

UNCLASSIFIED

ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)	DATE February 1999
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BUDGET ACTIVITY 6 - Management and Support	PE NUMBER AND TITLE 0605103A Rand Arroyo Center	PROJECT D732
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COST <i>(In Thousands)</i>	FY 1998 Actual	FY 1999 Estimate	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY 2005 Estimate	Cost to Complete	Total Cost
D732 Arroyo Center Support	15983	16685	17656	17995	18340	18747	19786	20188	Continuing	Continuing

A. Mission Description and Budget Item Justification This program funds the RAND Arroyo Center, the Department of the Army's Federally Funded Research and Development Center (FFRDC) for studies and analysis, which has operated at RAND since FY 1985. The Arroyo Center draws its researchers from RAND's staff of approximately 600 professionals trained in a broad range of disciplines. About 90 percent of RAND's staff are located at the corporate headquarters in Santa Monica, California; the remainder is based at RAND's Washington D.C. office. The RAND Arroyo Center provides for continuing analytical research across a broad spectrum of issues and concerns, which are grouped in four major research areas: Strategy, Doctrine, and Resources; Military Logistics; Manpower and Training; and Force Development and Technology. The RAND Arroyo Center research agenda is primarily focused on mid/long-term concerns. Results and analytical findings directly impact senior leadership deliberations on major issues. Arroyo Center research is sponsored by the Chief of Staff, Vice Chief, and Assistant Vice Chief of the Army; the Deputy Chiefs of Staff of the Army; the Assistant Army Secretaries; and most of the Army's major commands. The Arroyo Center is provided guidance from the Army through the Arroyo Center Policy Committee (ACPC), which is co-chaired by the Vice Chief of Staff of the Army and the Assistant Secretary of the Army (Research, Development, and Acquisition). The ACPC reviews, monitors, and approves the annual Arroyo Center research plan as well as all individual research projects. Each project requires General Officer (or SES equivalent) sponsorship and involvement on a continuing basis. RAND Arroyo provides the Army with a unique multidisciplinary capability for independent analysis. Although the Arroyo Center staff work with analysts in the Army's internal study program, the Arroyo Center is an independent organization that provides analysis for both the Army and the broader national security community. Work in this program element is consistent with the resource constrained Army Science and Technology Master Plan (ASTMP), the Army Modernization Plan, and Project Reliance.

FY 1998 Accomplishments:

- 1405 Research addressing the Army in national strategy, including identifying unique and significant Army contributions to the execution of future national military strategy; identifying the strength of the case for a stronger land-force emphasis in future U.S. engagement operations; conducting a parametric assessment of how costs affect Army expandability issues; and understanding the processes by which states translate sustained economic growth into military power.
- 1012 Research addressing improving the Army PPBE System, including developing and extending strategies for streamlining the processes; extending assumption-based planning; developing strategic concepts and planning processes to revitalize long-range strategic planning; developing new analytic tools to support the development of strategic resource alternatives; assessing the appropriateness of the current programming structure used by DoD; and providing and integrating operational and institutional guidance for the programming phase of Army PPBS.
- 3147 Research addressing Force XXI and Army After Next, including assisting the senior Army leadership in informing and influencing thinking in the broader defense community on operational concepts and technological applications for future forces; assisting in the design of the AAN winter and summer wargames; examining potential tactical and technological counters to the rapid force projection initiative system-of-systems concept; providing assistance in developing Army guidance leading to an improved level of joint and NATO interoperability; and developing concepts to explore U.S. military capabilities to conduct joint operations other than war (OOTW) and wartime operations on urban terrain.

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FY 1998 Accomplishments: (continued)		
•	1326	Research addressing the Army and its Title X responsibilities, including identifying near-term resourcing and management actions to sustain recruiting and reduce the force, and conducting a meta-analysis of existing and developing visions and strategic plans for logistics in 2005-2015 and beyond.
•	3822	Research addressing shaping and staffing the force, including designing and testing new systems of training CSS command and control, focusing on improved use of simulations and exercises; enhancing training of heavy combat units by developing more effective ways to use simulations; developing an objective, longitudinal system as a tool for assessing proficiency on collection and individual tasks performed at CTCs; strengthening and modernizing the system for developing and educating NCOs; testing and evaluating alternative ROTC staff programs; and maintaining training effectiveness and readiness of Army units in the face of varying levels of OPTEMPO and PERSTEMPO.
•	1563	Research addressing exploration of future force and technology alternatives, including maintaining science and technology capability necessary to meet AAN mission needs in period of reducing R&D funding; identify opportunities for exploiting information technologies by Army forces and reducing vulnerabilities to an adversary's use of information warfare; investigating current staff responsibilities for the management of the C2 Protect program; and improving the Army's ability to model, simulate, and analyze issues regarding the knowledge-based Army.
•	3708	Research addressing reshaping support functions and infrastructure, including adjustments to the Army's price and credit policies to support logistics initiatives; identifying types of savings that can be accrued from implementing improvements; improving the quality and usability of financial information needed for logistics decision making; improving the Army's CONUS and OCONUS order and ship processes; sizing and configuring stocks at all echelons to meet operational requirements responsively with lowest dollar investment; developing and implementing specific process improvements to sustain continuous process improvement; and increasing effectiveness and efficiency of logistics deployment capabilities.
Total	15983	
FY 1999 Planned Program:		
•	5434	Research addressing the national security debate, including assisting senior Army leadership in informing and influencing defense community thinking on operational concepts and technological applications for future forces; helping the leadership evaluate how to best develop and demonstrate capabilities to support domestic authorities in peace and war; evaluating the effects of continuing deployments on the ability to maintain wartime readiness requirements; assisting Army leadership to prepare for high-level strategy, force structure, and resource reviews; applying a new methodology for measuring state power in the post-industrial age; examining how the Asian economic crisis will affect the security environment; developing and analyzing strategic resource alternatives for the Army Strategic Resource Planning Process (ASRPP); evaluating the effects of continuing deployments on ability to maintain wartime readiness requirements; informing Army thinking on multinational force compatibility; explore U.S. military capabilities to conduct operations in urban environments; assisting the Army in evaluating candidate AAN capabilities and operational concepts through system-of-system/force-on-force analysis; helping determine how the Crusader might best integrate into the Army's vision of the future; improving joint interoperability by evaluating prioritization approaches for coupling Army's C4I operational and system architectures in a constrained resource environment; improving analytical tools to support the next Quadrennial Defense Review QDR; assessing how science and technology should be conducted to meet AAN mission objectives; and analyzing the benefits of improved effectiveness of precision munitions and the impact of modern weapon systems on war planning in terms of in-theater logistics footprint and deployability and logistics force structure.
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FY 1999 Planned Program: (continued)		
• 1263	Research addressing the Army's preparation for the upcoming transitions of top U.S. and Army leadership, including analyzing visions and strategic plans for logistics in 2005-2015 and beyond; assisting the Army in developing alternative long-term modernization plans; assisting efforts to improve and institutionalize the Army Strategic Planning Process; and providing analyses that will assist with the development, operation, and interpretation of major AAN wargames to help understand information generated during AAN gaming and turn it into usable information for the Army leadership.	
• 4577	Research addressing shaping and staffing the force, including assessing long-term changes in personnel requirements and their implication for future personnel structure and resources; testing and evaluating alternative ROTC staffing programs that could reduce demands for active personnel; evaluating costs and effects of alternative peacetime training strategies for National Guard enhanced brigades; identifying and analyzing personnel policy issues that will arise as the Army implements distance learning throughout the active and reserve component training system; developing an objective, longitudinal system to provide a tool for assessing proficiency on collective and individual tasks performed at combat training centers; and determining the extent and sources of personnel turbulence and characterizing the effects on operational experience levels of current and future Army leaders.	
• 4362	Research addressing reshaping support functions by helping the Army to dramatically improve its order and ship processes; improving the size and configuration of inventories at all echelons to responsively meet operational requirements while reducing the dollar investment in inventory and associated operating costs; improving the quality and usability of financial information needed for logistics decision making and evaluating alternatives to reduce the burden of financial management; recommending adjustments to Army's price and credit policies; and achieving better performance in the critical logistics processes by identifying and correcting the sources of poor quality to reduce the wastage incurred by multiple orders, serviceable returns, etc.	
• 1049	Research addressing technology alternatives, including identifying acquisition reform initiatives that can be implemented to improve the Army's acquisition system; and evaluating how the Army can leverage the experiences of commercial firms to improve operational and acquisition efficiencies.	
Total	16685	
FY 2000 Planned Program:		
• 5826	Research addressing the national security debate.	
• 5297	Research addressing shaping and staffing the force.	
• 1766	Research addressing exploring technology alternatives.	
• 4767	Research addressing reshaping support functions and infrastructure.	
Total	17656	
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FY 2001 Planned Program:

- 6298 Research addressing the national security debate.
 - 5219 Research addressing shaping and staffing the force.
 - 1080 Research addressing exploring technology alternatives.
 - 5398 Research addressing reshaping support functions and infrastructure.
- Total 17995

B. Program Change Summary	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Previous President's Budget (FY 1999 PB)	16534	16718	16868	17017
Appropriated Value	17576	16718		
Adjustments to Appropriated Value				
a. Congressional General Reductions	-1042	-33		
b. SBIR / STTR	-414			
c. Omnibus or Other Above Threshold Reductions	-137			
d. Below Threshold Reprogramming				
e. Rescissions				
Adjustments to Budget Years Since FY 1999 PB			+788	+978
Current Budget Submit (FY 2000 / 2001 PB)	15983	16685	17656	17995