FY–74 supplemental request includes an estimated $91.7 million applicable to the Lockheed Corporation for procurement of six C-130H aircraft ($30.0 million) and modifications and spares in support of C-5 and 3C-141 aircraft ($61.7 million.)

The Chairman. Mr. Leggett.

Mr. Leggett. I’m a little confused. Do I understand that all of the aircraft and missiles and tanks that are in this supplemental are because of the Middle East effort?

General Kjellstrom. No, sir.
Mr. Leggett. OK. Some are and some are not.

General Kjellstrom. That is correct.

Mr. Leggett. Do I understand there is money in here to improve the C-5 aircraft, in a supplemental?

General Fish. Sir, what we want to do is accelerate the testing of the new fatigue article that we have for the wing.

Mr. Leggett. Is there anything in this supplemental that was submitted in the regular 1974 budget or submitted in the regular 1975 budget that was rejected by the Department of Defense.

The Chairman. All right, continue.

General Fish. In answer to your question, Mr. Leggett, the Air Force request of $507.8 million for authorization in this supplemental contains nothing that was turned down in the 1974 budget.

Mr. Leggett. Or the 1975 budget?

General Fish. Or in the 1975 budget.

No, sir, not that I'm aware—no, sir.

Mr. Leggett. Nothing that was requested in either regular budget that was rejected?

General Fish. No, sir. Nothing has been rejected in the 1975 budget yet to my knowledge.

Mr. Leggett. I mean in the regular request for the 1975 budget, the Department of Defense trimmed down the items that were approved by the Air Force, did they not? Isn't that the regular practice? You submit items that are turned down?

General Fish. Yes, sir, it is true that the—

Mr. Leggett. Is there anything in this budget here that was submitted in the regular 1975 request that was turned down by the Air Force?

General Fish. No, sir. I would say not. The 1974 supplemental was submitted simultaneously to the Congress with the 1975 budget. So there has been no final decisions as to what was in the 1975 budget until the two decisions were made jointly. So really this is a matter of the 1974 supplemental being to accelerate certain programs, and they are things that—

Mr. Leggett. You didn't answer my question. What I asked was were any of the items in the 1974 supplemental requested in the regular 1975 authorization?

General Fish. I would have to check in detail. I can't think of any right off hand, no, sir.

(The following information was received for the record.)

The FY 1974 supplemental does not contain any items that were deleted from the Air Force FY 1975 budget request by the Department of Defense.

Mr. Leggett. I will ask the Army that same question.

General Kjellstrom. I just reviewed the list of interplay between the Army and OSD on the 1975 budget and I can find no items that have been deleted in the supplemental which have been rejected by the Office of the Secretary of Defense during the review of the 1975 budget.

Mr. Leggett. None of the items were requested in the regular 1975 budget, is that right?
General KJELLSTROM. No. We have foample in the tank area, our fiscal year 1975 budget request is for 510 tanks. In our 1974 supplemental, we are requesting 125 tanks which is in addition to the 360 which was authorized and funded by the Congress in 1974. But I think your question was, Were any items rejected by the Office of the Secretary of Defense, and then put into the 1974 budget supplement? The answer is no.

Mr. Leggett. You make up these budget requests starting way back in July. You figure out how many tanks you want, how many missiles you want, how many tracked vehicles, and so forth.

General KJELLSTROM. Yes, sir.

Mr. Leggett. That goes up in a regular request. My question of each of the services is how much of that regular request was split up between the supplemental and between the regular amount approved by the Department of Defense.

The CHAIRMAN. The Chair can say at this time—the gentleman's time has expired anyway—those members who stay in attendance at the committee and are here all the time, except briefly, know that this matter was discussed. However, all of this matter which has been rehashed now was all discussed thoroughly in the committee. And if the members would stay and attend these meetings we wouldn't have to have these rehashes by members who were not here when it is being done.

Without objection, the Air Force request for $445 million is approved.

[The following information was received for the record:]

The CHAIRMAN. General, will the civil airlines be permitted to use the cargo capability built into their passenger aircraft with government funds?

General Patch. The agreement between a civil airline and the government to modify wide-bodied jets will be consummated in a legal contractual instrument. This contract will permit the civil airline to use the aircraft modified with government funds as a cargo carrier provided a proportionate share of the funds expended for modification and cargo kits is reimbursed to the government.

The CHAIRMAN. What happens to the government investment in a civil aircraft that has been modified with government funds if the airline sells or leases the aircraft or if it is destroyed in an accident?

General Patch. The contract between the government and the airline will specify the conditions for use and possession of these modified aircraft. If an airline sells or leases the aircraft after government funds are expended for modification, the owner-airline will be contractually bound to reimburse the government for the proportionate share of the modification cost based upon the remaining life of the aircraft at the time of sale or lease. Should one of these aircraft be destroyed, the government will have primary claim on a proportion of the insurance on that aircraft.

The CHAIRMAN. General, how is the Civil Reserve Air Fleet activated to support DOD requirements in a contingency?

General Patch. Sir, there are three conditions or stages under which the Civil Reserve Air Fleet is contractually bound to respond to DOD requirements. Stage I is a condition in which DOD airlift requirements exceed the Military Airlift Command's total capability. In this circumstance, Commander MAC may call Stage I and receive 71 long-range aircraft that the CRAF operators have pledged. Stage II requires a national transportation emergency and can be called by the Secretary of Defense. This stage brings on board an additional 112 aircraft for a total of 183. Stage III can only be called in a national emergency and is activated by the President with the consultation of the Congress. In this stage, 244 additional aircraft are available for a total of 427.

The CHAIRMAN. General, what commitments do you have from the civil airlines for participation in your proposed modification program?
General Patch. To determine the level of interest in this program, we have canvassed the CRAF operators. Although this is an informal survey that does not commit the airlines to participation, we have been offered a total of 141 wide-bodied jets for modification. This number consisted of 67 B-747s, 45 DC-10s, and 26 L-1011s.

The Chairman. General, what will it cost the government to modify a wide-bodied jet and to pay for the incentives to the airlines?

General Patch. The actual cost of each modification will depend upon the degree to which the airlines will allow us to modify their aircraft. The modifications that provide the maximum amount of airlift capability in which we have an interest range from $6 to $8 million per aircraft. These costs include approximately $1 million per aircraft to pay incentives to the airline for the lifetime of that aircraft.

The Chairman. General, what has been done to minimize the costs of the proposed modifications to civil aircraft?

General Patch. In working with the aircraft manufacturers, we have proposed designs that minimize the amount of weight to the aircraft while we maximize the capability. Two such items are: using removable bracing under the main cargo floor rather than building the bracing into the existing cargo floor. This reduces the cost and time to modify the aircraft and the amount of weight that the aircraft must carry in the passenger mode. The second item is our selection of a lightweight roller floor for the aircraft rather than the heavy, costly powered cargo floor used by commercial operators. In this case, we reduce weight on the aircraft by 1300 pounds and reduce costs by $84,000 per aircraft.

The Chairman. General, what incentives do you propose to pay the airlines for degrading the peacetime use of their aircraft by adding the weight of the convertible modification to their aircraft?

General Patch. Two specific types of incentives will be involved. One will be required to pay for the down-time and lost revenue of the aircraft while it is being modified, and the other is to compensate for the weight added to the aircraft in the passenger mode and resultant increased operational costs. These incentives will amount to approximately one million dollars per aircraft for the remaining life of the aircraft.

The Chairman. Many wide-bodied commercial jets have already been modified for convertibility. Why do you indicate that the $18.5 million in the FY 74 Supplemental is for engineering, design, and tooling? Doesn’t the engineering design, and tooling already exist?

General Patch. Most of the engineering, design, and tooling for the Boeing 747 aircraft has been completed and is being today. The $18.5 million in the FY 74 Supplemental is for the McDonnell-Douglas DC-10.

The Chairman. General, is there not a need for enabling legislation to permit the use of government funds to modify civil aircraft?

General Patch. The Air Force Assistant General Counsel concluded that the cost of converting the Civil Reserve Air Fleet aircraft could be reimbursed without additional specific enabling legislation. However, it was suggested that specific statutory authority for the CRAF modifications would be desirable. He indicated this would be a new act dealing only with the CRAF modification program or specific language could be included in the DOD Appropriations Act. We are seeking new language in Section 730 of the proposed FY 75 Appropriations Act which reads as follows: “Provided further, that appropriations available to the Department of Defense during the current fiscal year shall be available for modification of aircraft in the Civil Reserve Air Fleet program necessary to establish performance characteristics to meet military requirements.”

The Chairman. General, I understand the Air Force-owned loading equipment will not reach the 16 foot cargo floor of a commercial wide-bodied jet. How do you propose to permit the use of such aircraft without adequate loading equipment?
General Patton. We have included $500,000 in the FY 74 Supplemental budget to evaluate various methods of satisfying this material handling problem. We will evaluate commercial loaders currently available as well as ways to modify our existing 483 40,000 pound loaders. At this time it appears to be cost-effective to modify or augment our currently available equipment.

Mr. Aspin. In his posture statement, Secretary Schlesinger indicated that the per copy cost of each 747 or DC-10 in the Craf program would be $9 to $10 million and the actual modification would cost $8.6 or $8.8 million depending on the type of modification. In addition, Mr. Schlesinger indicated that $890,000 for the plane would be paid to the cooperating airlines while the modifications were taking place, and an estimated $400,000 would be paid to the airlines to make up for higher operating expenses. Secretary Schlesinger added that "we may have to provide the airlines with some sort of additional incentive payment, for assuming the additional obligations and inconvenience involved in this program." Depending upon the actual total per copy cost and actual cost of the modification, the range of total subsidy costs could be as low as $2.4 million and as high as $4.5 million. Secretary Schlesinger has already accounted for $1.2 million of that payment. What are the other possible methods of providing additional needed subsidies which would range from $1.2 to $3.3 million?

General Patton. Based on refined information from the aircraft manufacturers, the Air Force now believes that the modification cost can be reduced as much as $2.0 million in some cases. Those modifications which provide the maximum amount of capability at least cost range from $6 to $8 million for each B-747 or DC-10. This includes $4-$6 million for modification and an approximate total of $2.0 million for downtime, cost during modification, increased operating cost and additional compensation for the increased cargo handling capability. The specific elements of additional cost are currently under review between the Department of Transportation and Department of Defense. The purpose of this joint effort is to quantify the various elements of expenses to be included and to determine a methodology for fairly estimating the compensation necessary to the carriers.

Mr. Aspin. Will the airlines be able to use converted cargo planes for commercial purposes as cargo aircraft? If they can be used, will any fee, either monetary or in services, be required of the airlines?

General Patton. Generally, the answer is no. The rationale for not allowing these aircraft to be used for commercial purposes is that we feel it would be inappropriate for the government to create a capability at its expense that could compete with aircraft purchased or modified at the carrier's expense. There may, however, be provisions whereby the carriers can reimburse the government on a pro-rata basis and use the converted aircraft for commercial purposes.

Mr. Aspin. At the moment, I am understanding that there are 246 aircraft in the Civil Reserve Air Fleet (CRAF). 153 of those planes are cargo convertible and 93 are passenger planes. Please provide for the record, the names of airlines which participate in the Civil Reserve Air Fleet program and how many of each type plane each airline has. Did the government convert any of the 153 planes currently in the CRAF? How much was the total cost? When did it occur? How much was the cost per plane?

General Patton. Currently, we have 245 aircraft in long range CRAF, of which 154 are cargo and convertibles and 91 are passenger planes. None of the cargo and convertible aircraft were built or modified for cargo capability at government expense. They were purchased by the civil carriers in the cargo or convertible configurations. I will provide for the record the names of the long-range international CRAF participants and number and types of aircraft each airline has.

The information follows:
Mr. ASPIN, Secretary Schlesinger mentions in the posture statement that it "may" be necessary to pass further legislation to authorize the commandeering of these planes and their crews. Exactly under what circumstances could these planes be turned over to the military, and what existing provision in law permits a Department of Defense to commandeer privately owned aircraft?

General PATOU. Air carriers who fully participate in the Civil Reserve Air Fleet (CRAF) Program as it is presently structured are contractually obligated to provide air transportation services to the DoD by stages. The stage of CRAF to be activated is dependent upon the amount of civil augmentation airlift needed by the DoD. The stages of CRAF are:

Stage I—Committed Expansion. This is expansion airlift capability committed to the Commander of the Military Airlift Command (MAC). It can be used to perform airlift services when the MAC airlift force cannot meet both deployment and other traffic requirements simultaneously.

Stage II—Airlift Emergency. This is an additional airlift expansion identified for a major contingency airlift emergency not warranting national mobilization. The Secretary of Defense has the authority to activate CRAF Stage II.

Stage III—National Emergency. CRAF Activation. This is the total CRAF airlift capability made available when required for DoD operations during major military emergencies involving US forces. The Secretary of Defense will issue the order to activate CRAF Stage III only after a national emergency has been declared by the President, or the Congress of the United States, or under specified conditions which delegate the authority to the Director of the Office of Emergency Preparedness (OEP).

In addition to the CRAF Program which is a contractual commitment to the DoD, 10 U.S.C. 9742 provides as follows:

"9742. Control of transportation systems in time of war. In time of war, the President, through the Secretary of the Air Force, may take possession and assume control of all or part of any system of transportation to transport troops, war material, and equipment, or for other purposes related to the emergency. So far as necessary, he may use the system to the exclusion of other traffic. (Aug. 10, 1956, ch. 1041, 70A Stat. 587.)"

[Italics supplied]
Mr. Aspin. What is the legal basis for the government of the U.S. to provide for private corporations what amounts to direct capital investment to their existing equipment in order to improve it? What basis in law provides any additional payments in the form of direct or indirect subsidies to a private corporation inclusion of its aircraft as part of the CRAF?

General Patton. The aircraft to be converted will be a part of the Civil Reserve Air Fleet under which the owners by contractual agreement commit their aircraft to meet the requirements of the Department of Defense in the event of an emergency. The authority of DoD to provide for the conversion of these aircraft is inherent in its authority to contract for their use in time of emergency. In the past the Comptroller General has stated that as a rule of policy and not of positive law, it is necessary that the Congress clearly indicate its intent that appropriations are available for improvements to private property. Accordingly, section 730 of the proposed DoD Appropriation Act for FY 1975 as presented in the President's Budget contains a new proviso as follows:

"Provided further, that appropriations available to the Department of Defense during the current fiscal year shall be available for modification of aircraft in the Civil Reserve Air Fleet program necessary to establish performance characteristics to meet military requirements."

The authority discussed above reaches both the direct capital investment and necessary incidental costs to carry out the program.

The Department of the Navy submitted its FY 1975 budget estimates to the Secretary of Defense, as is done annually, on 1 October 1973. The FY 1974 military readiness supplemental considerations were begun in November 1973 and were prompted primarily by the experiences noted in the Mid-East war. The supplemental's objectives were to provide for "pay back" of the additional direct costs related to the Mid-East situation, the incremental additional replacement cost for the purchase of material to replace items provided to the Israelis and to increase our overall readiness position. Although like items and continuation of programs are included in the FY 1975 budget request the FY 1974 supplemental is oriented to providing an earlier readiness capability and does not include items rejected in the budget process.

Members of the committee, we will recess today until 2:30. This bill is going to be finished today.

[Whereupon, at 12:07 p.m., the committee was recessed to reconvene at 2:30 p.m.]

Afternoon Session—March 19, 1974

The Chairman. The committee is in order.

Members of the committee, we may have to leave one more time for a few minutes to vote on the suspension, that is up now.

[Discussion off the record.]

The Chairman. Members of the committee, let's try to move along because I want to have discussion with the committee after we finish the tentative action and understand everything we are doing, now is tentative, subject to a final vote.

We turn to missiles. The Army has asked for $84.4 million; the Navy, $28.6 million; Marine Corps, $22.3 million; the Air Force, $30 million.

Now, for the Army—any questions, any members of the committee, on these items?

General.

General Kjellstrom. Mr. Chairman, this morning in my statement I reduced the amount of the Army request to $70.6 million as a result of favorable pricing on the TOW system.

The Chairman. What was that new figure?

General Kjellstrom. $70.6 million in lieu of $84.4.

Mr. Slatinshek. That is on page 6 of the committee print.

The Chairman. Any objection to the Army request?
Mr. Leggett, Mr. Chairman.

Just so we can follow. The items we are talking about now comparing those to the mimeographed material that you handed out either this morning or the other day, where is that included? Is this part of the Middle East payback, the augmented force readiness, or the increased acceleration?

The Chairman. The general said “No.”

Mr. Slatinsheik. May I answer?

The Chairman: Yes; you may answer.

Mr. Slatinsheik. On page 3 of the committee print, we have a breakout according to the categories that appear in that mimeographed sheet that you have, and that identifies the various items in the categories in which they fall. The TOW missile in this case is an effort to increase inventories and accelerate modernization. Is that correct General?

General Kjellstrom. Yes, sir.

Mr. Slatinsheik. Do you see that, Mr. Leggett?

Mr. Leggett. Yes; I see that.

Mr. Slatinsheik. However the chairman is going through the bill which is reflected in this committee print and is on page 6.

Now, material relating to each of the individual items that make up the totals are reflected in the right-hand column, and the reference to the justification data is also included there, as you notice. When they refer to support No. 1, that is the heavy justification book placed before you.

Mr. Stratton. What was the figure again of the saving, General, on the TOW?

General Kjellstrom. $7.8 million, sir. That is a reduction to $76.6 million.

Mr. Stratton. Is that as a result of the questions the committee asked the other day about why we weren’t getting a little more competition in this purchase?

General Kjellstrom. I would like Colonel Cook to answer that question if I may.

Colonel Cook. That comes about by revised unit prices, a revision in unit prices in all of the items included.

Mr. Stratton. I said, did you get a lower price after we pushed you a couple days ago? You come in now with a lower price than your printed material. I wondered whether our prodding yesterday or the day before had been so quickly effective.

Colonel Cook. No, sir, this was in process; we were revalidating at the time and had not had that confirmed at that time.

The Chairman. An affirmative statement would have been much better. [Laughter.]

Any objection to the Army request? Without any objection, it is approved. For the Navy, $28.6 million. Any objection?

Mr. Price.

Mr. Robert Price. Maybe this isn’t the correct section. In your testimony here this morning, the Navy asked for 5,425 TOW missiles. Is that in this section?

Admiral Cooke. That is not in this particular one.

Mr. Robert Price. Is that in R.D.T. & E?

Admiral Cooke: No, sir; it is in a different section.
It is in the next line for the Marine Corps.

Mr. ROBERT PRICE. Right. It is in the Marine Corps.

The CHAIRMAN. The Marine Corps comes next.

Without objection, the item is approved.

Next, the Marine Corps, $22.3 million. Any comment on that?

Mr. ROBERT PRICE. I wanted to ask there. You called for 5,425 TOWs, but you didn't say how much launchers you might need.

Admiral COOK. I will ask Lieutenant Colonel Mulcahy of the Office of the Director of Plans and Programs of the Headquarters Marine Corps, to answer the question.

Mr. ROBERT PRICE. Is this the ground missile—no, it wouldn't be, it would be the launcher—you would have to have the launcher, right?

Lieutenant Colonel MULCAHY. Lieutenant Colonel Mulcahy, sir. We are only addressing the ground TOW requirements for the 5,425 missiles.

Included in the total funding request for the TOW's is a quantity of 100 launchers for the TOW.

Mr. ROBERT PRICE. One hundred launchers for the 5,425 missiles? Lieutenant Colonel MULCAHY. Yes, that is correct.

Mr. ROBERT PRICE. Thank you, General.

Mr. HICKS. Mr. Chairman.

The CHAIRMAN. Mr. Hicks.

Mr. HICKS. I'm curious here. The Army has got 6,000 of these TOWs; then they also say spares and repair parts, for considerably more money than 5,425 for the Marines. Are the Marines a little more frugal in their buying here?

General KJELLSTROM. Colonel Cook.

Colonel Cook. Sir, the repair parts are for initial spares for the TOW program for units that are outside of Europe deployments.

The 6,000 TOW missiles that we are asking for cost $19.7 million; the launchers are 985 launchers, $26.7 million. The mounting kits, 3,688, at $9.7 million. Also, 23 battery chargers are $200,000. And 54 training sets at $890,000. For a total of $57.4 million—using rounded figures.

Mr. HICKS. What are you buying that the Navy is not; you are buying more launchers, what else?

More than the Marines, not the Navy.

Colonel Cook. Sir, we are buying more TOW launchers, more mounting kits, battery chargers, and training sets, which we have to have for training the troops.

Mr. HICKS. Thank you.

The CHAIRMAN. Without objection, the item of $22.3 million for the Marine Corps is approved.

The next item is $39 million for the Air Force. Without objection, the item is approved.

Next we move to the naval vessels.

The Navy has requested $24.8 million for naval vessels. Any comment?

Mr. LEGGETT. Yes, Mr. Chairman. I thought the Congress had thoroughly reviewed the Trident program, both the Appropriations Committee and the authorization committees, and had determined to slow that down.
Now the National Security Council has determined to accelerate that. It seems to me we are just in a confrontation, are we not?

Has there been a change of circumstances since the Congress acted on this item a few months ago?

Admiral Cooke. Mr. Leggett, I will ask Rear Admiral Lyon, the project manager for Trident to answer, sir.

Admiral Lyon. Mr. Leggett, as you know, sir, $281 million was authorized by this committee for procurement of long leadtime components for the second through seventh submarines in fiscal year 1974 budget.

As a result of later Congressional action that figure was reduced to $41 million. In doing so, the Senate on its report in the Defense Appropriations bill stated that in approving this reduction the committee in no way desires to detract for those long lead items whose procurement is necessary from the timely production of submarines 1 through 4. The committee therefore directs that the Department of Defense review the rate or production that would result from the reduction of this $240 million and seek additional funds in the supplemental request, if necessary.

As a result of that Congressional direction, the Secretary of Defense and the Department of Defense, including the Navy, reviewed the construction rate of the Trident submarine, and are requesting two submarines in the fiscal year 1975 budget.

To support the timely construction of those two submarines in the 1975 budget, I need $24.8 million supplemental funds to procure the long leadtime components necessary for timely construction, sir.

Mr. Leggett. Now, what long leadtime items are these that you need, say 3 or 4 months in advance of the regular 1975 authorization?

Admiral Lyon. Mr. Leggett, in contracting for our long leadtime components, we let our contracts with options for two, three, and four submarines.

We have options to execute prior to June 30 for $16 million, $8 million of options have already gone by. Those were to be executed in the latter part of February, and I will have to renegotiate these.

The options are for main propulsion turbine, which have about a 30-month leadtime, main reduction gear, main feed pumps, 200-ton air-conditioning plants, and the like. All of these components must reach the ship at a certain time in the construction program to allow efficient installation without delaying and stretching out ship construction, which of course increases costs. That is the reason we are requesting these funds, sir.

Mr. Melvin Price. Essentially I think $24.8 million is necessary to procure leadtime items for turbines, turbine generators, turbine generator sets, engine-room components, and hull steel for the second and third submarines.

Mr. Leggett. I understand.

Admiral Lyon. In the case of the steel, Mr. Leggett, it is a matter—

Mr. Leggett. Would your options expire on the $24 million items?

Admiral Lyon. I beg your pardon, sir.

Mr. Leggett. You indicate your options are going to expire unless you exercise them over the next 3 or 4 months?

Admiral Lyon. Yes, sir.

Mr. Leggett. When do they expire and how much for?