

2. NATIONAL DEFENSE

Table 2-1. Federal Resources in Support of National Defense
(In millions of dollars)

Function 050	2000 Actual	Estimate					
		2001	2002	2003	2004	2005	2006
Spending:							
Discretionary Budget Authority ...	300,767	311,271	325,079	333,934	343,194	352,704	362,515
Mandatory Outlays:							
Existing law	-470	-445	-122	-182	-517	-555	-630
Proposed legislation			97	155	150	108	68
Credit Activity:							
Direct loan disbursements		32	72	136	201		
Guaranteed loans	47	39	120	518	537		
Tax Expenditures:							
Existing law	2,140	2,160	2,190	2,210	2,240	2,260	2,290

The Federal Government will allocate \$325 billion in 2002 to defend the United States, its citizens, its allies, and to protect and advance American interests around the world. National defense programs and activities ensure that the United States maintains strong, ready, and modern military forces to promote U.S. objectives in peacetime, deter conflict, and if necessary, successfully defend our Nation and its interests in wartime.

Over the past half-century, our defense program has fielded forces for conflicts in Korea, Vietnam, and Southwest Asia, deterred both conventional and nuclear attack on U.S. soil, helped bring an end to the Cold War, and successfully executed numerous contingency operations. Today, the United States military remains the strongest on earth, but it still faces a number of challenges. These include assuring that military personnel are adequately paid, their families are adequately housed, and that they receive the necessary training and equipment to do their jobs. In order to meet the challenges of the 21st Century, the President has asked the Secretary of Defense to conduct a major review that will analyze the Nation's military strategy, the structure of our Armed Forces, and defense spending priorities.

Department of Defense (DOD)

The DOD budget provides for the pay, training, operation, basing, and support of U.S. military forces, and for the development and acquisition of equipment. DOD sustains the capabilities that follow to achieve its objectives.

Conventional Forces: Conventional forces include ground forces such as infantry and tank units; air forces such as tactical aircraft; naval forces such as aircraft carriers, destroyers, and attack submarines; and Marine Corps expeditionary forces. The Nation needs conventional forces to deter aggression and, when that fails, to defeat it. Funds to support these forces cover pay and benefits for military personnel; the purchase, operation, and maintenance of conventional systems such as tanks, aircraft, and ships; the purchase of ammunition and spare parts; and training.

Mobility Forces: Mobility forces provide the airlift and sealift that transport military personnel and materiel throughout the world. They play a critical role in U.S. defense strategy and are a vital part of America's response to contingencies that range from humanitarian relief efforts to major theater wars. Airlift aircraft provide a flexible, rapid way to deploy

forces and supplies quickly to distant regions, while sealift ships allow the deployment of large numbers of heavy forces together with their fuel and supplies. The mobility program includes prepositioning equipment and supplies at sea or on land near the location of a potential crisis, allowing U.S. forces that must respond rapidly to crises overseas to quickly draw upon these prepositioned items. The mobility program also ensures that DOD will have access to a fleet of active, militarily useful, privately-owned U.S. vessels that would be available in times of national emergency.

Strategic Forces: Nuclear forces are an essential element of our national deterrent posture. They include land-based intercontinental ballistic missiles, submarine-launched ballistic missiles, long-range bombers, and sub-strategic forces. In addition to offensive forces, the President has established the deployment of effective missile defenses as a top Administration policy. To deter new threats, including weapons of mass destruction and increasingly sophisticated ballistic missiles, we require offensive and defensive systems working together. The President has initiated a review to determine how to put this new concept of deterrence into effect.

Supporting Activities: Supporting activities include research and development, communications, intelligence, training and medical services, central supply and maintenance, and other logistics activities. In particular, the Defense Health Program provides health care through DOD facilities, as well as through TRICARE—its contracted, civilian network companion program.

DOD Performance

The President has asked the Secretary of Defense to conduct a major review to analyze the Nation's military strategy, the structure of our Armed Forces, and the defense budget priorities. The results of this review will lay the foundation for DOD's future goals, clarify key performance measures, and guide future decisions on military spending. Consequently, DOD's 2002 Performance Plan will be prepared following the completion of this review. The Administration will determine final 2002 and outyear funding levels only when the review is complete.

DOD's Performance Report for 2000 examined the Department's success in achieving the goals outlined in its 2000 Performance Plan. The Performance Report highlighted several critical long-term goals accomplished by DOD in 2000.

- **Overseas Presence:** During 2000, U.S. military forces supported a variety of peacetime deployments worldwide. Many of these missions were undertaken as part of the almost 200 annual joint and combined exercises sponsored by DOD.
- **Recruitment:** During 2000, aggregate active and reserve component forces met recruiting and quality goals.
- **Joint Experiments:** In its second year as the lead for joint experimentation, the U.S. Joint Forces Command conducted 19 transformation-related joint experiments in 2000—more than 35 percent above original projections.
- **Infrastructure Streamlining:** The portion of the defense budget spent on infrastructure decreased from a high of 45 percent in 1995 and 1996 to 42 percent in 1999. DOD exceeded its target for disposing of excess land and demolishing unused buildings. DOD was also able to surpass its target of 90 percent asset visibility and to exceed its target for reducing the National Defense Stockpile.
- **Acquisition Reform:** During 2000, 79 percent of DOD transactions in the areas of contracting, program management, and logistics were processed electronically. In addition, 95 percent of all micro-purchases under \$2,500 were made with purchase cards. Finally, the acquisition work force was reduced by an additional five percent (relative to 1997), and DOD completed disposal of over 50 percent of Government surplus property—147,000 cumulative acres.
- **Financial Management:** DOD has reduced the number of accounting and finance systems from 324 in 1991 to 76 in 2000. At the end of 2000, 13 accounting and finance systems were reported to be compliant with legislative requirements.

The Department will also seek to improve management and efficiency by: (1) reducing cost growth and cycle times on major weapon systems to less than one percent and eight years, respectively; (2) eliminating excess infrastructure; (3) expanding annual public-private A-76 competitions; and (4) developing better measurement of inadequate defense housing.

Department of Energy (DOE) Performance

DOE's defense missions include national security and environmental remediation. The National Nuclear Security Administration (NNSA) is responsible for maintaining a safe, secure, and reliable nuclear weapons stockpile, improving nuclear nonproliferation, and managing the naval nuclear propulsion program. The goal of DOE's Environmental Management (EM) program is to clean up the legacy of contamination from nuclear weapons programs.

The NNSA and EM programs continue to experience delays and cost overruns in managing contracts and acquiring capital assets. DOE intends to increase performance-based contracting and improve project management to achieve significant cost savings for the taxpayers.

The budget proposes \$13.4 billion to meet DOE's national security and environmental objectives, of which \$7.2 billion is for ongoing national security missions and \$6.2 billion addresses environmental cleanup activities.

In 2002, DOE will achieve the following performance goals:

National Security

- Report annually to the President on the need to resume underground nuclear testing to certify the safety and reliability of the nuclear weapons stockpile.
- Meet the milestones in DOE's science campaigns to improve understanding of nuclear weapons systems to certify annually the nuclear weapons stockpile without underground testing.
- Meet all annual weapons maintenance and refurbishment schedules jointly developed by DOE and DOD.

- Continue consolidation of weapons-usable material into fewer buildings and fewer sites in Russia. Convert an additional 1.7 metric tons of weapons grade highly enriched uranium to low enriched uranium, increasing the total converted to 3.8 metric tons.

Environmental Quality

- Complete remediation of one geographic site, bringing the total number of sites cleaned up to 75 out of a total of 113.
- Clean up 64 release sites, bringing the number completed to more than 5,166 of a total inventory of approximately 10,000 release sites. (A release site is a specific location where hazardous, radioactive, or mixed waste has or is suspected to have been discharged.)
- Treat high-level waste in the Defense Waste Processing Facility at the Savannah River site to produce 150 canisters of solidified waste, bringing the total produced to 1,576 of the estimated 19,179 required.
- Ship 3,149 cubic meters of transuranic waste to the Waste Isolation Pilot Plant, bringing the total waste shipped to 6,227 cubic meters out of 175,600 cubic meters requiring disposal.

Other Defense-Related Activities

Several other national defense activities are implementing performance measurement. These include: the Coast Guard; the Federal Bureau of Investigation; the American Battle Monuments Commission; Arlington National Cemetery; and the Selective Service System.

The Coast Guard supports the defense mission through overseas deployments for engagements with friends and allies, port security teams, boarding and inspection teams for enforcing UN sanctions, training, aids to navigation, international icebreaking, equipment maintenance, and support of the Coast Guard Reserve.

The Federal Bureau of Investigation conducts counterintelligence and surveillance activities.

The American Battle Monuments Commission is reducing the backlog of maintenance and continuing productivity improvements at cemeteries and memorials overseas.

Arlington National Cemetery is implementing a capital investment plan for using contiguous land sites that will be vacated by the Services, including the Navy Annex and portions of Fort Myer. A review is underway of the demographics of the four

million annual visitors to this national historic shrine.

The Selective Service System is modernizing its registration process to promote military recruiting among registrants, and in cooperation with DOD, is reducing active duty and reserve force officers to reflect the reduced readiness requirements, and to fund additional automation.