

**FOR IMMEDIATE RELEASE**

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**THE ARMY BUDGET  
FISCAL YEAR 2001**

Today, the Army announced details of its budget for Fiscal Year 2001, which requests \$70.8 billion in Total Obligation Authority from the U.S. Congress. This money, when appropriated by Congress, would provide the resources for the Army from Oct. 1, 2000 to Sept. 30, 2001.

**FY 01 TOTAL OBLIGATION AUTHORITY  
( IN BILLIONS)**

<b><u>APPROPRIATION</u></b>	<b><u>FY01</u></b>
MILITARY PERSONNEL	28.4
OPERATION & MAINTENANCE	23.8
PROCUREMENT	9.4
RESEARCH, DEV, TEST & EVAL	5.3
MILITARY CONSTRUCTION	1.0
ARMY FAMILY HOUSING	1.1
BRAC	.3
ENVIRONMENTAL RESTORATION	.4
CHEMICAL DEMILITARIZATION	<u>1.0</u>
(1) TOTAL	70.8

The Fiscal Year 2001 budget has been constructed on two fundamental tenets. The first is to maintain the momentum the Army has recently achieved in protecting critical gains in readiness, quality of life and modernization, and continue to provide combat ready forces to support National Security and National Military Strategies. Consequently, this budget continues to protect the readiness improvements provided last year. It permits retention of the capabilities to win two near-simultaneous theater wars by maintaining critical combat overmatch in legacy systems. It provides for operational training that has no equal anywhere else in the world and sustains the quality of life improvements for soldiers and families initiated last year. It contains our critical modernization programs to maintain our ability to defeat any current or foreseeable military threat.

(1) Total may not add due to rounding

The second tenet is one of change. This budget begins the process of transforming the Army into a force that is strategically responsive and dominant at every point on the spectrum of operations. A force that takes the very best – America’s sons and daughters – and incorporates them into Active, Reserve, National Guard and Civilian components that will do anything the American people ask. A force that can not only fight and win our nation’s wars, but also provide options to shape the global environment to the future benefits of the United States and its allies.

The centerpiece of transformation will ultimately be development of an Objective Force that is responsive, deployable, agile, versatile, lethal, survivable, and sustainable. As advances in Science and Technology make possible the fielding of that force, the Army will strive to achieve ambitious deployment goals that include:

- A combat brigade anywhere in the world in 96 hours.
- A division anywhere in the world in 120 hours.
- Five divisions anywhere in the world in 30 days.

Inherent in the design and fielding of the Objective Force are the concomitant efforts to:

- Reduce or eliminate the distinctions between our light and heavy units.
- Use common vehicle platforms that incorporate a 50-70% weight reduction but retain the survivability of today’s heavy forces.
- Reduce logistical footprints using a systems approach as well as common chassis.
- Provide a force structure that can rapidly transition through full-spectrum mission requirements without loss of momentum.

This budget ensures the Army will continue to be a strategic instrument of national policy like the one that has served our country well in peace and war for over two centuries. Soldiers enable America to fulfill its world leadership responsibilities of safeguarding our national interests, preventing global calamity, and making the world a safer place. The spectrum of likely operations describes a need for Army forces in joint, combined, and multinational formations for a variety of missions extending from humanitarian assistance and disaster relief to peacekeeping and peacemaking to major theater wars, including conflicts involving the potential use of weapons of mass destruction.

## **I. READINESS**

The Fiscal Year 2001 budget request supports our most pressing readiness requirements. These include full funding for Operating Tempo (OPTEMPO) and flying hour programs. The budget expands our existing training base to develop quality leaders and soldiers. In addition, funding has been provided to enhance unit deployability, supporting installations, logistic support systems and quality of life for soldiers. Resources have been maximized to ensure our forces are trained, equipped and ready to fight - a positive impact on overall readiness.

A. Operating Tempo: In Fiscal Year 2001, the budget supports ground OPTEMPO of 800 home station training miles per year for the M1 Abrams Tank. The Flying Hour Program provides an average of 14.5 live flying hours per aircrew per month for the active component, 9.2 live air crew flying hours for the National Guard, and 9 live air crew flying hours for the Army Reserve. The Operation and Maintenance budget will support 10 brigade rotations (nine Active Component and one Army National Guard) through the National Training Center, 10 brigade rotations (nine Active Component and one Army National Guard) through the Joint Readiness Training Center, and five brigade rotations through the Combat Maneuver Training Center.

Additionally, the Battle Command Training Program will train 5 division command and staff groups and conduct 2 corps Warfighter exercises, each consisting of the corps command and staff group and 2 division command and staff groups.

B. Institutional Training: The FY 2001 budget emphasizes growing our future leaders for the 21<sup>st</sup> Century. We will continue to develop soldiers through professional instruction in the institutional training base, through field experiences and personal study. We will train more linguists and update the language curriculum to support language requirements throughout the Army. We continue to experience greater than anticipated losses for trained pilots, therefore, we will train more pilots to meet force structure requirements. The budget increases funding for professional development education to further ensure our senior leaders refine their leadership skills. Finally, we will invest in future leaders by increasing funding for our Army Civilian Training and Education System. The budget funds additional intern spaces and intern training to replenish the anticipated exodus of retiring workers. Continuity of the intern program is required to implement the Civilian Personnel Management System XXI, provide diversity, and provide the right mix of skills, education and training. Leadership development and competitive professional training are the essence to developing confident, competent leaders who fully support the Army and decisively lead the change of the future. We will continue to grow leaders by providing opportunities for skill development in the institutional training base.

C. Mobilization Operations: The Fiscal Year 2001 budget includes funding for the 17 prepositioned ships afloat as part of the Army's Strategic Mobility Program. The

Army's Afloat Prepositioned Ships Program is nearing completion with the scheduled final phase of the transition from the interim prepositioned ships fleet to end-state new construction Large, Medium Speed Roll-on/Roll-off Ships (LMSRs). The prepositioned ships program will reach its end state in FY 2002, with a total of 15 ships, 8 being LMSRs. In FY 2001, we will continue deployment-outloading enhancements that include the infrastructure improvement program, unit deployment container acquisition, and strategic deployment training. These improvements facilitate movement of personnel and equipment from CONUS bases to/through air and sea ports of embarkation for rapid deployment to meet Army/Defense timelines. Total deployment outloading efforts are focused at designated CONUS Power Projection Platforms that include Army installations, airfields, ammunition depots and plants, as well as strategic seaports.

D. Sustainment: Supplying and maintaining equipment for the Army's soldiers are a key component of overall readiness. The FY 2001 budget supports sustainment by funding a variety of important programs: Depot Maintenance, Second Destination Transportation, Supply Depot Operations, War Reserve Secondary Items, Conventional Ammunition Management, Army Prepositioned Stocks, Logistics Automation, and Sustainment Systems Technical Support. New initiatives in the FY 2001 budget support the transition to a Single Stock Fund -- an efficiency that will streamline supply and maintenance accounting and further testing and fielding of Global Combat Support System - Army as the replacement for outdated logistics management systems.

E. Quality of Life: The FY2001 budget submission maintains historic funding levels for base operations support services. Our soldiers and their families continue to affirm the importance of these services through usage, direct feedback and surveys. Army installations continue to seek new efficiencies through A-76 studies, outsourcing, and adopting most efficient organization (MEO) practices.

F. Facilities: The Army is maintaining its base operations support at minimum essential levels for this fiscal year. However, Real Property Maintenance (RPM) funding for the active army is only 69 percent of known requirements and our aging infrastructure continues to deteriorate. The FY 2001 budget sustains, with some risk, the real property inventory. While we are focusing on specific areas such as barracks, utility systems, strategic mobility and the upgrade of living conditions, our overall real property inventory continues to remain at less than desirable levels.

## **II. QUALITY FORCE AND FORCE REALIGNMENT**

The Fiscal year 2001 budget continues to emphasize quality personnel as the key ingredient to the best force possible. Maintaining pay and other incentives, fostering upward mobility, and improving quality of life are essential to obtaining and retaining a quality force.

A. Military Personnel: The Fiscal Year 2001 budget supports an endstrength of 480,000 Active Component, 350,000 Army National Guard, and 205,000 Army Reserve soldiers. The budget provides a 3.7 percent pay raise for all military personnel beginning January 1, 2001. This rate reflects the congressional authorization for pay raises of one half percent above the Employment Cost Index from now through Fiscal Year 2006, and is intended to narrow the pay gap.

In January 2000, the revised Basic Allowance for Housing program was implemented for all military personnel. This program is designed to level the playing field for out-of-pocket housing costs for all soldiers, sailors, and airmen, regardless of duty station. Using national average housing costs, allowances are calculated for personnel in each grade. If the new rate is lower, those drawing housing allowance will be grandfathered at their current rate while at their current duty station. The Basic Allowance for Housing will be gradually increased to reduce the soldiers' absorption cost from the current 18 percent to 0 by the end of Fiscal Year 2005.

The current economy has made it more and more difficult for all the military services to recruit the number of young people needed to meet required strength levels. The Fiscal Year 2001 budget contains funding for a number of recruiting initiatives, endorsed by the Secretary of the Army, which are designed to enhance the Army's recruiting efforts. The initiative package consists of three parts. The first, upgrading the recruiting sales force, re-evaluates recruiting needs and acts to select, structure, manage, train, and equip the recruiting sales force. The second initiative geographically positions the sales force to maximize recruiting efforts in the best markets and in those areas where there are unexplored growth opportunities. The Army will complete the current stationing plans for recruiters by the end of 2<sup>nd</sup> quarter FY00 and complete a full study of all recruiter stationing by 4<sup>th</sup> quarter FY00. The final part addresses the way the Army is viewed. Key programs increase educational opportunities, provide laptop computers for recruits, and research the media mix required to attract recruits.

B. Civilian Personnel: The Army will reduce the civilian workforce to an endstrength of approximately 216,000 in Fiscal Year 2001, down about 1.2 percent from Fiscal Year 2000. This budget provides a 3.7 percent civilian pay raise.

### **III. MODERNIZATION**

As the Army implements its transformation strategy, development and funding of an affordable, fully integrated modernization program is an essential element of that plan. Throughout the transformation, the Army will continue to provide decisive and comprehensive full-spectrum land component capabilities, equipment and weapons systems in support of the National Military Strategy.

During the transformation the Army will continue to integrate the power of information technologies, also known as digitization. While we are focused on implementing a transformation strategy, this budget remains committed to digitizing the first Corps by the end of 2004. Planned modernization adjustments include accelerating a number of programs to improve strategic responsiveness and increase the lethality of the light forces to include the acceleration of logistical command and control systems and software. By making it easier to prepare and execute movement plans, ensuring integration with joint logistical systems, and providing the ability to track shipments in transit, forces will be more strategically deployable and more agile with a smaller logistical footprint. The Army will also invest in the maintenance and upgrade of systems currently in the force to sustain capabilities, reduce the cost of ownership, and extend the life of legacy systems.

In addition, the transformation strategy will leverage recent technology advances through selected modernization and digitization enhancements, along with continuing essential recapitalization programs, for mechanized and light forces. The following paragraphs summarize the major modernization tenets of the Army transformation strategy.

A. Focusing Science and Technology: Focused and sustained investments in Research, Development and Acquisition (RDA) are an essential and inseparable component to enhancing capability and strategic responsiveness. The Army must maintain the technological superiority of our forces and align near-term research and development efforts to identify the science and technologies needed to realize the required characteristics of the Objective Force. The Objective Force is the future force – a common designed force that matches manning and equipment to be strategically responsive and dominant at every point on the spectrum of operations. Long-term science and technology will focus on revolutionary technologies designed to deliver materiel and equipment during the latter stages of the transformation process to this force.

The Science and Technology Program is undergoing a major realignment and acceleration to address the Army Vision. In particular, the FY01 budget funds the Future Combat System (FCS), an Army program that focuses science and technology on the development of Objective Force capabilities. The Army will investigate possibilities for a FCS that is an innovative, multi-mission system, optimizing

commonality of component and subsystems, affordability, deployability, survivability, and lethality to meet ground force requirement for the Objective Force. The FCS will feature affordable sustainment costs, reduced logistics requirements, and a decrease in crew size as compared to the current systems. The Army is accelerating the research and development of this system and anticipates equipping its first unit with the FCS as soon as technology is available.

The FCS is envisioned to be an ensemble of manned and potentially unmanned combat systems, designed to ensure that the Objective Force is strategically responsive and dominant at every point on the spectrum of operations from non-lethal to full scale conflict. FCS will provide a rapidly (C-130) deployable capability for mounted tactical operations by conducting direct combat, delivering both line-of-sight (LOS) and beyond-line-of-sight (BLOS) precision munitions, providing variable lethal effect (non-lethal to lethal), performing reconnaissance, and transporting troops. Significant capability enhancements will be achieved by developing multi-functional, multi-mission and modular features for system and component commonality that will allow for multiple state-of-the-art technology options for mission tailoring and performance enhancements. The FCS force will incorporate and exploit information dominance to develop a common, relevant operating picture and achieve battlespace situational understanding.

The Army S&T program will, in partnership with the Defense Advanced Research Projects Agency (DARPA), develop FCS systems concepts, perform experiments to validate and refine those concepts, and conduct technology demonstrations. The Engineering, Manufacturing and Development (EMD) phase will commence in FY06.

B. Interim Armored Vehicle (IAV): U.S. forces must be lighter, more lethal and less dependent on logistic tails to rapidly deploy from multiple dispersed locations worldwide. Agile, highly capable forces that can react quickly to emerging crises may be able to prevent crises from escalating into war. U.S. forces must be sufficiently versatile to sustain a high operating tempo and defeat an opponent with minimum losses. They must then quickly reposition, refocus, and execute subsequent missions against an adversary employing asymmetric means, including chemical/ biological warfare and information operations. An immediate upgrade of current forces is required in order to provide an interim capability to meet this requirement.

To meet this interim requirement the Army provides funding in the FY01 budget to field an Interim Armored Vehicle as a common baseline capability for a mounted Brigade Combat Team (BCT) which will function as a full-spectrum combat force. Several families of medium based platforms exist or are under development throughout the world that, with slight modification, could meet the initial IAV requirement. One or more of these family options, with appropriate technical insertions, is expected to meet the interim requirement.

C. Increasing Light and Lethal: Other adjustments to Army's modernization planning aim to improve the lethality of today's most responsive forces, the Army's light forces, by increasing investments in a range of programs that provide improved fires and battlefield reconnaissance. Current accelerations include the Line of Sight Anti-Tank (LOSAT) weapon system, TOW Fire and Forget missile, and High Mobility Artillery Rocket System (HIMARS). These programs will enhance light force direct and indirect fire capability.

D. Fielding Essential Capabilities: The Army is fielding a suite of command and control systems, selectively procuring weapons systems designed for the digitized battlefield, and integrating required digital components on fielded systems to tap the potential for digitization.

The Army Battle Command System (ABCS) is a system of systems that links automation assets, communications media, and operational elements to support commanders and their staff in collecting and analyzing information, developing plans and orders, and monitoring the tactical battlefield. As the Army component of the Global Command and Control System (GCCS), ABCS enables transmission of information between Army and joint forces.

Some of the subsystems funded in the ABCS are the Maneuver Control System (MCS), the Force XXI Battle Command Brigade and Below (FBCB2), and Combat Service Support Control System (CSSCS). The Movement Tracking System (MTS), Global Combat Support System – Army (GCSS-A), and Transportation Coordinator's Automated Information for Movement System II (TC-AIMS II), three non-ABCS systems slated for acceleration in this budget, will enhance and facilitate strategic responsiveness.

The Army will maintain its superior combat overmatch in the III Corps by upgrading the Abrams fleet into a mix of M1A2 (SEP) and M1A1D variants and continuing the upgrade of Apache attack helicopters to the Longbow variant. These investments will include essential recapitalization to reduce maintenance requirements and streamline logistics.

This budget request procures the Tactical Unmanned Aerial Vehicle (TUAV) to improve battlefield reconnaissance capabilities. The TUAV gives Army brigade commanders an organic capability to obtain real-time situational awareness and precision targeting data for areas not under observation by other friendly forces. As demonstrated during the recent Kosovo campaign, the capabilities provided by Army TUAV are a significant combat multiplier for the entire joint force.

E. Recapitalization: The Army must invest in the maintenance and upgrade of systems currently in the force to sustain capabilities, reduce the cost of ownership, and extend the life of these legacy systems.



In the FY01 budget, the Abrams recapitalization program includes three separate initiatives. The first initiative is a new engine for Abrams tanks that will reduce fuel consumption by about 30%. The second is an Integrated Management Program (a total vehicle refurbishment program) which has demonstrated an 18% O&S cost savings. The final initiative is an effort to address parts obsolescence by replacing old analog parts with a new digital system.

In the aviation arena, the Army will continue funding the upgrade Chinook heavy lift helicopters to the "F" variant which includes a vibration reduction program projected to reduce operations and support costs by more than 22%, and extending the helicopter's useful life by an additional 20 years. The upgrade of the Blackhawk utility helicopters to the "L+" variant is also funded and will improve the rotor and engines, making the helicopter more reliable and extending the useful life by 20 years. Funding for these aviation upgrades will be consistent with the Aviation Modernization Plan scheduled for release later this year.

Other funded recapitalization efforts include the Heavy Expanded Mobility Tactical Truck (HEMTT) to give each truck an improved engine, anti-lock brakes, and a load handling system, thus reducing operations and support costs as well as improving fleet readiness. The Hercules Improved Recovery Vehicle (IRV) program will provide the force a recovery vehicle capable of independently recovering an Abrams tank, an operation that requires two of the currently fielded M88 recovery vehicles. The IRV has a better winch and lift capability than the current recovery vehicle, as well as lower operations and support costs.

F. Restructuring and Divestitures: The Army has made some difficult decisions to restructure or divest a number of programs in order to provide some of the resources to support its transformation. The restructured programs are the Crusader and the Future Scout and Cavalry System. Divestitures include Heliborne Prophet (Air), MLRS Smart Tactical Rocket (MSTAR), Stinger Block II, Command and Control Vehicle (C2V), Grizzly, Wolverine, and the Army Tactical Missile System Block IIA. Funding for these programs was reallocated to fund the Army's transformation strategy.

G. Other Programs, Procurement Appropriations: In addition to the categories listed above, the following programs are being procured in the FY01 budget. Modernization upgrades to the Bradley Fighting Vehicle continue with funding for the first year of a three-year multi-year procurement. This upgrade increases mobility, survivability, and lethality for U.S. armor forces and implements the Army's Armored System Modernization effort.

Funding is provided for Missile systems such as the brilliant anti-armor submunition (BAT), Multiple Launch Rocket System (MLRS) and Improved Target Acquisition System (ITAS) for Tube-Launched, Optically Tracked, Wire-Guided Missile (TOW). The budget also includes funding for multi-year procurement of Javelin and Longbow Hellfire.

Funding for Aviation programs will modernize, upgrade and replace existing equipment including continued modifications from basic Apache helicopters to the Longbow Apache configuration armed with the improved radar guided Hellfire missile possessing fire-and-forget capability. These improvements substantially increase weapon system effectiveness and aircraft survivability. The budget also provides funding for six Black Hawk helicopters for the Army National Guard and critical Combat Service Support programs.

The Ammunition budget request represents the best balance of available funds and Army priorities. This budget supports training at required levels for most items, buys ten modern war reserve items, and funds a moderate demilitarization program.

Funding for the Family of Medium Tactical Vehicles (FMTV) modernizes the medium tactical vehicle fleet with state-of-the-art automotive technology to fill shortages; improves tactical mobility and deployability; and replaces obsolete, over-aged and maintenance-intensive trucks. The budget also funds the recapitalization of the Heavy Expanded Mobility Tactical Truck (HEMTT) which provides resupply support for the combat vehicles, aircraft and missile systems.

Satellite Communications (SATCOM) systems funding continues in FY01 to include the Defense Satellite Communications System (DSCS), Super-High Frequency (SHF) Tri-Band Advanced Range Terminal, Enhanced Manpack Ultra-High Frequency (UHF) Terminal (also known as Spitfire) and Army MILSTAR programs. The Single Channel Anti-Jam Manportable-Block I Terminal, Secure Mobile Anti-Jam Reliable Tactical Terminal and NAVSTAR Global Positioning System are also procured.

Command Control, Communications, and Intelligence (C3I) systems such as All Sources Analysis System, Long Range Advanced Scout Surveillance System, and Digitization Applique are also funded.

The Other Support Equipment Program continues to maintain a relatively stable level of funding from the FY 00 appropriation to the current FY01 President's Budget. Areas of significant increases are Training Equipment and Test Measurement and Diagnostic Equipment (TMDE). The budget provides an Opposing Forces Surrogate Vehicle to the Combat Training Centers (CTC) and includes funds for the recently approved Aviation Combined Arms Tactical Trainer (AVCATT). Increases for the TMDE program are primarily for the Army Diagnostics Improvement Program (ADIP). ADIP provides embedded diagnostic capability into weapon systems.

H. A summary of the procurement major system quantities follows:

<b>SYSTEM</b>	<b><u>QUANTITIES</u></b>			<b>MULTI-YR PROGRAM</b>
	<b>FY99</b>	<b>FY00</b>	<b>FY01</b>	
Longbow Apache	66	74	60	YES
Longbow Hellfire	2000	2200	2200	YES
Javelin	3569	2525	3754	YES
MLRS Launchers	24	39	66	NO
ATACMS Block II	24	48	55	NO
M2A3 Bradley	73	80	109	YES
Abrams Upgrade	120	120	80	YES

I. Other Programs, Research, Development, Test & Evaluation (RDT&E)  
 Appropriation: The FY01 budget includes an accelerated Science and Technology (S&T) program with a balanced and dynamic portfolio of technology investments to enable modernization of the Army in the 21st century. The Army S&T program provides technology insertion via upgrades to existing platforms and emphasizes innovative and affordable options to achieve the advanced capabilities envisioned. The S&T program also focuses on leveraging related technology research and development performed by the commercial sector, other Services and other government agencies. The following programs are other RDT&E efforts being procured in the FY01 budget.

The Comanche (RAH-66) helicopter will provide the Army with a new capability to conduct armed reconnaissance during both day and night in adverse weather, a long-standing need for the Army. The Comanche will significantly expand the Army's ability to conduct operations in all types of combat scenarios and battlefield environments while providing increased crew survivability through low observable technology. The Fiscal Year 2001 budget supports testing of two prototype aircraft and development of the advanced T801 engine, composite air vehicle and Mission Equipment Package.

The Army has restructured the Crusader program to gain vital improvement in indirect fire support capability and reducing the overall weight of the system while maintaining all key performance parameters (lethality and mobility). The decision to restructure the Crusader is based on affordability and its compatibility with the Army Vision. By restructuring Crusader the Army saves \$11.2 billion between FY00 and FY14.

Crusader will provide close, tactical, and operational fires during both offensive and defensive operations while restoring U.S. cannon artillery supremacy. It provides a significantly increased range, rate of fire, area and targets covered over current cannon artillery. It is digitally integrated on the battlefield and has double the speed of today's cannon artillery (45mph paved/30mph cross-country). The restructure strategy includes partially satisfying the Army howitzer requirement by continuing to use Paladin

and LW155 howitzer platforms, reducing the number of Crusaders from 1,138 to 480, and reducing system weight to 40 tons or less to equip III Corps divisions.

Missile systems under current development and funded in the FY01 budget include the Brilliant Anti-Armor Submunition P3I, Multi-Purpose Individual Munition/Short Range Assault Weapon, Guided Multiple Launch Rocket System (MLRS), and ATACMS Block II. All of these programs are designed to leverage technology and provide soldiers with overmatching lethality.

Funding for Kwajalein Missile Range supports test and evaluation of major Army and DOD missile systems, Army/CINCSpace space surveillance and object identification, and NASA scientific and space programs. This range also supports Army, Ballistic Missile Defense Organization (BMDO), NASA and Air Force development and operational testing. Other range facilities (Yuma, Aberdeen and White Sands) supports developmental testing (DT) and integrated DT/Operational Testing (OT) of DOD materiel, weapons and weapons systems from concept through production and includes test planning, safety assessment/verifications on both major and non-major acquisition programs.

J. Chemical Demilitarization Program: The requirements of the Chemical Demilitarization Program are funded in two separate appropriations, the Chemical Agents and Munitions Destruction, Army (CAMD,A) and Military Construction, Army (MCA). The FY01 CAMD,A budget request of \$1.0 billion includes research and development (\$274.4 million), procurement (\$121.9 million), and operations and maintenance (\$607.2 million).

Significant program activities funded in the CAMD,A request include the completion of disposal operations and implementation of facility closure plans at the Johnston Atoll Chemical Agent Disposal System; continuing disposal operations at the Tooele Chemical Agent Disposal Facility; equipment installation at the Anniston, AL, Umatilla, OR and Pine Bluff, AR disposal facilities; continuation of the Chemical Agent Munitions Disposal System support to the Program; and equipment installation at the pilot facilities for testing alternative disposal technologies at the Aberdeen, Maryland, and Newport, IN.

The FY01 CAMD,A budget requests funds to implement a path forward for destruction of the chemical weapons stockpiles at Pueblo, CO and Blue Grass, KY, to include: the award of a systems contract to finalize design and begin equipment acquisition for a pilot facility at Pueblo, CO; conduct engineering design testing of the alternative technologies being demonstrated during Fiscal Year 2001; and continue support of the required environmental processes at Pueblo, CO and Bluegrass, KY.

The budget includes funds to continue studies, analyses and procurement of equipment for destruction of non-stockpile chemical warfare materiel and continue the Chemical Stockpile Emergency Preparedness Project activities.

The FY01 MCA budget request of \$175.4 million for Chem/Demil includes the continued construction of disposal facilities and activities at Umatilla, OR (Phase VI); Pine Bluff, AR (Phase V); Pueblo, CO (Phase II); Aberdeen, MD (Phase III); Newport, IN (Phase III) and Blue Grass, KY (depot support, Phase II). Fiscal Year 2001 MCA funds also provide for construction of the facility to house the Munitions Assessment and Processing System for non-stockpile chemical materiel at Aberdeen, MD.

## IV. CONSTRUCTION

The FY01 budget for Military Construction and Family Housing provides military facilities and soldier housing needed to improve Army readiness, quality of life, and efficiency. The Military Construction projects provide new and renovated facilities that improve strategic mobility, modernize barracks and support the missions of the Army's active and reserve components. The Family Housing budget includes the construction and revitalization of housing in the U.S. and overseas, as well as the operation and maintenance of 100,974 units of military family housing worldwide

### A. Military Construction

The Military Construction Budget for the Active Army and Reserve Components requests appropriations of \$1.038 billion in Fiscal Year 2001. Representative construction projects in key areas are listed below:

1. The Whole Barracks Renewal program applies \$366 million for construction to improve the living conditions of single soldiers. Major projects provide new and renovated barracks at the following locations:

	<u>\$M</u>
Fort Bragg, NC	110.2
Schofield Barracks, HI	46.4
Wheeler AAF, HI	43.8
Korea, Various Locations	33.7
Fort Irwin, CA	31.0
Germany, Various Locations	27.0
Fort Stewart, GA	26.0
Fort Benning, GA	24.0

2. Strategic Mobility construction projects are requested totaling \$67.3 million, including:

	<u>\$M</u>
Fort Bliss, TX	26.0
Fort Benning, GA	15.8
Fort Bragg, NC	12.6
Fort Hood, TX	9.8
Railyard Infrastructure	26.0
Aircraft Parking Apron	15.8
Ammunition Holding Area	12.6
Railhead Phase 3	9.8

3. Mission and training requirements are supported by facilities, including:

	<u>\$M</u>
Newport AAP, IN	54.4
Aberdeen PG, MD	45.7
Pine Bluff Ars, AK	43.6
Chemical Demil Facility PH 3	54.4
Chemical Demil Facility PH 3	45.7
Chemical Demil Facility PH 5	43.6

Fort Leonard Wood, MO	Basic Training Complex PH1A	38.6
Redstone Ars, AL	Space and Missile Defense Cmd	23.4
Kwajalein Atoll	Unaccompanied Housing	18.0
Fort Hood, TX	Digital Training Range PH 1	16.0
Pine Bluff Ars, AK	Chemical Defense Qual. Facility	15.5
West Point, NY	Cadet Physical Dev Ctr PH 2A	13.6

4. Reserve Component readiness is supported with construction projects, including:

		<u>\$M</u>
Orlando, FL	Reserve Center Expansion (USAR)	18.0
Tacoma, WA	USAR Center with Maint Shop (USAR)	14.8
Ft. Sam Houston, TX	USAR Center with Maint Shop (USAR)	13.7
Fort Bragg, NC	Regional Training Institute (ARNG)	8.7
Hancock Field, NY	Readiness Center (ARNG)	5.4
Yakima, WA	Readiness Center (ARNG)	5.1

#### B. Army Family Housing

The Fiscal Year 2001 Army Family Housing budget requests \$162 million for construction of 523 new/replacement units and renovation of an additional 770 houses. Another \$978 million is requested for operating and maintaining 114,555 military family housing units. The operations portion resources \$398 million for routine and major maintenance and repair work.

1. The Army Family Housing construction budget requests projects at various continental U.S. locations, as well as Hawaii, Germany and Korea, including the following:

<u>New Construction</u>	<u>No. Units</u>	<u>\$M</u>
Camp Humphreys, Korea	60	21.8
Fort Huachuca, AZ	110	16.2
Schofield, HI	72	15.5
Fort Bragg, NC	112	14.6
Fort Bliss, TX	64	10.2
Fort Campbell, KY	56	7.8
Fort Detrick, MD	48	5.6
Fort Jackson SC	1	.3

<u>Major Improvements</u>	<u>No. Units</u>	<u>\$M</u>
Fort Belvoir, VA	148	14.0
Wiesbaden, GE	144	13.2
West Point, NY	59	9.1
Heidelberg, GE	276	8.2
Fort Wainwright, AK	28	7.2

Wuerzburg, GE	64	6.3
Ansbach, GE	42	4.2
Fort McNair DC	8	1.3
Yongson, KR	1	.1

2. In keeping with the Army goal to eliminate inadequate Army Family Housing, the Army is privatizing some family housing through the Residential Communities Initiative (RCI). This initiative allows the Army to obtain private sector capital to replace, renovate and maintain military housing units. Installations scheduled for privatization contract award in Fiscal Year 2001 are identified below:

<u>Installations</u>	<u>No. Units</u>	<u>Contract Proceed Dates</u>
Fort Lewis, WA	3,955	December 2000
Fort Meade, MD	3,170	April 2001



## **V. MANAGEMENT INITIATIVES**

The Army continues to implement efficiency initiatives begun in FY 1998. Those initiatives are closely monitored to ensure actual savings are achieved, and savings are applied to modernization efforts that contribute to our long-term readiness goals.

Under the guidance outlined in Office of Management and Budget Circular A-76, the Army began in FY 99 cost comparison studies that, when completed in FY 05, will have reviewed in-house functions that are currently performed by 73,000 government employed personnel, both military and civilian. Resultant savings from these reviews have been and will be reprogrammed into our force modernization accounts.

The Army has actively supported DoD efforts to implement the provisions of the Government Performance Results Act (GPRA). In the recently published Secretary of Defense's Annual Report to the President and the Congress, the Army along with the other Services and Defense Agencies reported their actual FY 1999 performance against the performance goals laid out in the Department of Defense FY 1999 Performance Plan. Additionally, the FY 2001 Performance Plan is published in the same Annual Defense Report.

## **VI. ARMY WORKING CAPITAL FUND**

The Army Working Capital Fund (AWCF) is an integral part of the Army's budget, providing a financing vehicle for necessary goods and services at stabilized prices. Our AWCF funded activities are key contributors to the readiness and sustainability of Army forces. In Fiscal Year 2001, our forces will purchase \$ 6.7B in fuels, repair parts, consumable supplies, depot maintenance services, ammunition and information

services from AWCF activities. The Army operates four working capital fund activity groups: Supply Management, Depot Maintenance, Ordnance and Information Services. The Supply Management activity group ensures that spare parts are available on time to maintain unit readiness. The Depot Maintenance activity group performs major overhaul and repair of end items and repairable secondary items. The Ordnance activity group manufactures, renovates and demilitarizes materiel for all branches of DoD. The Information Services activity group provides development and operational sustainment of automated information services.

In Fiscal Year 2001 our customer rates are relatively stable with a 4.2 percent decrease from the previous year in supply management rates; a 7.1 percent increase in Depot Maintenance rates; a 3.6 percent increase in Ordnance rates; and a 26.5 percent decrease in Information Services rates. The AWCF continues a downward trend in revenues, expenses and personnel as it continues to reshape its structure to meet changing customer requirements. The AWCF is committed to acquiring goods and providing services to sustain readiness at the lowest possible cost.

## **VII. ARMY ENVIRONMENTAL PROGRAM**

Army policy mandates that all current operations comply with federal, state, local and applicable host-nation environmental standards. The Army's commitment to this policy is reflected in the \$1.3 billion included in the Army's Fiscal Year 2001 budget request for environmental programs. The requested amount is distributed among various Operation and Maintenance appropriations (\$571 million), Environmental Restoration, Army (\$390 million), Base Realignment and Closure (\$285 million), Research Development Testing and Evaluation, Army (\$25 million) and other appropriations (\$27 million). The funds will pay for environmental compliance, conservation of natural and cultural resources, and pollution prevention on Army installations worldwide. The budget also provides support to correct violations, meet existing and new environmental standards and dispose of hazardous waste.

## **VIII. SUMMARY**

The Fiscal Year 2001 budget reflects fiscal realities in its multi-focused balance of Army's needs and priorities. It ensures that readiness, quality of life and modernization are funded at sufficient levels to support the National Security and National Military Strategies. It maintains our progress toward a fully digitized Army and continues the concept of a "seamless" Total Army force structure through AC/RC

integration and communication. This year's budget seeks to significantly improve the accession and retention of soldiers through increased funding dedicated to progressive, new recruiting and education initiatives.

While recognizing today's fiscal realities, this budget also reflects Army's continuous process of change, growth and commitment to the American people. Fiscal Year 2001 begins the process of transforming the Army force structure into a more deployable, versatile and responsive full spectrum force by implementing the creation of a new combat "medium" brigade. This budget initiates the formation, development, and training of the initial two brigade combat teams by providing funding for new combat vehicles, development of doctrine, material enablers, organization design, contract logistics support for loaners and surrogate vehicles, base support, facilities requirements, and leader and soldier training. In short this budget is both one of ensuring the continued excellence the Army has achieved in the past and one devoted to changing the Army into a full spectrum force that is strategically responsive and dominant for the future.