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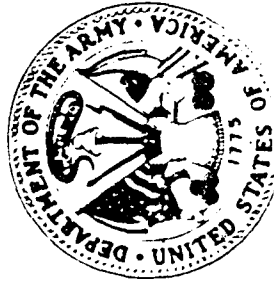
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# DEPARTMENT OF THE ARMY

## JUSTIFICATION OF ESTIMATES FOR FISCAL YEAR 1987

### SUBMITTED TO CONGRESS

FEBRUARY 1986



MISSILES

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APR 01 1986  
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PROCUREMENT

PROGRAMS

|                                   |          |
|-----------------------------------|----------|
| AIRCRAFT                          | MISSILES |
| WEAPONS & TRACKED COMBAT VEHICLES |          |
| AMMUNITION                        | OTHER    |

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| 1. REPORT NUMBER   | 2. GOVT ACCESSION NO. | 3. RECIPIENT'S CATALOG NUMBER  |
| 4. TITLE (and Subtitle) (in 6 parts) Department of the Army Justification of Estimates for Fiscal Year 1987, submitted to Congress February 1986, Procurement Programs, Aircraft, Missiles, Weapons & Tracked Cbt Veh., Ammunition, Other Procurement & Constr Programs  |                       | 5. TYPE OF REPORT & PERIOD COVERED<br>Army Procurement Budget Justification, FY 1987 |
|  |                       | 6. PERFORMING ORG. REPORT NUMBER   |
| 7. AUTHOR(s)<br><br>Department of the Army   |                       | 8. CONTRACT OR GRANT NUMBER(s)   |
| 9. PERFORMING ORGANIZATION NAME AND ADDRESS<br>HQDA, Office of the Deputy Chief of Staff for Research, Development, and Acquisition (DAMA-PPP-B)<br>Washington, DC 20310-0665  |                       | 10. PROGRAM ELEMENT, PROJECT, TASK AREA & WORK UNIT NUMBERS                          |
| 11. CONTROLLING OFFICE NAME AND ADDRESS<br>HQDA, Office of the Deputy Chief of Staff for Research, Development, and Acquisition (DAMA-PPP-B)<br>Washington, DC 20310-0665  |                       | 12. REPORT DATE<br>February 1986   |
| 14. MONITORING AGENCY NAME & ADDRESS (if different from Controlling Office)  |                       | 13. NUMBER OF PAGES<br>199 (including all parts)                                     |
|  |                       | 15. SECURITY CLASS. (of this report)<br><br>UNCLASSIFIED                             |
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| 18. SUPPLEMENTARY NOTES  |                       |  |
| 19. KEY WORDS (Continue on reverse side if necessary and identify by block number)<br>Army Procurement Programs Budget Justification Books covering Aircraft, Missiles, Weapons and Tracked Combat Vehicles, Ammunition, Other Procurement, Army Appropriations programs and Construction programs submitted by the Army to Congress February 1986 for Fiscal Year 1987.   |                       |  |
| 20. ABSTRACT (Continue on reverse side if necessary and identify by block number)<br>In justification of programs requested, this document, in separate volume for each of the five Procurement Appropriations, and one separate volume for Construction Programs, provides backup data for the Army Budget submission for FY 1987. Included are Summaries of Requirements, Program and Financing Statements and Selected Data Sheets. (These volumes are unclassified). |                       |  |

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DEPARTMENT OF THE ARMY  
 MISSILE PROCUREMENT, ARMY  
JUSTIFICATION OF ESTIMATES FOR FISCAL YEARS 1987, 1988

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2-i February 1986

MISSILE PROCUREMENT, ARMY

Section 1

Budget Appendix Extract

Language

Program and Financing Schedule

Object Classification Schedule

APPROPRIATION LANGUAGE

For construction, procurement, production, modification, and modernization of missiles, equipment, including ordnance, ground handling equipment, spare parts, and accessories therefore; specialized equipment and training devices; expansion of public and private plants, including the land necessary therefor, for the foregoing purposes, and such lands and interests therein, may be acquired, and construction prosecuted thereon prior to approval of title; and procurement and installation of equipment, appliances, and machine tools in public and private plants; reserve plant and Government and contractor-owned equipment layaway; and other expenses necessary for the foregoing purposes. In all: \$2,438,200 to remain available for obligation until 1/ September 30, (1988) 1989.

2/

(10 U.S.C. 2353, 2361, 3012, 1531-32; Department of Defense Appropriation Act, 1983; additional authorizing legislation to be proposed)

EXPLANATION OF LANGUAGE CHANGES

- 1/ To change the amount of the appropriation for FY 1987.
- 2/ To change the obligation expiration date for the FY 1987 program.

Missile Procurement, Army  
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1983

04 Feb 86

Budget plan (amounts for PROCUREMENT actions programmed)

| Identification code    | 21-2032-0-1-051                  | 1985 actual | 1986 est. | 1987 est. | 1985 actual | 1986 est. | 1987 est. |
|------------------------|----------------------------------|-------------|-----------|-----------|-------------|-----------|-----------|
| Program by activities: |                                  |             |           |           |             |           |           |
| Direct program:        |                                  |             |           |           |             |           |           |
| 00.0101                | Other missiles                   |             |           |           | 119,357     |           |           |
| 00.0201                | Modification of missiles         |             |           |           | 12,930      |           |           |
| 00.0301                | Spares and repair parts          |             |           |           | 45,922      |           |           |
| 00.0401                | Support equipment and facilities |             |           |           | 26,654      |           |           |
| 00.9101                | Total direct program             |             |           |           | 204,863     |           |           |
| 01.0101                | Reimbursable program             |             |           |           | 26,502      |           |           |
| 10.0001                | Total                            |             |           |           | 231,365     |           |           |

Financing:

Offsetting collections from:

|         |  |  |  |  |          |  |  |
|---------|--|--|--|--|----------|--|--|
| 11.0001 | Federal funds(-)                                 |  |  |  | 18,844   |  |  |
| 13.0001 | Trust funds(-)                                   |  |  |  | 28,177   |  |  |
| 17.0001 | Recovery of prior year obligations               |  |  |  | -69,001  |  |  |
| 21.4002 | Unobligated balance available, start of year:    |  |  |  |          |  |  |
|         | For completion of prior year budget plans        |  |  |  |          |  |  |
| 21.4007 | Reprogramming from/to prior year budget plan     |  |  |  | -244,550 |  |  |
| 22.4001 | Unobligated balance transferred to other account |  |  |  |          |  |  |
| 25.0001 | Unobligated balance lapsing                      |  |  |  |          |  |  |
| 39.0001 | Budget authority                                 |  |  |  |          |  |  |

Missile Procurement, Army  
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1984

| Identification code           | 21-2032-0-1-051                               | Budget Plan (amounts for PROCUREMENT actions programmed) |           |           |             | 1987 est. | 1986 est. | 1987 est. |
|-------------------------------|---|--|-----------|-----------|-------------|-----------|-----------|-----------|
|                               |   | 1985 actual  | 1986 est. | 1987 est. | 1985 actual |           |           |           |
| <b>Program by activities:</b> |   |  |           |           |             |           |           |           |
| <b>Direct program:</b>        |   |  |           |           |             |           |           |           |
| 00.0101                       | Other missiles                                |  |           |           | 116,023     |           | 107,946   |           |
| 00.0201                       | Modification of missiles                      |  |           |           | 10,663      |           | 30,602    |           |
| 00.0301                       | Spares and repair parts                       |  |           |           | 10,235      |           | 91,781    |           |
| 00.0401                       | Support equipment and facilities              |  |           |           | 4,483       |           | 25,454    |           |
| 00.9101                       | Total direct program                          |  |           |           | 141,404     |           | 255,783   |           |
| 01.0101                       | Reimbursable program                          |  |           |           | 47,263      |           | 672       |           |
| 10.0001                       | Total   |  |           |           | 188,667     |           | 256,455   |           |
| <b>Financing:</b>             |   |  |           |           |             |           |           |           |
| Offsetting collections from:  |   |  |           |           |             |           |           |           |
| 11.0001                       | Federal funds(-)                              |  |           |           | 25,712      |           | 893       |           |
| 13.0001                       | Trust funds(-)                                |  |           |           | 28,567      |           | -1        |           |
| 14.0001                       | Non-Federal sources(-)                        |  |           |           | -56,789     |           |           |           |
| 17.0001                       | Recovery of prior year obligations            |  |           |           |             |           |           |           |
| 21.4002                       | Unobligated balance available, start of year: |  |           |           |             |           |           |           |
|                               | For completion of prior year budget plans     |  |           |           | -449,404    |           | -257,348  |           |
| 21.4003                       | Available to finance new budget plans         |  |           |           |             |           | -10,100   |           |
| 21.4007                       | Reprogramming from/to prior year budget plans |  |           |           |             |           |           |           |
| 22.4001                       | Unobligated balance transferred to other acc  |  |           |           | -5,900      |           |           |           |
|                               | For completion of prior year budget plans     |  |           |           | -4,200      |           |           |           |
| 24.4002                       | Unobligated balance available, end of year:   |  |           |           |             |           |           |           |
|                               | For completion of prior year budget plans     |  |           |           | 10,100      |           |           |           |
| 24.4003                       | Available to finance subsequent year budget   |  |           |           |             |           |           |           |
| 39.0001                       | Budget authority                              |  |           |           |             |           |           |           |

2470 2000000

Missile Procurement, Army  
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

04 Feb 86

| Identification code          | 21-2032-0-1-051                               | Budget Plan (amounts for PROCUREMENT actions programmed) |           |           |             | Obligations |           |
|------------------------------|---|--|-----------|-----------|-------------|-------------|-----------|
|                              |   | 1985 actual  | 1986 est. | 1987 est. | 1985 actual | 1986 est.   | 1987 est. |
| Program by activities:       |   |  |           |           |             |             |           |
| Direct program:              |   |  |           |           |             |             |           |
| 00.0101                      | Other missiles                                | 2,508,600  |           |           | 2,157,169   | 214,825     | 136,606   |
| 00.0201                      | Modification of missiles                      | 210,400  |           |           | 60,784      | 120,046     | 29,570    |
| 00.0301                      | Spares and repair parts                       | 244,800  |           |           | 97,139      | 122,046     | 25,615    |
| 00.0401                      | Support equipment and facilities              | 132,100  |           |           | 42,276      | 73,219      | 16,605    |
| 00.9101                      | Total direct program                          | 3,095,900  |           |           | 2,357,368   | 530,136     | 208,396   |
| 01.0101                      | Reimbursable program                          | 180,306  |           |           | 177,075     | 3,231       |           |
| 10.0001                      | Total   | 3,276,206  |           |           | 2,534,443   | 533,367     | 208,396   |
| Financing:                   |   |  |           |           |             |             |           |
| Offsetting collections from: |   |  |           |           |             |             |           |
| 11.0001                      | Federal funds(-)                              | -170,730   |           |           | -170,730    |             |           |
| 13.0001                      | Trust funds(-)                                | -9,588   | 12        |           | -9,588      | 12          |           |
| 21.4002                      | Unobligated balance available, start of year: |  |           |           |             |             |           |
| 21.4003                      | For completion of prior year budget plans     |  |           |           |             |             |           |
| 21.4007                      | Available to finance new budget plans         |  |           |           |             |             |           |
| 22.4001                      | Reprogramming from/to prior year budget plan  | 12   |           |           | -71,100     |             |           |
| 24.4002                      | Unobligated balance transferred to other acc  |  |           |           | -12         |             |           |
| 24.4003                      | Unobligated balance available, end of year:   |  |           |           | 71,100      | 71,100      |           |
| 40.0001                      | For completion of prior year budget plans     | 71,100   |           |           | 741,775     | 208,396     |           |
|                              | Available to finance subsequent year budget   |  |           |           | 71,100      |             |           |
|                              | Budget authority (Appropriation)              | 3,167,000  |           |           | 3,167,000   |             |           |

2-5 February 1986

2470 2000000

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Missile Procurement, Army  
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1986

04 Feb 86

| Identification code           | 21-2032-0-1-051  | Budget Plan (amounts for PROCUREMENT actions programed) |           |           | Obligations |           |
|-------------------------------|--|---|-----------|-----------|-------------|-----------|
|                               |  | 1985 actual   | 1986 est. | 1987 est. | 1985 actual | 1987 est. |
| <b>Program by activities:</b> |  |   |           |           |             |           |
| <b>Direct program:</b>        |  |   |           |           |             |           |
| 00.0101                       | Other missiles   | 2,375,100   |           |           | 1,722,630   | 431,445   |
| 00.0201                       | Modification of missiles   | 187,032   |           |           | 175,360     | 5,540     |
| 00.0301                       | Spares and repair parts  | 286,800   |           |           | 271,040     | 4,560     |
| 00.0401                       | Support equipment and facilities   | 55,400  |           |           | 49,896      | 3,969     |
| 00.9101                       | Total direct program   | 2,904,332   |           |           | 2,218,926   | 445,514   |
| 01.0101                       | Reimbursable program   | 522,700   |           |           | 522,700     |           |
| 10.0001                       | Total  | 3,427,032   |           |           | 2,741,626   | 445,514   |
| <b>Financing:</b>             |  |   |           |           |             |           |
| Offsetting collections from:  |  |   |           |           |             |           |
| 11.0001                       | Federal funds(-)   | 444,000   |           |           | 444,000     |           |
| 13.0001                       | Trust funds(-)   | -78,700   |           |           | -78,700     |           |
| 21.4002                       | Unobligated balance available, start of year:<br>For completion of prior year budget plans |   |           |           |             | -685,406  |
| 24.4002                       | Unobligated balance available, end of year:<br>For completion of prior year budget plans   |   |           |           | 685,406     | 219,892   |
| 40.0001                       | Budget authority (Appropriation)   | 2,904,332   |           |           | 2,904,332   |           |

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Missile Procurement, Army  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987 04 Feb, 86

| Identification code          | 21-2032-0-1-051 | Budget Plan (amounts for PROCUREMENT actions programed) |           |           | 1987 est. | 1985 actual | 1986 est. | 1987 est. | Obligations |
|------------------------------|-----------------|---|-----------|-----------|-----------|-------------|-----------|-----------|-------------|
|                              |                 | 1985 actual   | 1986 est. | 1987 est. |           |             |           |           |             |
| Program by activities:       |                 |   |           |           |           |             |           |           |             |
| Direct program:              |                 |   |           |           |           |             |           |           |             |
| 00.0101                      |                 |   |           | 2,064,200 |           |             |           | 1,500,388 |             |
| 00.0201                      |                 |   |           | 173,500   |           |             |           | 170,720   |             |
| 00.0301                      |                 |   |           | 150,900   |           |             |           | 137,912   |             |
| 00.0401                      |                 |   |           | 49,600    |           |             |           | 47,520    |             |
| 00.9101                      |                 |   |           | 2,438,200 |           |             |           | 1,856,540 |             |
| 01.0101                      |                 |   |           | 470,100   |           |             |           | 470,100   |             |
| 10.0001                      |                 |   |           | 2,908,300 |           |             |           | 2,326,640 |             |
| Financing:                   |                 |   |           |           |           |             |           |           |             |
| Offsetting collections from: |                 |   |           |           |           |             |           |           |             |
| 11.0001                      |                 |   |           | 406,500   |           |             |           | 406,500   |             |
| 13.0001                      |                 |   |           | 63,600    |           |             |           | 63,600    |             |
| 24.4002                      |                 |   |           |           |           |             |           | 581,660   |             |
| 40.0001                      |                 |   |           | 2,438,200 |           |             |           | 2,438,200 |             |

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Missile Procurement, Army  
Program and Financing (in Thousands of Dollars) SUMMARY

04 Feb 86

| Identification code                        | 21-2032-0-1-051                               | Budget plan (amounts for PROCUREMENT actions programmed) |           |           |             | Obligations |            |
|--|---|--|-----------|-----------|-------------|-------------|------------|
|  |   | 1985 actual  | 1986 est. | 1987 est. | 1985 actual | 1986 est.   | 1987 est.  |
| <b>Program by activities:</b>              |   |  |           |           |             |             |            |
| <b>Direct program:</b>                     |   |  |           |           |             |             |            |
| 00.0101                                    | Other missiles                                | 2,508,600  | 2,375,100 | 2,064,200 | 2,392,549   | 2,045,401   | 2,068,439  |
| 00.0201                                    | Modification of missiles                      | 210,400  | 187,032   | 173,500   | 84,377      | 326,008     | 205,830    |
| 00.0301                                    | Spares and repair parts                       | 244,800  | 286,800   | 150,900   | 153,296     | 484,867     | 168,087    |
| 00.0401                                    | Support equipment and facilities              | 132,100  | 55,400    | 49,600    | 73,413      | 148,569     | 68,094     |
| 00.9101                                    | Total direct program                          | 3,095,900  | 2,904,332 | 2,438,200 | 2,703,635   | 3,004,845   | 2,510,450  |
| 01.0101                                    | Reimbursable program                          | 180,306  | 527,700   | 470,100   | 250,840     | 526,603     | 470,100    |
| 10.0001                                    | Total   | 3,276,206  | 3,427,032 | 2,908,300 | 2,954,475   | 3,531,448   | 2,980,550  |
| <b>Financing:</b>                          |   |  |           |           |             |             |            |
| Offsetting collections from:               |   |  |           |           |             |             |            |
| 11.0001                                    | Federal funds(-)                              | -170,730   | 444,000   | -406,500  | -126,174    | 444,000     | -406,500   |
| 13.0001                                    | Trust funds(-)                                | -9,588   | -78,688   | 63,600    | 47,156      | -77,795     | -63,600    |
| 14.0001                                    | Non-federal sources(-)                        |  |           |           | -1          |             |            |
| 17.0001                                    | Recovery of prior year obligations            |  |           |           | -125,790    |             |            |
| 21.4002                                    | Unobligated balance available, start of year: |  |           |           |             |             |            |
| 21.4003                                    | For completion of prior year budget plans     |  |           |           | -693,954    | -999,123    | -893,802   |
| 21.4007                                    | Available to finance new budget plans         | -41,053  | -81,200   |           |             | -81,200     |            |
| 22.4001                                    | Reprogramming from/to prior year budget plan  | 11,000   | 81,200    |           | 11,000      | 81,200      |            |
| 24.4002                                    | Unobligated balance transferred to other acc  |  |           |           |             |             |            |
| 24.4003                                    | Unobligated balance available, end of year:   |  |           |           |             |             |            |
| 25.0001                                    | For completion of prior year budget plans     | 81,200   |           |           | 999,123     | 893,802     | 821,552    |
|  | Available to finance subsequent year budget   | 19,965   |           |           | 81,200      |             |            |
|  | Unobligated balance lapsing                   |  |           |           | 19,965      |             |            |
| 40.0001                                    | Budget authority (Appropriation)              | 3,167,000  | 2,904,332 | 2,438,200 | 3,167,000   | 2,904,332   | 2,438,200  |
| <b>Relation of obligations to outlays:</b> |   |  |           |           |             |             |            |
| 71.0001                                    | Obligations incurred, net                     |  |           |           | 2,875,456   | 3,009,653   | 2,510,450  |
| 72.4001                                    | Obligated balance, start of year              |  |           |           | 3,796,197   | 4,128,284   | 4,794,903  |
| 74.4001                                    | Obligated balance, end of year                |  |           |           | -4,128,284  | -4,794,903  | -4,916,388 |
| 77.0001                                    | Adjustments in expired accounts               |  |           |           | -18,491     |             |            |
| 78.0001                                    | Adjustments in unexpired accounts             |  |           |           | -125,790    |             |            |
| 90.0001                                    | Outlays                                       |  |           |           | 2,399,088   | 2,343,034   | 2,388,965  |

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Missile Procurement, Army  
Object Classification (in Thousands of dollars) SUMMARY

04 Feb 86

| Identification code       | 21-2032-0-1-051                | 1985 actual | 1986 est. | 1987 est. |
|---------------------------|--------------------------------|-------------|-----------|-----------|
| Direct obligations:       |                                |             |           |           |
| Other services:           |                                |             |           |           |
| 125.004                   | Other                          | 513,690     | 774,322   | 507,091   |
| 126.001                   | Supplies and materials         | 811,091     | 343,947   | 663,790   |
| 131.001                   | Equipment                      | 1,378,854   | 1,886,576 | 1,339,569 |
| 199.001                   | Total Direct obligations       | 2,703,635   | 3,004,845 | 2,510,450 |
| Reimbursable obligations: |                                |             |           |           |
| Other services:           |                                |             |           |           |
| 225.004                   | Other                          | 47,660      | 137,392   | 92,468    |
| 226.001                   | Supplies and materials         | 75,252      | 26,769    | 107,862   |
| 231.001                   | Equipment                      | 127,928     | 362,442   | 269,770   |
| 299.001                   | Total Reimbursable obligations | 250,840     | 526,603   | 470,100   |
| 999.901                   | Total obligations              | 2,954,475   | 3,531,448 | 2,980,550 |

# UNCLASSIFIED

Missile Procurement, Army  
(Reduction Pursuant to Public Law 99-177)  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1984

04 Feb 86

## Budget Plan (amounts for PROCUREMENT actions programmed)

| Identification code    | 21-2032-6-1-051 | 1985 actual | 1986 est. | 1987 est. | 1985 actual | 1986 est. | 1987 est. |
|------------------------|-----------------|-------------|-----------|-----------|-------------|-----------|-----------|
| Program by activities: |                 |             |           |           |             |           |           |
| 10.0001                | Total           |             |           |           |             |           |           |

Obligations  
-12,508

### Financing:

Unobligated balance available, start of year:  
21.4007 Reprogramming from/to prior year budget plan -12,508  
23.4001 Unobligated balance reduction: Appropriation 12,508  
39.0001 Budget authority

# UNCLASSIFIED

Missile Procurement, Army  
 (Reduction Pursuant to Public Law 99-177)  
 Program and Financing (in Thousands of dollars) FISCAL YEAR 1985

04 Feb 86

Budget plan (amounts for PROCUREMENT actions programed) Obligations

| Identification code                           | 21-2032-6-1-051 | 1985 actual | 1986 est. | 1987 est. | 1985 actual | 1986 est. | 1987 est. |
|---|-----------------|-------------|-----------|-----------|-------------|-----------|-----------|
| Program by activities:                        |                 |             |           |           |             |           |           |
| Direct program:                               |                 |             |           |           |             |           |           |
| 00.0201                                       |                 |             |           |           |             |           |           |
| Other missiles                                |                 |             |           |           |             |           |           |
| 00.2001                                       |                 | -36,934     |           |           |             | -26,046   | -10,888   |
| Undistributed                                 |                 |             |           |           |             |           |           |
| 10.0001                                       |                 | -36,934     |           |           |             | -26,046   | -10,888   |
| Total   |                 |             |           |           |             |           |           |
| Financing:                                    |                 |             |           |           |             |           |           |
| Unobligated balance available, start of year: |                 |             |           |           |             |           |           |
| 21.4002                                       |                 |             |           |           |             |           |           |
| For completion of prior year budget plans     |                 |             |           |           |             |           |           |
| 21.4007                                       |                 | 36,934      |           |           |             |           |           |
| Reprogramming from/to prior year budget plan  |                 |             |           |           |             |           |           |
| 23.4001                                       |                 |             | -36,934   |           |             | 36,934    |           |
| Unobligated balance reduction: Appropriation  |                 |             |           |           |             |           |           |
| 24.4002                                       |                 |             |           |           |             |           |           |
| Unobligated balance available, end of year:   |                 |             |           |           |             |           |           |
| For completion of prior year budget plans     |                 |             |           |           |             |           |           |
| 39.0001                                       |                 |             |           |           |             |           |           |
| Budget authority                              |                 |             |           |           |             |           |           |

UNCLASSIFIED

Missile Procurement, Army  
(Reduction Pursuant to Public Law 99-177)  
Program and Financing (in Thousands of dollars) FISCAL YEAR 1986

04 Feb 86

| Identification code                           | 21-2032-6-1-051 | Budget Plan (amounts for PROCUREMENT actions programed) |           |           | Obligations |           |           |
|---|-----------------|---|-----------|-----------|-------------|-----------|-----------|
|   |                 | 1985 actual   | 1986 est. | 1987 est. | 1985 actual | 1986 est. | 1987 est. |
| Program by activities:                        |                 |   |           |           |             |           |           |
| Direct program:                               |                 |   |           |           |             |           |           |
| 00.0201                                       |                 |   | -142,312  |           | -113,850    | -18,501   |           |
| 00.2001                                       |                 |   |           |           |             |           |           |
| 10.0001                                       |                 |   | -142,312  |           | -113,850    | -18,501   |           |
| Financing:                                    |                 |   |           |           |             |           |           |
| Unobligated balance available, start of year: |                 |   |           |           |             |           |           |
| 21.4002                                       |                 |   |           |           |             | 28,462    |           |
| Unobligated balance available, end of year:   |                 |   |           |           |             |           |           |
| 24.4002                                       |                 |   |           |           | -28,462     | -9,961    |           |
| 40.0001                                       |                 |   | -142,312  |           | -142,312    |           |           |

UNCLASSIFIED

UNCLASSIFIED

Missile Procurement, Army  
(Reduction Pursuant to Public Law 99-177)  
Program and Financing (in thousands of dollars) SUMMARY

04 Feb 86

Budget Plan (amounts for PROCUREMENT actions programmed)

| Identification code                 | 21-2032-6-1-051                               | 1985 actual | 1986 est. | 1987 est. | 1985 actual | 1986 est. | 1987 est. |
|-------------------------------------|---|-------------|-----------|-----------|-------------|-----------|-----------|
| Program by activities:              |   |             |           |           |             |           |           |
| 00.0201                             | Direct program:                               |             |           |           |             |           |           |
| 00.2001                             | Other missiles                                | -36,934     | -142,312  |           |             | -152,404  | -29,389   |
|                                     | Undistributed                                 |             |           |           |             |           |           |
| 10.0001                             | Total   | -36,934     | -142,312  |           |             | -152,404  | -29,389   |
| Financing:                          |   |             |           |           |             |           |           |
| 21.4002                             | Unobligated balance available, start of year: |             |           |           |             |           | 39,350    |
| 21.4007                             | For completion of prior year budget plans     |             |           |           |             |           |           |
| 23.4001                             | Reprogramming from/to prior year budget plan  | 36,934      | -49,442   |           |             | 49,442    |           |
|                                     | Unobligated balance reduction: Appropriation  |             | 49,442    |           |             |           |           |
| 24.4002                             | Unobligated balance available, end of year:   |             |           |           |             | -39,350   | -9,961    |
|                                     | For completion of prior year budget plans     |             |           |           |             |           |           |
| 40.0001                             | Budget authority (Appropriation)              |             | -142,312  |           |             | -142,312  |           |
| Relation of obligations to outlays: |   |             |           |           |             |           |           |
| 71.0001                             | Obligations incurred, net                     |             |           |           |             | -152,404  | -29,389   |
| 72.4001                             | Obligated balance, start of year              |             |           |           |             | 138,470   | 107,494   |
| 74.4001                             | Obligated balance, end of year                |             |           |           |             |           |           |
| 90.0001                             | Outlays                                       |             |           |           |             | -13,934   | -60,365   |

2-13 February 1986

UNCLASSIFIED

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Missile Procurement, Army  
(Reduction Pursuant to Public Law 99-177)  
Object Classification (in thousands of dollars) SUMMARY

04 Feb 86

| Identification code              | 21-2032-6-1-051 | 1985 actual | 1986 est. | 1987 est. |
|----------------------------------|-----------------|-------------|-----------|-----------|
| Direct obligations:              |                 |             |           |           |
| 192.001 Undistributed            |                 |             | -152,404  | 29,389    |
| 199.001 Total Direct obligations |                 |             | -152,404  | 29,389    |
| 999.901 Total obligations        |                 |             | -152,404  | 29,389    |

MISSILE PROCUREMENT, ARMY

Section 2

Budget Activity Justification

Activity 2 - Other Missiles

Activity 3 - Modification of Missiles

Activity 4 - Spares and Repair Parts

Activity 5 - Support Equipment and Facilities

2-15 February 1986

UNCLASSIFIED

Department of the Army  
Annual Budget Estimates  
JUSTIFICATION  
Appropriation  
Missile Procurement, Army  
FY 1987  
Budget

Program or Budget Project Account (Thousands of Dollars)

|   | Actual      | Estimate    | Estimate    |
|---|-------------|-------------|-------------|
|   | FY 1985     | FY 1986     | FY 1987     |
| Activity 2 - Other Missiles             |             |             |             |
| Direct Obligation or Direct Budget Plan | \$2,508,600 | \$2,375,100 | \$2,064,200 |
|   |             |             | FY 1988     |
|   |             |             | \$2,463,600 |

Section 1 - PURPOSE AND SCOPE

Provides for procurement of surface-to-air, antitank assault, surface-to-surface and air-to-surface missile systems; related ground support equipment; and initial issue and replacement of losses consumed in reliability firings, crew proficiency firings, and other training activities.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

CHAPARRAL Missile System (P-1 Line Item No. 1)

| (\$ in Thousands) | FY 1988   |
|-------------------|-----------|
| FY 1987           | FY 1988   |
| \$103,700         | \$114,500 |

\$103.7 million is requested in FY 1987 for procurement of 456 Rosette Scan Seeker (RSS) missiles to upgrade CHAPARRAL Missiles with Infrared Counter-Counter Measures capability. \$114.5 million requested in FY88 continues procurement of 960 CHAPARRAL RSS missiles.

Non Line of Sight Air Defense (P-1 Line Item No. 2)

| (\$ in Thousands) | FY 1988  |
|-------------------|----------|
| FY 1987           | FY 1988  |
| \$ - -            | \$14,200 |

\$14.2 million is requested in FY 1988 for the initial procurement of Non Line of Sight Air Defense. Non Line of Sight Air Defense is a component of the Forward Area Air Defense System designed to counter the over-the-hill helicopter threat to Heavy Divisions (Armor and Mechanized Infantry).

UNCLASSIFIED

Air Defense System Heavy (P-1 Line Item No. 3)

|                   |                |
|-------------------|----------------|
| (\$ in Thousands) |                |
| <u>FY 1987</u>    | <u>FY 1988</u> |
| \$9,100           | \$55,400       |

\$9.1 million is requested in FY 1987 is to procure equipment in support of the FY 1988 production of Heavy Air Defense Systems. \$65.4 million is requested in FY 1988 for the procurement of Heavy Air Defense Systems. The Heavy Air Defense System fulfills the requirement for the Line of Sight (Forward-Heavy) component of the Forward Area Air Defense System designed to counter the line of sight fixed wing and helicopter threat to committed forces in Heavy Divisions (Armor and Mechanized Infantry).

Air Defense System Light (P-1 Line Item No. 4)

|                   |                |
|-------------------|----------------|
| (\$ in Thousands) |                |
| <u>FY 1987</u>    | <u>FY 1988</u> |
| \$ - -            | Classified     |

Classified. is requested in FY 1988 for initial procurement of Light Air Defense Systems. The Light Air Defense System fulfills the requirement for the Line of Sight (Forward-Light) component of the Forward Area Air Defense System designed to counter the forward area fixed wing and helicopter threat to light and specialized divisions.

Other Missile Support (P-1 Line Item No. 5)

|                   |                |
|-------------------|----------------|
| (\$ in Thousands) |                |
| <u>FY 1987</u>    | <u>FY 1988</u> |
| \$6,500           | \$4,700        |

\$6.5 million in FY 1987 is requested for the procurement of 102 replacement HAWK rocket motors and peculiar support equipment. The FY 1988 request is for 136 replacement rocket motors and peculiar support equipment at a cost of \$4.7 million.

PATRIOT Missile System (MYP) (P-1 Line Item No. 6)

|                   |                |
|-------------------|----------------|
| (\$ in Thousands) |                |
| <u>FY 1987</u>    | <u>FY 1988</u> |
| \$951,500         | \$912,700      |

\$951.5 million is requested in FY 1987 for 700 PATRIOT missiles and 12 fire units. In FY 1988 \$912.7 million is requested for procurement of 715 missiles and 12 fire units. PATRIOT is an improved system which will replace NIKE-HERCULES and some HAWK batteries and is specifically designed to defeat the advanced air threat of the 1990's and beyond. Procurement began in FY 1980 and will continue through FY 1991.

**PATRIOT**

PATRIOT Advance Procurement (MYP) (P-1 Line Item No. 7)

|                |                   |
|----------------|-------------------|
|                | (\$ in Thousands) |
| <u>FY 1987</u> | <u>FY 1988</u>    |
| \$45,300       | \$40,100          |

\$45.3 million is requested in FY 1987 and \$40.1 million is requested in FY 1988 to procure advance materials in support of a multiyear procurement acquisition strategy for PATRIOT.

STINGER Missile System (MYP) (P-1 Line Item No. 8)

|                |                   |
|----------------|-------------------|
|                | (\$ in Thousands) |
| <u>FY 1987</u> | <u>FY 1988</u>    |
| \$251,700      | \$337,700         |

\$251.7 million is requested for the procurement of 4,180 Stinger-POST/RMP missiles and Pedestal Mounted Stinger Launch Stations in FY 1987 and \$337.7 million for 5,964 Stinger-POST/RMP missiles and Pedestal Mounted Stinger Launch Stations in FY 1988. The Stinger is a man-portable air defense missile system that provides self-defense to forward deployed, company size combat units. The Pedestal Mounted Stinger fulfills the Line of Sight (Rear) Forward Area Air Defense requirement and improves the mobility, fire power, reaction time, and man-machine interfaces of the man-portable Stinger missile.

STINGER Advance Procurement (MYP) (P-1 Line Item No. 9)

|                |                   |
|----------------|-------------------|
|                | (\$ in Thousands) |
| <u>FY 1987</u> | <u>FY 1988</u>    |
| \$40,300       | \$45,500          |

\$40.3 million is requested in FY 1987 and \$45.5 million is requested in FY 1988 to procure advance materials in economic order quantities in support of a multiyear procurement acquisition strategy for the STINGER Missile System.

LASER HELLFIRE System (P-1 Line Item No. 10)

|                |                   |
|----------------|-------------------|
|                | (\$ in Thousands) |
| <u>FY 1987</u> | <u>FY 1988</u>    |
| \$ - -         | \$190,600         |

\$190.6 million is requested in FY 1988 to procure 4800 laser Hellfire missiles and associated equipment. The HELLFIRE missile system is designed to defeat the current and future armor threat at stand-off ranges. Mounted on the AH-64 helicopter, it will increase survivability and lethality.

TOW Missile System (P-1 Line Item No. 11)

|                   |                  |
|-------------------|------------------|
| (\$ in Thousands) |                  |
| FY 1987           | FY 1988          |
| <u>\$134,600</u>  | <u>\$176,300</u> |

The FY 1987 budget request of \$134.6 million will procure 12,000 TOW-2 missiles and ground support equipment. 12,000 TOW-2 missiles will be procured in FY1988 at a cost of \$176.3 million. The TOW-2 system is an upgrade of the basic TOW which was originally fielded in 1970. The TOW-2 missile is designed to defeat current and future enemy armored vehicles.

TOW Advance Procurement (P-1 Line Item No. 12)

|                   |              |
|-------------------|--------------|
| (\$ in Thousands) |              |
| FY 1987           | FY 1988      |
| <u>\$ 15,500</u>  | <u>\$ --</u> |

\$15.5 million is requested in FY 1987 to procure long lead items for surge capability for TOW 2 production of 2500 missiles per month.

PERSHING (P-1 Line Item No. 13)

|                   |                   |
|-------------------|-------------------|
| (\$ in Thousands) |                   |
| FY 1987           | FY 1988           |
| <u>\$31,800</u>   | <u>Classified</u> |

\$31.8 million is requested in FY 1987 to procure flight instrumentation kits for the PERSHING II flight test program and installation kits for advanced technology radio equipment which is required for effective command and control of Theater Nuclear Force units. The amount in FY 1988 is requested for buy out of the flight test instrumentation packages.

Multiple Launch Rocket System (MLRS) (MYP) (P-1 Line Item No. 14)

|                   |                  |
|-------------------|------------------|
| (\$ in Thousands) |                  |
| FY 1987           | FY 1988          |
| <u>\$474,200</u>  | <u>\$480,200</u> |

\$474.2 million is requested to procure 72,000 rockets, 44 launchers and associated ground support equipment in FY 1987. \$480.2 million is requested to procure 72,000 rockets, 42 launchers, and associated ground support equipment in FY 1988. The MLRS is a 227 millimeter diameter multiple launch rocket system with tracked self-propelled launcher/loader, disposable pods, and fire control equipment. Its mission is to neutralize or suppress enemy field artillery and air defense systems, and supplement cannon artillery when targets exceed capabilities during surge conditions.

**JUSTIFICATION**

Department of the Army Appropriation  
 Annual Budget Estimates  
 JUSTIFICATION  
 Missile Procurement, Army  
 FY 1987  
 Budget  
 Program or Budget Project Account  
 (Thousands of Dollars)

|   | Actual    | Estimate  | Estimate  | Estimate  |
|---|-----------|-----------|-----------|-----------|
| Activity 3 - Modification of Missiles   |           |           |           |           |
|   | FY 1985   | FY 1986   | FY 1987   | FY 1988   |
| Direct Obligation or Direct Budget Plan | \$210,400 | \$187,000 | \$173,500 | \$181,900 |

Section 1 - PURPOSE AND SCOPE

Provides for the modification of surface-to-air, surface-to-surface, and antitank missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

PATRIOT Modifications (P-1 Line Item No. 16)

| (\$ in Thousands) |          |
|-------------------|----------|
| FY 1987           | \$38,600 |
| FY 1988           | \$52,800 |

\$38.6 million in FY1987 and \$52.8 million in FY1988 is requested for radar enhancements to improve target data processing and engagement of low radar cross section targets, clutter canceller improvements to improve engagement of low altitude targets, and upgrade the data link terminal at the engagement control station and the launching station to improve reliability.

CHAPARRAL Modifications (P-1 Line Item No. 17)

| (\$ in Thousands) |          |
|-------------------|----------|
| FY 1987           | \$5,200  |
| FY 1988           | \$13,500 |

\$5.2 million is requested in FY 1987 for procurement of 524 smokeless rocket motors, and for forward looking infrared (FLIR) night sights with optical improvement. \$13,500 million is requested in FY 1988 to continue procurement of items identified in FY1987.

HAWK Modifications (P-1 Line Item No. 18)

|         |                     |
|---------|---------------------|
|         | ( \$ in Thousands ) |
| FY 1987 | \$68,200            |
| FY 1988 | \$50,500            |

\$68.2 million is requested in FY 1987 for the second year production buy of Phase III modification kits to improve the HAWK missile capabilities. The Phase III modification will improve fire power, low altitude target engagement, and training capabilities of each fire unit, as well as reduce operator and maintenance workloads. \$50.5 million is requested in FY 1988 to continue Phase III modification procurement.

TOW Modifications (P-1 Line Item No. 19)

|         |                     |
|---------|---------------------|
|         | ( \$ in Thousands ) |
| FY 1987 | \$53,000            |
| FY 1988 | \$38,900            |

\$53.0 million is requested in FY 1987 and \$38.9 million in FY 1988 to provide an increased anti-armor capability, increased performance and hardening against obscuration, and electrical optical countermeasures for the TOW missile. This program also modifies existing basic TOW launchers to the TOW-2 configuration.

DRAGON Modification (P-1 Line Item No. 20)

|         |                     |
|---------|---------------------|
|         | ( \$ in Thousands ) |
| FY 1987 | \$4,700             |
| FY 1988 | \$--                |

\$4.7 million is requested in FY 1987 to procure improved DRAGON Warheads to upgrade a part of the current inventory of Dragon missiles to improve lethality against current and future armor threats.

LANCE Modification (P-1 Line Item No. 21)

|         |                     |
|---------|---------------------|
|         | ( \$ in Thousands ) |
| FY 1987 | \$3,800             |
| FY 1988 | \$16,100            |

\$3.8 million is requested in FY 1987 for procurement of timers and guidance and control equipment for the Lance missile system. \$16.1 million is requested in FY 1988 for final procurement of timers and guidance and control equipment necessary to insure mission accomplishment thru target/range accuracy.

PERSHING Modifications (P-1 Line Item No. 23)

|         |                     |
|---------|---------------------|
|         | ( \$ in Thousands ) |
| FY 1987 | \$--                |
| FY 1988 | \$10,100            |

\$10.1 million is requested in FY 1988 for procurement of modification kits required to improve maintenance and reduce potential safety problems for the Pershing II missile system..

2-21 February 1986

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Department of the Army  
Annual Budget Estimates  
JUSTIFICATION

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Appropriation  
Missile Procurement, Army

FY 1987  
Budget

Program or Budget Project Account  
 (Thousands of Dollars)

|   | Actual    | Estimate  | Estimate  | Estimate  |
|---|-----------|-----------|-----------|-----------|
| Activity 4 - Spares and Repair Parts    | FY 1985   | FY 1986   | FY 1987   | FY 1988   |
| Direct Obligation or Direct Budget Plan | \$244,800 | \$286,800 | \$150,900 | \$301,300 |

### Section 1 - PURPOSE AND SCOPE

Provides for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve of repairable major assemblies and repair parts for surface-to-air, air-to-surface, surface-to-surface, and antitank missile systems and support items.

### Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Required for the procurement of initial provisioning, peacetime replenishment, and mobilization reserve requirements of centrally managed, high dollar value depot repairable components, assemblies, and repair parts which are not carried in Army stock fund inventories.

Spares and Repair Parts  
Initial Provisioning (P-1 Line Item No. 25)

|                   | FY 1987  | FY 1988   |
|-------------------|----------|-----------|
| (\$ in Thousands) | \$67,900 | \$179,300 |

Initial Provisioning is requested to support the following major item procurements:

| <u>System</u> | <u>FY 1987</u> | <u>FY 1988</u> |
|---------------|----------------|----------------|
| CHAPARRAL     | \$ 1.9         | \$ 3.8         |
| PATRIOT       | 37.1           | 85.8           |
| HELLFIRE      | -              | 2.3            |
| STINGER       | 1.0            | 3.2            |
| MLRS          | 10.5           | 27.8           |
| TOW 2         | 4.2            | 14.3           |

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| <u>System</u>  | <u>FY 1987</u>      | <u>FY 1988</u> |
|----------------|---------------------|----------------|
| CHAPARRAL MODS | .8                  | 1.1            |
| HAWK MODS      | 8.5                 | 21.8           |
| PATRIOT MODS   | 2.3                 | 11.3           |
| TOW MODS       | 1.6                 | 5.2            |
| PERSHING MODS  | -                   | 2.7            |
|                | ( \$ in Thousands ) |                |
|                | <u>FY 1987</u>      | <u>FY 1988</u> |
|                | \$83,000            | \$122,000      |

Spares and Repair Parts (P-1 Line Item No 25)

\$83.0 million is requested in FY 1987 and \$122.0 million is requested in FY 1988 for peacetime replenishment repair parts.

2-23 February 1986

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| Department of the Army<br>Annual Budget Estimates<br>JUSTIFICATION |           | Appropriation          |          | FY 1987<br>Budget |
|--|-----------|------------------------|----------|-------------------|
| Program or Budget Project Account.                                 |           | (Thousands of Dollars) |          |                   |
|  | Actual    | Estimate               | Estimate | Estimate          |
| Activity 5 - Support Equipment & Facilities                        | FY 1985   | FY 1986                | FY 1987  | FY 1988           |
| Direct Obligation or Direct Budget Plan                            | \$132,100 | \$55,400               | \$49,600 | \$51,500          |

Section 1 - PURPOSE AND SCOPE

Provides for the procurement of support equipment, items less than \$900,000 and production base support for Army missile systems.

Section 2 - JUSTIFICATION OF FUNDS REQUESTED

Air Defense Targets (P-1 Line Item No. 26)

|                   |          |
|-------------------|----------|
| (\$ in Thousands) |          |
| FY 1987           | FY 1988  |
| \$32,400          | \$31,600 |

\$32.4 million is requested in FY 1987 and \$31.6 million in FY 1988 for procurement of air defense targets, towed targets and ground support systems. This program provides targets for training of air defense personnel.

Items Less Than \$2.0 Million (Missiles) (P-1 Line Item No. 27)

|                   |         |
|-------------------|---------|
| (\$ in Thousands) |         |
| FY 1987           | FY 1988 |
| \$1,500           | \$2,200 |

\$1.5 million is requested in FY 1987 and \$2.2 million in FY 1988 for procurement of tool and test sets to support missile system maintenance and repair.

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Production Base Support (P-1 Line Item No. 28)

( \$ in Thousands )

|          |          |
|----------|----------|
| FY 1987  | FY 1988  |
| \$15,700 | \$17,700 |

\$15.7 million is requested in FY 1987 and \$17.7 million is requested in FY 1988 for production base support for missiles and air defense. This request includes funding for new and replacement equipment at White Sands Missile Range, rehabilitation/replacement of buildings and equipment at Government Owned/Contractor Operated facilities, and the procurement of plant equipment required to support the depot maintenance mission.

MISSILE PROCUREMENT, ARMY

Section 3

Comparison of Program Requirements and Financing

Comparison of FY 1986 program requirements as reflected in FY 1986 budget with FY 1986 program requirements as shown in FY 1987 budget.

Comparison of FY 1986 financing as reflected in FY 1986 budget with FY 1986 financing as shown in FY 1987 budget.

Comparison of FY 1985 program requirements as reflected in FY 1986 budget with FY 1985 program requirements as shown in FY 1987 budget.

Comparison of FY 1985 financing as reflected in FY 1986 budget with FY 1985 financing as shown in FY 1987 budget.

**UNCLASSIFIED**

COMPARISON OF FY 1986 PROGRAM REQUIREMENTS  
AS REFLECTED IN FY 1986 BUDGET WITH  
FY 1986 PROGRAM REQUIREMENTS AS SHOWN IN FY 1987 BUDGET

SUMMARY OF REQUIREMENTS (in Thousands of Dollars)

| Appropriation:                                | Total Program Requirements Per FY 1986 Budget | Program Requirements Per FY 1987 Budget | Increase (+) or Decrease (-) |
|---|---|---|------------------------------|
| Activity 1 - Antibalistic Missile System      | 0   | 0                                       | 0                            |
| Activity 2 - Other Missiles                   | \$2,786,000                                   | \$2,375,100                             | -\$410,900                   |
| Activity 3 - Modification of Missiles         | 222,000                                       | 187,032                                 | -34,968                      |
| Activity 4 - Spares and Repair Parts          | 322,000                                       | 286,800                                 | -35,200                      |
| Activity 5 - Support Equipment and Facilities | 56,700  | 55,400                                  | -1,300                       |
| TOTAL   | \$3,386,700                                   | \$2,904,332                             | -\$482,368                   |

EXPLANATION OF ACTIVITY

Activity 2 - Other Missiles (-\$410.9) - Decrease of \$410.9 million due to Congressional action as follows:

|                 |               |
|-----------------|---------------|
| Chaparral       | -55.5         |
| Patriot         | -55.3         |
| Stinger         | -57.5         |
| Hellfire        | -27.5         |
| TOW 2           | -66.0         |
| Pershing        | -110.2        |
| Multiple Launch |               |
| Rocket System   | -38.9         |
|                 | <u>-410.9</u> |

Activity 3 - Modification of Missiles (-\$35.0) - Decrease of \$35.0 million due to Congressional action as follows:

|                |              |
|----------------|--------------|
| Patriot Mods   | -0.7         |
| Chaparral Mods | -6.2         |
| HAWK Mods      | -7.2         |
| TOW Mods       | <u>-20.9</u> |
|                | -35.0        |

Activity 4 - Spares and Repair Parts (-\$35.2) - Decrease of \$35.2 million due to Congressional action as follows:

Spares and Repair Parts      -35.2

Activity 5 - Support Equipment and Facilities (-\$1.3) - Decrease of \$1.3 million due to Congressional action as follows:

|                        |             |
|------------------------|-------------|
| Air Defense Targets    | -1.2        |
| Items Less Than \$2.0M | <u>-0.1</u> |
|                        | -1.3        |

SECRET

COMPARISON OF FY 1986 FINANCING AS REFLECTED  
 IN FY 1986 BUDGET WITH FY 1986 FINANCING  
 AS SHOWN IN FY 1987 BUDGET

(in Thousands of Dollars)

| Appropriation:   | Financing<br>Per FY 1986<br>Budget | Financing<br>Per FY 1987<br>Budget | Increase (+)<br>or<br>Decrease (-) |
|--|------------------------------------|------------------------------------|------------------------------------|
| Program Requirements (Total)   | \$3,726,900                        | \$3,427,032                        | -\$299,868                         |
| Program Requirements (Service Account)                                       | (3,386,700)                        | (2,904,332)                        | -482,368                           |
| Program Requirements (Reimbursable)  | (340,200)                          | (522,700)                          | +182,500                           |
| Less:  |                                    |                                    |                                    |
| Anticipated reimbursements   | 340,200                            | 522,700                            | +182,500                           |
| Financing:   |                                    |                                    |                                    |
| Offsetting collections from:   |                                    |                                    |                                    |
| Federal Funds  | -299,900                           | -444,000                           |                                    |
| Trust Funds  | -40,300                            | -78,688                            |                                    |
| Unobligated balance available from prior year to finance<br>new budget plans |                                    | -81,200                            |                                    |
| Reprogramming from/to prior year budget plan                                 |                                    | -12                                |                                    |
| Unobligated balance transferred  |                                    | 81,200                             |                                    |
| Add:   |                                    |                                    |                                    |
| Unobligated balance transferred to other accounts                            |                                    |                                    |                                    |
| Reappropriation  |                                    |                                    |                                    |
| Unobligated balance available to finance subsequent year<br>budget plans     |                                    |                                    |                                    |
| <b>BUDGET AUTHORITY</b>  | <b>3,386,700</b>                   | <b>2,904,332</b>                   | <b>-482,368</b>                    |
| <b>BUDGET AUTHORITY</b>  |                                    |                                    |                                    |
| Appropriation  | 3,386,700                          | 2,904,332                          | -482,368                           |
| Transferred to other accounts  |                                    |                                    |                                    |
| Appropriation (Adjusted)   | 3,386,700                          | 2,904,332                          | -482,368                           |

REPORT TO CONGRESS  
ON THE  
BUDGET

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1986 program has decreased by \$299.9 million since submission of the Fiscal Year 1986 budget to Congress. Adjustments to financing categories are explained below:

1. Anticipated Reimbursements: \$182.5 million increase in the foreign military sales program.
2. Budget Authority: Decrease of \$482.4 million due to Congressional reductions.

SECRET

COMPARISON OF FY 1985 PROGRAM REQUIREMENTS  
 AS REFLECTED IN FY 1986 BUDGET WITH  
 FY 1985 PROGRAM REQUIREMENTS AS SHOWN IN FY 1987 BUDGET

SUMMARY OF REQUIREMENTS (in Thousands of Dollars)

| Appropriation:                                | Total Program Requirements Per FY 1986 Budget | Program Requirements Per FY 1987 Budget | Increase (+) or Decrease (-) |
|---|---|---|------------------------------|
| Activity 1 - Antibalistic Missile System      | 0   | 0                                       | 0                            |
| Activity 2 - Other Missiles                   | \$2,547,500                                   | \$2,508,600                             | -38,900                      |
| Activity 3 - Modification of Missiles         | 208,400                                       | 210,400                                 | +2,000                       |
| Activity 4 - Spares and Repair Parts          | 270,300                                       | 244,800                                 | -25,500                      |
| Activity 5 - Support Equipment and Facilities | 132,100                                       | 132,100                                 | 0                            |
| TOTAL   | \$3,158,300                                   | \$3,095,900                             | -62,400                      |

EXPLANATION OF ACTIVITY

Activity 2 - Other Missiles (-\$38.9)- \$6.0 million was transferred to the RDTE, A appropriation for the Lethal Chemical Program, \$8.1 million was transferred to the RDTE, A appropriation for classified effort and the remainder is set aside per Joint Resolution 465 for unobligated balances.

Activity 3 - Modification of Missiles (+\$2.0)- Increase of \$2.0 million is due to internal MIPA reprogramming for Pershing II modifications.

Activity 4 - Spares and Repair Parts (-\$25.5)- \$5.0 million was transferred to the RDTE, A appropriation for the Lethal Chemical Program and the balance is set aside per Joint Resolution 465 for unobligated balances.

2-31 February 1986

SECRET

COMPARISON OF FY 1985 FINANCING AS REFLECTED  
IN FY 1986 BUDGET WITH FY 1985 FINANCING  
AS SHOWN IN FY 1987 BUDGET

(in Thousands of Dollars)

| Appropriation:   | Financing<br>Per FY 1986<br>Budget | Financing<br>Per FY 1987<br>Budget | Increase (+)<br>or<br>Decrease (-) |
|--|------------------------------------|------------------------------------|------------------------------------|
| Program Requirements (Total)                                       | \$3,551,500                        | \$3,276,206                        | -\$275,294                         |
| Program Requirements (Service Account)                             | (3,158,300)                        | (3,095,900)                        | -62,400                            |
| Program Requirements (Reimbursable)                                | (393,200)                          | (180,306)                          | -212,894                           |
| Less:  |                                    |                                    |                                    |
| Anticipated reimbursements   | 393,200                            | 180,306                            | -212,894                           |
| Financing:   |                                    |                                    |                                    |
| Offsetting collections from:                                       |                                    |                                    |                                    |
| Federal funds  | -319,500                           | -170,730                           |                                    |
| Trust funds  | -73,700                            | -9,588                             |                                    |
| Reprogramming from/to prior year budget plans                      | 4,200                              | -41,053                            |                                    |
| Unobligated balance transferred, net                               | -4,200                             | 11,000                             |                                    |
| Unobligated balance available to finance<br>subsequent year budget |                                    | 81,200                             |                                    |
| Unobligated balance lapsing  |                                    | 19,965                             |                                    |
| BUDGET AUTHORITY   |                                    |                                    |                                    |
| BUDGET AUTHORITY   |                                    |                                    |                                    |
| Appropriation  | 3,158,300                          | 3,167,000                          | +8,700                             |
| Transferred to other accounts                                      | -8,700                             |                                    |                                    |
| Appropriation (Adjusted)   | 3,149,600                          | 3,167,000                          |                                    |

UNCLASSIFIED

EXPLANATION OF CHANGES IN FINANCING

The Fiscal Year 1985 program has decreased \$275.3 million since preparation of the fiscal Year 1986 budget to Congress. Adjustments to financing categories are explained below:

1. Anticipated Reimbursements: \$213.0 million decrease in foreign military sales program.
2. Budget Authority: Decrease of \$62.4 million due to Lethal Chemical Reprogramming Action (OSD #85-77 PA), RDTE Classified effort Reprogramming Action (OSD #85-24 PA), and set aside directed by Joint Resolution #465.

UNCLASSIFIED

END

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