



DoD Looking for Money to Fund Readiness, Modernization

By Jim Garamone
American Forces Press Service

WASHINGTON, July 17, 2001 -- The U.S. military is walking a fine line between maintaining today's forces and preparing for defense transformation, DoD's senior leaders told the House Appropriations Committee July 16.

Defense Secretary Donald H. Rumsfeld and Army Gen. Henry Shelton, chairman of the Joint Chiefs of Staff, told the defense subcommittee that years of underfunding and overuse have taken a toll on the department.

Rumsfeld told the representatives that DoD, just to continue ongoing programs, would need a budget in fiscal 2002 of \$347 billion -- \$18 billion more than the administration recently requested.

"To get well by 2007 -- that is, to meet current requirements in areas like readiness, proper flying time, training, maintenance and so forth -- would cost the American taxpayers tens of billions of dollars more, and that's before calculating the additional investment that will be needed for transformation," he said.

Rumsfeld said the increase DoD is asking for is significant. "But we need every cent of it, let there be no doubt," he said. "We need the funds for pay and housing and health care and quality of life. We need it for the backlog in maintenance, modernization and transformation, and research and development.

He said the Bush administration budget request halts the fiscal slide but "does not get us well. The underinvestment and overuse of the force went on far too long. The gap is too great. The hole we're in is too deep; there is no way to spend our way out of it in one year."

Shelton echoed and expanded on the secretary's sentiments. He said the first-to-fight forces are trained and ready, but many other critical units are not up to snuff. His examples included the strategic airlift fleet, combat service support units, training bases and intelligence, surveillance and reconnaissance aircraft.

"These units are ... suffering the consequences of high optempo and the diversion of resources to sustain the near-term readiness of the first-to-fight forces," he said. He said DoD is working to reconcile near-term readiness imperatives with long-term modernization and recapitalization.

The department needs more money, but officials also asked the appropriators to give DoD the authority to use the money it already gets more wisely.

"We simply have to match these sizable spending increases with sizable increases in efficiency," Rumsfeld said. "We'll need Congress to give us greater freedom to achieve cost savings, so we can

assure the taxpayers that we're using their dollars more efficiently, and we can redirect funds to urgent priorities. We simply have got to turn waste into weapons."

He used the B-1 bomber as an example. "Last month, the Air Force proposed to modernize the aging B-1 fleet, turn it into a more potent weapon capable of contributing to 21st century security without requiring new money," Rumsfeld said.

The service has proposed cutting the B-1 force from 93 aircraft to 60 and concentrating them at two air bases. "The Air Force would then take the savings, use them to modernize the remaining aircraft with new precision weapons, self-protection systems, reliability upgrades, so that they can become viable in a future conflict," he said.

"Doing this would add some \$1.5 billion of advanced combat capability to today's aging B-1 fleet over the next five years without requiring additional dollars," he continued. "This is the kind of efficiency we owe the taxpayers."

He said congressional support for the reduction and basing switch "would send an important signal to all of the services and give them an incentive to find further cost savings by telling them that such efforts will be rewarded with freed-up funds to improve capabilities." Failure to support this initiative "would send a damaging signal across the defense establishment that finding ways to save money and increasing efficiency is a waste of time and leads to nothing but hostility," he advised.

Rumsfeld said he believes DoD can save 5 percent if given the freedom to innovate. "Unless the department is given encouragement to turn waste into weapons, we will have to come to you next year asking you to appropriate more of the taxpayers' dollars to meet still more urgent needs, many of which could have been paid for by finding cost savings." He said a 5 percent savings would be more than \$15 billion.

"We could do a great deal with that saving," he said. "We could pay \$3 billion needed to annually increase ship procurement from six to nine ships. We could cover the \$1.4 billion needed annually to fund base operation requirements. We could pay the entire annual cost of procuring the additional aircraft necessary to help meet the steady-state requirements for Navy, Air Force and Army aircraft.

"These are all important priorities that need to be funded, and I would certainly prefer to come to you next year and tell you that we've found ways to fund certain programs by operating more efficiently."

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