

DEPARTMENT OF THE NAVY
JUSTIFICATION OF ESTIMATES
FY 1990/1991 BIENNIAL BUDGET

AD-A209 032

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PROCUREMENT

PROCUREMENT, MARINE CORPS

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DEPARTMENT OF THE NAVY
PROCUREMENT, MARINE CORPS

Justification of Estimates for FY 1990/1991 Biennial Budget

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Account For	
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PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of missiles, armament, ammunition, military equipment, spare parts, and accessories therefor; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed (150) 142 passenger motor vehicles for replacement only; and expansion of public and private plants; including land necessary therefor, and such lands and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; (\$1,297,265,000) \$1,207,600,000, to remain available for obligation until September 30, (1991) 1992, of which \$28,100,000 shall be available only for the Marine Corps Reserve.

Further, for the foregoing purposes, including the purchase of not to exceed 154 passenger motor vehicles for replacement only, \$1,415,300,000 of which \$315,100,000 shall be available only for the Marine Corps Reserve, to become available for obligation on October 1, 1990 and to remain available for obligation until September 30, 1993.

Further, for the foregoing purposes, only for multi-year procurement, \$25,800,000, to become available for obligation on October 1, 1991 and to remain available for obligation until September 30, 1994; and \$5,600,000, to become available for obligation on October 1, 1992 and to remain available for obligation until September 30, 1995. (10 U.S.C. 5013, 7201; Department of Defense Appropriations Act, 1989; additional authorizing legislation to be proposed.)

Program and Financing (in thousands of dollars) SUMMARY

Program and Financing (in thousands of dollars)									
Identification code	17-100-9-1-001	Budget plan (amounts for PROCUREMENT actions programmed)				Obligations			
		1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:									
Direct program:									
00 0101	Armament	382,723	287,094	222,401	287,116	375,104	251,121	222,527	279,208
00 0201	Weapons and combat vehicles	85,723	220,296	943,224	685,054	96,562	205,472	493,387	637,874
00 0301	Guided missiles and equipment	297,209	335,749	11,056	14,908	296,826	284,314	42,825	32,585
00 0401	Communications and electronics equipment	219,002	266,130	281,601	243,308	312,217	274,110	284,184	24,181
00 0501	Support vehicles	52,726	22,870	23,202	32,405	91,431	38,436	60,428	32,181
00 0601	Engineers and other equipment	182,217	123,715	64,079	90,487	188,697	128,381	60,428	88,185
00 0701	Spare and repair parts	35,999	56,186	61,838	61,423	44,129	49,887	62,240	59,035
00 9101	Total direct program	1,275,599	1,291,840	1,207,600	1,418,300	1,393,025	1,236,676	1,220,795	1,390,208
01 0101	Reimbursable program	37,718	4,500	5,000	5,000	37,882	11,948	5,000	5,000
10 0001	Total	1,313,317	1,296,340	1,212,600	1,420,300	1,430,707	1,248,621	1,225,795	1,395,208
Financing:									
Offsetting collections from:									
11 0001	Federal funds(-)	-37,680	-4,500	-5,000	-5,000	-33,883	-4,500	-5,000	-5,000
13 0001	Trust funds(-)	-41				-41			
14 0001	Non-Federal sources(-)	3				3			
17 0001	Recovery of prior year obligations								
21 4001	Unobligated balance available, start of year:								
21 4002	For completion of prior year budget plans	-71,300	-1,500			-324,818	-219,083	-266,802	-253,807
21 4003	Available to finance new budget plans	-3,398				-71,300	-1,500		
21 4007	Reprogramming from prior year budget plans	10,400	1,500			10,400	1,500		
22 4001	Unobligated balance transferred to other accounts								
24 4002	Unobligated balance available, end of year:								
24 4003	For completion of prior year budget plans	1,500				219,083	266,802	253,807	276,899
24 4007	Available to finance subsequent year budget plans	198				1,500			
25 0001	Unobligated balance lapsing								
	Budget authority	1,212,999	1,291,840	1,207,600	1,418,300	1,212,999	1,291,840	1,207,600	1,418,300
39 0001	Budget authority:								
40 0001	Appropriation	1,295,599	1,297,265	1,207,600	1,418,300	1,295,599	1,297,265	1,207,600	1,418,300
40 0004	Reduction pursuant to P.L. 100-483	-82,800	-425			-82,800	-425		
40 0017	Appropriation rescinded (unobligated balance)	-20,000	-5,000			-20,000	-5,000		
41 0001	Transferred to other accounts(-)								
43 0001	Appropriation (adjusted)	1,212,999	1,291,840	1,207,600	1,418,300	1,212,999	1,291,840	1,207,600	1,418,300
Relation of obligations to outlays:									
71 0001	Obligations incurred, net of year					1,398,788	1,244,121	1,220,795	1,390,208
72 4001	Obligated balance, start of year					2,738,748	2,723,875	2,580,196	2,422,491
73 0001	Obligated balance, end of year					-2,723,875	-2,580,196	-2,422,481	-2,504,795
77 0001	Unobligated balance in prior accounts					-7,876			
78 0001	Adjustments in unexpired accounts					-18,848			

Program and Financing (in thousands of dollars) Summary

Identification code 17-1109-0-1-051		1988 actual	1989 est.	1990 est.	1991 est.
90.0001	Outlays	1,384,855	1,417,900	1,348,500	1,307,900

Procurement, Marine Corps
Object Classification (in thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	1988 actual	1989 est.	1990 est.	1991 est.
Direct obligations:					
126.00) Supplies and materials		431,836	405,162	368,919	394,989
131.00) Equipment		981,187	831,513	851,876	995,219
		1,393,023	1,236,675	1,220,795	1,390,208
199.00) Total Direct obligations					
		37,682	11,946	5,000	5,000
Reimbursable obligations:					
231.00) Equipment		37,682	11,946	5,000	5,000
249.00) Total Reimbursable obligations					
		1,430,707	1,248,621	1,225,795	1,395,208
999.00) Total obligations					

Program and Financing (in thousands of dollars) FISCAL YEAR 1960

Identification code	17-1100-Q-1-051	Budget plan (amounts for PROCUREMENT actions programed)				Obligations		
		1988 actual	1989 est.	1991 est.	1988 actual	1989 est.	1991 est.	
Program by activities:								
Direct program:								
00 0101	Ammunition				1,718			
00 0201	Weapons and combat vehicles				3,531			
00 0301	Guided missiles and equipment				456			
00 0401	Communications and electronics equipment				67,889			
00 0501	Support vehicles				18,324			
00 0601	Engineer and other equipment				10,076			
00 0701	Spare and repair parts				6,517			
00 9101	Total direct program				102,511			
01 0101	Reimbursable program				3,513			
10 0001	Total				106,024			
Financing:								
17 0001	Recovery of prior year obligations				-8,747			
21 4002	Unobligated balance available, start of year:				-100,675			
21 4003	For completion of prior year budget plans				-47,600			
21 4004	Available to finance new budget plans	-47,600						
21 4007	Reprogramming from/to prior year budget plans	-3,398						
22 4801	Unobligated balance transferred to other accounts	3,200			3,200			
25 0001	Unobligated balance lapsing	198			198			
40 0017	Budget authority (Appropriation rescinded) (	-47,600			-47,600			

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1987

Identification code		17-1109-0-1-051				Budget plan (amounts for PRU(UR)MINI actions programmed)				Obligations			
		1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est				
Program by activities:													
Direct program:													
00 0101	Ammunition					26,838	1,684						
00 0201	Weapons and combat vehicles					11,093	1,066						
00 0301	Guided missiles and equipment					69,458	16,392						
00 0401	Communications and electronics equipment					22,808	9,883						
00 0501	Support vehicles					49,248	13,083						
00 0601	Engineer and other equipment					2,527	410						
00 0701	Spare and repair parts												
00 9101	Total direct program					183,970	42,582						
01 0101	Reimbursable program						3,897						
10 0001	Total					183,970	46,479						
Financing:													
Offsetting collections from:													
11 0001	Federal (fund(-))					3,787							
17 0001	Recovery of prior year obligations					-10,102							
21 4002	Unobligated balance available, start of year:												
21 4003	For completion of prior year budget plans	-23,700	-1,500			-24,144	-46,479						
22 4001	Available to finance new budget plans	7,200	1,500			-23,700	-1,500						
22 4002	Unobligated balance transferred to other accounts					7,200	1,500						
24 4002	Unobligated balance available, end of year:												
24 4003	For completion of prior year budget plans	1,500				46,479							
24 4003	Available to finance subsequent year budget plans					1,500							
40 0017	Budget authority (appropriation rescinded) (	-15,000				-15,000							

Program and Financing (in thousands of dollars) FY 1989-1991

Program and Financing (in thousands of dollars)								
Identification code	17-1109-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)				Obligations		
		1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1991 est.
Program by activities:								
Direct program:								
00 0101	Ammunition	362,723				344,548	10,119	8,056
00 0201	Weapons and combat vehicles	85,723				81,938	2,491	1,294
00 0301	Guided missiles and equipment	287,209				286,369	600	240
00 0401	Communications and electronics equipment	278,002				180,930	44,753	53,400
00 0501	Support vehicles	52,726				40,301	8,325	4,400
00 0601	Engineer and other equipment	182,217				127,373	23,320	11,524
00 0701	Spare and repair parts	35,699				35,085	914	
00 9101	Total direct program	1,275,599				1,106,544	90,222	78,833
01 0101	Reimbursable program	37,718				34,169	3,549	
10 0001	Total	1,313,317				1,140,713	93,771	78,833
Financing:								
Offsetting collections from:								
11 0001	Federal funds(-)	-37,680				-37,680		
13 0001	Trust funds(-)	-41				-41		
14 0001	Non-Federal sources(-)	3				3		
21 4002	Unobligated balance available, start of year:							
	For completion of prior year budget plans							
24 4002	Unobligated balance available, end of year:							
	For completion of prior year budget plans							
39 0001	Budget authority	1,275,599				1,275,599		
40 0001	Budget authority:							
	Appropriation	1,295,599				1,295,599		
41 0001	Transferred to other accounts(-)	-20,000				-20,000		
43 0001	Appropriation (adjusted)	1,275,599				1,275,599		

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1989

Identification code	17-1108-0-1-051	Budget plan (amounts for PROCUREMENT actions programmed)				Obligations			
		1988 actual	1989 est	1990 est	1991 est	1988 actual	1989 est	1990 est	1991 est
Program by activities:									
Direct program:									
00 0101	Ammunition		267 094				239 318	17 836	9 938
00 0701	Weapons and combat vehicles		270 298				201 915	14 009	4 372
00 0301	Guided missiles and equipment		335 749				283 050	33 154	18 945
00 0401	Communications and electronics equipment		266 130				212 985	20 164	33 001
00 0501	Support vehicles		22 670				18 551	1 421	2 898
00 0601	Engineer and other equipment		123 715				98 909	15 980	6 876
00 0701	Spare and repair parts		56 186				48 563	7 623	
00 9101	Total direct program		1 291 840				1 103 871	110 189	77 780
01 0101	Reimbursable program		4 500				4 500		
10 0001	Total		1 296 340				1 108 371	110 189	77 780
Financing:									
Offsetting collections from:									
11 0001	Federal funds(-)		-4 500				-4 500		
21 4002	Unobligated balance available, start of year:							-187 969	-77 780
24 4002	For completion of prior year budget plans						187 969	77 780	
39 0001	Unobligated balance available, end of year:								
	For completion of prior year budget plans								
39 0001	Budget authority		1 291 840				1 291 840		
Budget authority:									
40 0001	Appropriation		1 297 265				1 297 265		
40 0004	Reduction pursuant to P.L. 100-483		-425				-425		
41 0001	Transferred to other accounts(-)		-5 000				-5 000		
43 0001	Appropriation (adjusted)		1 291 840				1 291 840		

Program and Financing (in thousands of dollars) FISCAL YEAR 1990

Identification code	17-1100-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)				Outlayments		
		1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1991 est.
Program by activities:								
Direct program:								
00 0101	Ammunition		222,401			196,633		17,245
00 0201	Weapons and combat vehicles		543,224			478,084		32,534
00 0301	Guided missiles and equipment		11,055			9,231		1,162
00 0401	Communications and electronics equipment		281,801			220,571		37,439
00 0501	Support vehicles		23,202			18,372		2,439
00 0601	Engineer and other equipment		64,078			53,125		6,083
00 0701	Spare and repair parts		61,838			55,657		3,756
00 9101	Total direct program		1,207,600			1,031,773		103,071
01 0101	Reimboursable program		5,000			5,000		
10 0001	Total		1,212,600			1,036,773		103,071
Financing:								
Offsetting collections from:								
11 0001	Federal funds(-) available, start of year:							
21 4002	Unobligated balance available, prior year budget plans							-175,827
24 4002	Unobligated balance available, end of year:							
40 0001	Budget authority (appropriation)							

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1991

		Budget Plan (amounts for PROCUREMENT actions program)				Obligations				
Identification code		17 1109-0-1 051	1988 actual	1989 est.	1990 est.	1991 est.	1988 actual	1989 est.	1990 est.	1991 est.
Program by activities:										
Direct program:										
00 0101	Ammunition						287.116			252.073
00 0201	Weapons and combat vehicles						685.654			600.768
00 0301	Guided missiles and equipment						14.906			12.445
00 0401	Communications and electronics equipment						243.309			190.522
00 0501	Support vehicles						32.405			27.054
00 0601	Engine and other equipment						90.487			71.268
00 0701	Spare and repair parts						61.473			55.279
00 9101	Total direct program						1,415.300			1,209.357
01 0101	Reimbursable program						5.000			5.000
01 0001	Total						1,420.300			1,214.357
Financing:										
Offsetting collections from:										
11 0001	Federal funds(-)						-5.000			-5.000
24 4002	Unobligated balance available, end of year:									205.943
24 4002	For completion of prior year budget plans									
40 0001	Budget authority (Appropriation)						1,415.300			1,415.300

SUMMARY OF REQUIREMENTS
(In Thousands of Dollars)

	<u>FY1988 Actual</u>	<u>FY1989 Estimate</u>	<u>FY1990 Estimate</u>	<u>FY1991 Estimate</u>
Ammunition	362,723	267,094	222,401	287,116
Weapons and Combat Vehicles	85,723	220,296	543,224	685,654
Guided Missiles and Equipment	297,209	335,749	11,055	14,906
Communications and Electronics Equip	279,002	266,130	281,801	243,309
Support Vehicles	52,726	22,670	23,202	32,405
Engineer and other Equip	162,217	123,715	64,079	90,487
Spares and Repair Parts	<u>35,999</u>	<u>56,186</u>	<u>61,838</u>	<u>61,423</u>
Total Direct Program	1,275,599	1,291,840	1,207,600	1,415,300
Reimbursable Program	<u>37,718</u>	<u>4,500</u>	<u>5,000</u>	<u>5,000</u>
Total Program Requirements	1,313,317	1,296,340	1,212,600	1,420,300

Budget Activity 1: Ammunition

(In Thousands of Dollars)
FY 1991 Estimate \$287,116
FY 1990 Estimate \$222,401
FY 1989 Estimate \$267,094
FY 1988 Actual \$362,723

Purpose and Scope of Work

This activity provides for the Marine Corps' annual training needs and the acquisition of war reserve stocks for use in the event of mobilization. Munitions included in the request include tank and artillery munitions, mortar & small arms ammunition, pyrotechnic devices, and other ammunition items.

Justification of Funds

The FY 1990 ammunition program of \$222.4 million, which will continue to buy towards requirements established in the Defense Guidance, funds the following: 5.56mm Ammo, \$11.8 million; 7.62mm Ammo, \$1.1 million; Linear Charges, \$2.6 million; .50 Cal Ammo, \$12.0 million; 40mm Ammo, 22.5 million; 60mm Ammo, \$10.7 million; 81mm ammo, \$12.3 million; 120mm Ammo, \$39.2 million; 155mm Ammo, \$48.6 million; Fuzes, \$5.3 million; 83mm Rocket (SMAW), \$28.4 million; Light Anti-Armor Weapon, \$3.3 million; Grenades, \$8.7 million; Ammo Modernization, \$11.1 million; and Items Less Than \$2.0 million, \$4.9 million.

The FY 1991 ammunition program of \$287.1 million funds the following: 5.56mm Ammo, \$21.1 million; 7.62mm Ammo, \$3.6 million; Linear Charges, \$2.2 million; .50 Cal Ammo, \$11.9 million; 40mm Ammo, \$25.6 million; 60mm Ammo, \$17.6 million; 81mm Ammo, \$12.8 million; 120mm Ammo, \$61.5 million; 155mm Ammo, \$23.3 million; Fuzes, \$32.9 million; 83mm Rocket (SMAW), \$29.3 million; Light Anti-Armor Weapon, \$3.4 million; 8 inch Ammo, \$17.4 million; 9mm Ammo, \$.8 million; Grenades, \$7.9 million; Ammo Modernization \$11.7 million; and Items Less Than \$2 million, \$4.2 million.

Budget Activity 2: Weapons and Tracked Combat Vehicles

(In Thousands of Dollars)	
FY 1991 Estimate	\$685,654
FY 1990 Estimate	\$543,224
FY 1989 Estimate	\$220,296
FY 1988 Actual	\$ 85,723

Purpose and Scope of Work

This activity supports procurement of armored and amphibious vehicles, artillery, and small arms. It also supports acquisition of weapons and tracked combat vehicle associated equipment and modification kits.

Justification of Funds

The Fiscal Year 1990/1991 request for Weapons and Tracked Combat Vehicles totals \$543.2 million and \$685.7 million, respectively. Each of the major items contained in this request is summarized below:

AAV7A1 PIP - \$12.9 million in FY 1990 and \$18.1 million in FY 1991 is requested to provide the AAV7A1 family of vehicles more reliable and serviceable components and to enhance the vehicles' operational capability.

Mod Kits - \$3.0 million in both FY 1990 and FY 1991 is requested for the procurement of modification kits for the product improvement of the Light Armored Vehicles.

M1A1 Tank - \$516.6 million in FY 1990 and \$653.4 million in FY 1991 is requested for the procurement of 155 and 255 M1A1 tanks respectively. The purpose of this program is to replace the obsolescent M60A1 tank with a more capable system.

Items Less Than \$2 Million (Tracked Vehicles) - \$.8 million in FY 1990 will fund the procurement of Light Armored Vehicle (LAV) bilge pumps to improve swim capability of LAVs. The FY 1991 request of \$.3 million funds the procurement of laser filters.

5.56mm Squad Automatic Weapon (SAW) - \$5.4 million in FY 1990 is requested for procurement of 1297 light machine guns.

MK 19 40mm Machine Gun - \$1.9 million is requested in FY 1990 for the procurement of 123 machine guns, and \$5.0 million is requested in FY 1991 to procure 321 machine guns. This system will substantially increase the organic fire capability of all Marine combat and combat support units.

Budget Activity 3: Guided Missiles and Equipment

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 14,906
FY 1990 Estimate	\$ 11,055
FY 1989 Estimate	\$335,749
FY 1988 Actual	\$297,209

Purpose and Scope of Work

This activity supports procurement of surface-to-air guided missiles, surface-to-surface anti-tank guided missiles, and related ground support equipment. Funds requested are required to support continuing efforts to enhance the air defense and anti-tank/assault capabilities of Marine Corps ground forces. The Department of the Army is the contracting agency for the HAWK Modification Kits and TOW missiles.

Justification of Funds

The FY 1990/1991 request for the Guided Missiles and Equipment budget activity is \$11.1 million and \$14.9 million, respectively. The major items contained in this request are summarized below:

HAWK Modifications - \$1.1 million is requested in FY 1990 and \$4.9 million in FY 1991 to support product improvements which significantly enhance reliability and maintainability, improve countermeasure capability, and modify automatic test equipment and test program sets for the HAWK anti-aircraft missile.

TOW-2 Missile System - 10.0 million is requested in FY 1990 for 839 TOW-2 heavy assault anti-tank missiles. The FY 1991 request of \$10.0 million will procure 900 TOW-2 missiles. The TOW-2 missile is being procured on a three-year multiyear contract which commenced in FY 1989. The FY 1990 request reflects the initial production of the TOW-2B missile.

Budget Activity 4: Communication and Electronics Equipment

(In Thousands of Dollars)	
FY 1991 Estimate	\$243,309
FY 1990 Estimate	\$281,801
FY 1989 Estimate	\$266,130
FY 1988 Actual	\$297,002

Purpose and Scope of Work

This activity supports acquisition of communications and electronic systems essential to the conduct of modern amphibious warfare. Programs involved include tactical radios and equipment, telephone and teletype equipment, command and control systems, radars and radar equipment, intelligence/communications equipment, repair and test equipment, and modification kits.

Justification of Funds

The Fiscal Year 1990 request totals \$281.8 million and includes the following telecommunications equipment: \$4.3 million for manpack radios and equipment; \$42.5 million for vehicle mounted radios and equipment; \$48.2 million for the Unit Level Circuit Switch; \$7.7 million for Tactical Communications Center equipment; \$3.6 million for Digital Communications Terminals; and \$15.7 million for test equipment, modification kits and items costing less than \$2 million.

The Fiscal Year 1990 request for non-telecommunications equipment includes the following: \$59.8 million for the Position Location Reporting System; \$46.6 million for Tactical Air Operations Modules; \$2.4 million for the Lightweight Early Warning Detection Device (LEWDD); \$9.2 million for intelligence related support equipment, modification kits and other intelligence items costing less than \$2 million; \$23.3 million for automatic data processing equipment; and \$18.5 million for test, analysis, maintenance and calibration equipment, modification kits and items costing less than \$2 million.

The Fiscal Year 1991 request totals \$243.3 million and includes the following telecommunications equipment: \$2.5 million for manpack radios and equipment; \$53.2 million for vehicle mounted radios and equipment; \$31.5 million for the Unit Level Circuit Switch; \$10.1 million for Digital Communications Terminals; and \$21.8 million for test equipment, modification kits and items costing less than \$2 million. Included within the request for vehicle mounted radios is a multiyear request for the AN/TRC-170 radio.

The Fiscal Year 1991 request for non-telecommunications equipment includes the following: \$26.8 million for the Position Location Reporting System; \$40.7 million for Tactical Air Operations Modules; \$9.8 million for the Lightweight Early Warning Detection

Device (LEWDD); \$14.5 million for intelligence related support equipment, modification kits and other intelligence items costing less than \$2 million; \$17.0 million for automatic data processing equipment; and \$15.5 million for test, analysis, maintenance and calibration equipment, modification kits and items costing less than \$2 million.

Budget Activity 5: Support Vehicles

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 32,405
FY 1990 Estimate	\$ 23,202
FY 1989 Estimate	\$ 22,670
FY 1988 Actual	\$ 52,726

Purpose and Scope of Work

This activity supports procurement of commercial passenger and cargo vehicles required to support Marine Corps facilities operations and tactical vehicles required by deployable operational and support forces. Included in the category of commercial passenger and cargo vehicles are: sedans, station wagons, and buses; general and special purpose heavy and light trucks; fire-fighting, refuse collection, and tanker trucks; and various types of trailers. Tactical vehicles procured under this activity consist of military designed prime movers and general purpose vehicles equipped for support of combat operations.

Justification of Funds

Funds requested in the Fiscal Year 1990 budget total \$23.2 million and consist of the following: \$2.0 million for 142 commercial passenger carrying vehicles; \$13.0 million for commercial cargo vehicles; \$2.6 million for 5-ton trucks; \$2.1 million for all types of trailers; \$2.9 million for modification kits; and \$.7 million for items costing less than \$2 million.

Funds requested in the Fiscal Year 1991 budget total \$32.4 million and consist of the following: \$2.4 million for 154 commercial passenger carrying vehicles; \$13.0 million for commercial cargo vehicles; \$4.9 million for maintenance trucks; \$2.1 million for all types of trailers; \$8.9 million for modification kits; and \$1.2 million for items costing less than \$2 million.

Budget Activity 6: Engineering and Other Equipment

(In Thousands of Dollars)	
FY 1991 Estimate	\$ 90,487
FY 1990 Estimate	\$ 64,079
FY 1989 Estimate	\$123,715
FY 1988 Actual	\$162,217

Purpose and Scope of Work

This activity provides for acquisition of combat and service support requirements for earth-moving construction, material handling equipment, power generating and environmental control equipment, fuel dispensing systems, special training devices, and equipment to support Marine Corps facilities.

Justification of Funds

Funds requested for the Fiscal Year 1990 budget total \$64.1 million for the following programs: \$1.1 million for the lightweight rough terrain crane; \$.5 million for assorted power equipment; \$4.0 million for command support equipment; \$.2 million for amphibious raid equipment; \$10.6 million for productivity investment projects; \$.3 million for physical security equipment; \$4.5 million for garrison mobile engineer equipment; \$2.5 million for warehouse modernization equipment; \$2.4 million for material handling equipment; \$3.2 million for dry chemical fire extinguishers; \$5.0 million for training devices; \$13.8 million for the shelter family, which consists of small rigid and knockdown shelters, joining corridors, and complexing kits that provide environment protection in support of operations worldwide; \$12.2 million for the container family, which will replace locally assembled, prefabricated wooden mount out boxes and flat and box pallets; and \$3.8 million for essential minor programs costing less than \$2 million.

Funds requested for the Fiscal Year 1991 budget total \$90.5 million for the following programs: \$1.9 million for environmental control equipment; \$2.3 million for amphibious assault fuel systems; \$3.7 million for topographic/survey equipment; \$12.1 million for assorted power equipment; \$.7 million for command support equipment; \$.2 million for amphibious raid equipment; \$.8 million for productivity investment projects; \$.3 million for physical security equipment; \$8.3 million for garrison mobile engineer equipment; \$3.0 million for warehouse modernization equipment; \$2.2 million for material handling equipment; \$3.6 million for lightweight decontamination systems; \$2.1 million for dry chemical fire extinguishers; \$3.6 million for training devices; \$15.1 million for the shelter family; \$15.3 million for the container family; and \$4.2 million for essential modification kits and minor programs costing less than \$2 million.

Budget Activity 7: Spares and Repair Parts

(In Thousands of Dollars)
FY 1991 Estimate \$ 61,423
FY 1990 Estimate \$ 61,838
FY 1989 Estimate \$ 56,186
FY 1988 Actual \$ 35,999

Purpose and Scope of Work

These funds are required for procurement of depot repairable spares (replenishment spares) and repair parts essential for the continued support of end items, and for initial allowance (initial spares) of peculiar depot spares and repair parts to support new equipment/systems being introduced into the Marine Corps.

Justification of Funds

The Fiscal Year 1990 program totals \$61.8 million and consists of \$26.0 million for initial spares and \$35.8 million for replenishment spares. The FY 1991 request totals \$61.4 million and consists of \$26.2 million for initial spares and \$35.2 million for replenishment spares. The following list is provided:

	(Dollars in Millions)	
<u>Initial Spares</u>	<u>FY 1990</u>	<u>FY 1991</u>
Tracked Combat Vehicles	10.0	12.2
Artillery and Weapons	.2	.2
Communication/Electronic Equipment (Tel)	1.8	1.6
Communication/Electronic Equipment (Non-Tel)	12.1	10.7
Support Vehicles	.2	-
Engineering Equipment	<u>1.7</u>	<u>1.5</u>
Subtotal	26.0	26.2
Replenishment Spares	35.8	35.2
TOTAL	\$61.8	\$61.4

COMPARISON OF 1988 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1989 AMENDED BUDGET
WITH FY 1988 PROGRAM REQUIREMENTS AS SHOWN IN FY 1990/1991 PRESIDENT'S BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per Amended 1989 Budget	Total Program Requirements Per 1990/1991	Increase (+) or Decrease (-)
Ammunition	362,875	362,723	-152
Weapons and Combat Vehicles	85,867	85,723	-144
Guided Missiles and Equipment	310,200	297,209	-12,991
Communications and Electronics Equip	278,625	279,002	+377
Support Vehicles	41,116	52,726	+11,610
Engineer and Other Equip	187,918	162,217	-25,701
Spares and Repair Parts	28,998	35,999	+7,001
Total Fiscal Year Program	1,295,599	1,275,599	-20,000

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$-.2 million)

Minor pricing changes for grenades occurred in this activity.

Weapons & Combat Vehicles (\$-.2 million)

The net decrease reflects a decrease in the price of M-1 Tank trainers (\$-4.9 million), a price increase for modification kits (Tracked Vehicles) (\$+.1 million), and an increase in the M-1 Tank Advance Procurement line to enable the procurement of M240 Machine Guns (\$+4.6 million).

Guided Missiles and Equipment (\$-13.0 million)

The net decrease is related to pricing reductions for the HAWK (\$-5.7 million) and Stinger (\$-3.5 million) missile programs, changes in requirements for ground support equipment for the TOW program (\$-5.3 million), and an increase in the Dragon PIP for facilitization requirements (\$+1.5 million).

Communications and Electronics Equipment (\$.4 million)

The net increase is primarily attributable to an increase in vehicle mounted radios to procure AN/VRC-12 radios (\$8.8 million) and ADP equipment (\$2.7 million), and a decrease in the Unit Level Circuit Switch program (\$-3.5 million) and Tactical Communications Center equipment (\$-9.8 million). The remaining adjustments are associated with below threshold reprogramming changes to accommodate pricing changes.

Support Vehicles (\$11.6 million)

The net increase is attributable to an increase in requirements for mod kits (lifting fixtures for 5 ton trucks) (\$7.1 million), for High Mobility Multipurpose Wheeled Vehicles (HMMWV) (\$1.1 million), trailers (\$3.4 million), and commercial cargo vehicles (\$1.6 million) and a decrease in the Logistics Vehicles System (\$-1.7 million) resulting from a transfer to Operations & Maintenance, Navy to fund the civilian pay raise.

Engineering and Other Equipment (\$-25.7 million)

The net decrease in this activity is primarily due to favorable contract pricing of \$21.9 million in the tractors program. Of the \$21.9 million decrease, \$9.6 million was transferred to Operations & Maintenance to fund ship maintenance/Persian Gulf operations. The remaining \$12.3 million was used to fund other high priority requirements. In addition, due to favorable pricing in the Heavy Crane program, \$3.6 million was transferred to Operations & Maintenance, Navy to fund the civilian pay raise.

Spares and Repair Parts (\$7.0 million)

The net increase reflects an increase of \$1.0 million to fund replenishment spares requirements and an increase of \$6.0 million to initial spares. The increase in initial spares is associated with the requirement for additional communications & electronics spares.

COMPARISON OF 1988 FINANCING AS REFLECTED IN FY 1989 AMENDED BUDGET
WITH FY 1988 FINANCING AS SHOWN IN FY 1990/1991 PRESIDENT'S BUDGET

(In Thousands of Dollars)

	Financing Per Amended FY 1989 Budget	Financing Per FY 1990/1991 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,331,348	1,313,317	-18,031
Program Requirements (Service account)	1,295,599	1,275,599	-20,000
Program Requirements (Reimbursable)	35,749	37,718	+1,969
Less:			
Anticipated Reimbursements	35,749	37,718	+1,969
Unobligated Balance available to finance new budget plans	71,300	71,300	-
Reprogramming from/to prior year budget plans		3,398	+3,398
Add:			
Unobligated balance transferred to other accounts	8,700	10,400	+1,700
Unobligated balance lapsing		198	+ 198
Unobligated balance to finance subsequent plans		1,500	+1,500
Appropriation	1,232,999	1,212,999	-20,000
Appropriation rescinded	62,600		-62,600
Appropriation (Adjusted)	1,295,599	1,212,999	-82,600

Explanation of Changes in Financing

1. Program Requirements (Total)
The decrease reflects interappropriation transfers, and a change to the reimbursable account.
2. Program Requirements (Service Account)
The decrease reflects interappropriation transfers.
3. Program Requirements (Reimbursable)
The increase reflects a revised estimate of anticipated collections.
4. Anticipated Reimbursements
The increase reflects a revised estimate of anticipated collections.
5. Unobligated balance available to finance new budget plans - no change.
6. Reprogramming from/to prior year budget plans
The increase reflects the FY1986 program lapse (\$198) and the appropriation transfer for the INF Treaty (\$3,200).
7. Unobligated balance transferred to other accounts
The increase reflects the transfer of \$1.5 million to the Air Force Launch Recovery System which was planned to occur in FY 1988 and an appropriation transfer of \$3.2 million for the INF Treaty.
8. Unobligated balance lapsing
The increase reflects the FY86 lapsed balance.
9. Unobligated balance to finance subsequent plans
The increase reflects the interappropriation transfer to the Air Force Space Launch Recovery System.
10. Appropriation
The decrease reflects interappropriation transfers of \$16,800 to Operation & Maintenance, Navy and \$3,200 to the INF Treaty.
11. Appropriation rescinded
The decrease reflects amounts rescinded in prior years.
12. Appropriation (adjusted)
The decrease reflects interappropriation transfers of \$20,000 and amounts rescinded in prior years.

COMPARISON OF 1989 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1989 AMENDED BUDGET
WITH FY 1989 PROGRAM REQUIREMENTS AS SHOWN IN FY 1990/1991 PRESIDENT'S BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per 1989 Amended Budget	Total Program Requirements Per 1990/1991 Budget	Increase (+) or Decrease (-)
Ammunition	225,306	267,094	+41,788
Weapons and Combat Vehicles	95,981	220,296	+124,315
Guided Missiles and Equipment	330,609	335,749	+5,140
Communications and Electronics Equip	294,622	266,130	-28,492
Support Vehicles	25,434	22,670	-2,764
Engineer and Other Equipment	138,252	123,715	-14,537
Spares and Repair Parts	47,096	56,186	+9,090
Total Fiscal Year Program	1,157,300	1,291,840	+134,540

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$+41.8 million)

The change to the ammunition account is related to Congressional increases of \$7.0 million for 120MM tank rounds and \$34.8 million for a general ammunition increase.

Weapons and Combat Vehicles (\$+124.3 million)

The net increase is related to a Congressional add of \$120.5 million to procure an additional 52 M1A1 tanks and associated advance procurement, \$5.0 million for 350 additional MK-19 machine guns, and the Congressional cancellation of the M-4 carbine program for a \$1.0 million decrease along with \$.2 million minor pricing decreases.

Guided Missiles and Equipment (\$+5.1 million)

The net change is related to a Congressional increase of \$20.0 million for the Dragon PIP program to acquire, refurbish, and retrofit missiles, offset by price decreases of \$7.5 million for the HAWK program, \$3.9 million for the Stinger program, \$2.7 million for the TOW program, and \$.7 million for the Dragon PIP program.

Communications and Electronics Equipment (\$-28.5 million)

The net decrease in this activity is primarily related to Congressional reductions of \$41.5 million to the following programs: \$23.0 million for the Digital Communications Terminal (DCT), \$8.2 million for mod kits telecommunications, \$8.7 million for mod kits - non-telecommunications, \$1.0 million for test and calibration equipment and \$.6 million for items under \$2 million. Additionally, Congress added \$5.0 million for the Lightweight Early Warning Detection Device System (LEWDD). Other minor adjustments for requirements changes are \$-.8 million for the Tactical Communications Center (TCC) equipment, \$+2.3 million for ADP equipment and \$+6.5 million for an additional Tactical Air Operations Module.

Support Vehicles (\$-2.7 million)

The decrease is related to a Congressional reduction of \$2.3 million for modifications kits along with a minor reduction of \$.4 million for trailers.

Engineering and Other Equipment (\$-14.6 million)

The decrease is primarily related to Congressional reductions of \$4.6 million for training devices-simulators, and \$2.9 million for Garrison Mobile Engineering Equipment (GMEE). A decrease of \$4.9 million for Heavy Cranes resulted from a change in requirements, and a competitive contract award in the Container Family program resulted in a \$2.2 million savings.

Spares and Repair Parts (\$+9.1 million)

The net increase reflects an increase of \$2.5 million to fund replenishment spares and an increase of \$6.6 million for initial spares. The increase in initial spares is primarily associated with the requirement for the HAWK Light Anti-Air Battalions.

COMPARISON OF 1989 FINANCING AS RELECTED IN FY 1989 AMENDED BUDGET
WITH FY 1989 FINANCING AS SHOWN IN FY 1990/1991 PRESIDENT'S BUDGET

(In Thousands of Dollars)

	Financing Per Amended FY 1989 Amended Budget	Financing Per FY 1990/1991 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,160,907	1,296,340	+135,433
Program Requirements (Service Account)	1,157,300	1,291,840	+134,540
Program Requirements (Reimbursable)	3,607	4,500	+ 893
<u>Less:</u>			
Anticipated reimbursements	3,607	4,500	+ 893
Unobligated balance available to finance new budget plans		1,500	+1,500
<u>Add:</u>			
Unobligated balance transferred to other accounts		1,500	+1,500
Appropriation	1,157,300	1,291,840	+134,540

Explanation of Changes in Financing

1. Program Requirements (Total)

The increase reflects Congressional action to the FY 1989 President's Amended Budget Request and changes to the reimbursable program.

2. Program Requirement (Service Account)

The increase reflects Congressional action to the FY 1989 President's Amended Budget Request.

3. Program Requirement (Reimbursable)

The increase reflects a revised estimate of anticipated collections in FY 1989.

4. Anticipated Reimbursements

The increase reflects a revised estimate of anticipated collections in FY 1989.

5. Unobligated balance available to finance new budget plans

The increase reflects the interappropriation transfer to the Air Force Space Launch Recovery system.

6. Unobligated balance transferred to other accounts

The increase reflects the interappropriation transfer to the Air Force Space Launch Recovery system.

7. Appropriation.

The increase reflects Congressional action to the FY 1989 President's Amended Budget Request.