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ARMY RDT&E BUDGET ITEM JUSTIFICATION (R-2 Exhibit)							DATE February 2000			
BUDGET ACTIVITY 6 - Management and Support				PE NUMBER AND TITLE 0605103A Rand Arroyo Center				PROJECT D732		
COST (In Thousands)	FY1999 Actual	FY 2000 Estimate	FY 2001 Estimate	FY 2002 Estimate	FY 2003 Estimate	FY 2004 Estimate	FY2005 Estimate	Cost to Complete	Total Cost	
D732 Arroyo Center Support	16812	17523	19872	20183	20570	21582	21960	Continuing	Continuing	
<p>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 are 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 (Acquisition, Logistics and Technology). 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.</p> <p>FY 1999 Accomplishments:</p> <ul style="list-style-type: none"> 5990 Researched 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 Asian economic crisis will affect the security environment; 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 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 Accomplishments: (continued)		
•	1648	Researched 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.
•	3816	Researched 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.
•	4646	Researched 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; 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.; increasing responsiveness of the repair process; and developing a framework for assessing the viability of the installations the Army will require out to 2020.
•	712	Researched 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	16812	Total
FY 2000 Planned Program:		
•	3111	Research addressing the Army's role in national security, including assisting the Army leadership to prepare for high-level strategy, force structure, and resource reviews; assessing the Army's current role in space and how it can be enhanced in the future; examining new concepts, technologies, and doctrine to enhance Army capabilities to conduct operations in urban environments; seeking to explain what did not happen (and why) as well as what did happen and the way in which diplomatic factors and coalition and physical constraints affected operations in the Kosovo campaign; and providing a framework for monitoring the emergence of "peer competitors."
•	4085	Research addressing the creation of a more agile, responsive force, including a quantitative assessment of new rapid-reaction capabilities; determining the effects of deployment policies on personnel readiness; identifying ways to support SSC missions while minimizing impacts on the Army's ability to execute its time-phased force deployment list for an MTW; developing and supporting the implementation of process-improvement initiatives that will help the Army improve the order and ship process; helping the Army size and configure the stocks at the retail echelons to improve supply
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<p>FY 2000 Planned Program: (continued)</p> <p>performance and reduce inventory investment; extending the Velocity Management (VM) methodology to the “quality” aspect of Army processes to help understand the sources of quality problems, measure their impact on the logistics system, and help generate corrective solutions; examining alternative unit resource priority-setting methodologies and new concepts for resourcing units to maintain a readiness posture that supports the full range of operational missions; and providing analytic planning and execution support to five Army After Next franchises.</p> <ul style="list-style-type: none"> • 2249 Research addressing recapitalization and modernization strategies, including developing measures of effectiveness for evaluating contributions to future capabilities provided by Army modernization programs; using high-resolution simulation to quantify characteristics of future-force concepts and determine their military utility in a system-of-systems context; examining Army programs and investment strategies and recommending alternative strategies that might result in quicker fielding of force capabilities; providing a long-term vision of how spiral development, as applied to information systems, should be incorporated within the Army acquisition, test and evaluation, and training environment; and analyzing the necessary tradeoffs in meeting increasing demands on current forces while preparing to modernize with no or little increases in the acquisition budget. • 674 Providing analytic support to the QDR effort, including helping the Army leadership evaluate how to best develop and demonstrate capabilities to support domestic authorities in peace and war; and forecasting active duty personnel costs in order to assess whether out-year personnel budget amounts are sufficient to attract and retain the quantity and quality of personnel sought by the Army. • 3148 Research addressing staffing and shaping the force, including developing designs and plans for conducting Army recruiting market research and evaluating the cost-effectiveness of advertising and marketing programs; addressing the frequency of ARNG rotations to CTCs; analyzing personnel policy issues that arise as the Army implements distance learning; testing and evaluating alternative ROTC staffing programs that could reduce demands for active personnel; and assessing how the Army’s new Officer Personnel Management System is affecting long-standing problems in the officer force. • 3035 Research addressing reshaping support functions, including developing concepts to improve Army depot maintenance processes and provide improved weapon-system maintenance support across all echelons for existing equipment and new technologies; analyzing single stock fund policies to identify implementation issues and recommend policy refinements; applying VM analysis and process improvement techniques to the management of Army training ammunition to improve system responsiveness and reliability; helping the Army improve its strategic responsiveness in small- and mid-size operations; applying the VM define-measure-improve methodology to the procurement process in lead times and order quantities to reduce administrative lead time/production lead time; and developing a blueprint to guide the Army toward its future (2005-2015 and beyond) logistics system. • 749 Research addressing maintaining the technological edge, including identifying ways the Army can better collaborate and partner with industry by exploiting acquisition reform initiatives to improve the Army’s acquisition system; and determining if there are better organizational models for the Army laboratories. • 472 Small Business Innovative Research/Small Business Technology Transfer <p>Total 17523</p>		
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FY 2001 Planned Program:

- 6955 Research addressing the national security debate
- 5763 Research addressing shaping and staffing the force
- 5962 Research addressing reshaping support functions and infrastructure
- 1192 Research addressing exploring technology alternatives
- Total 19872 Total

B. Program Change Summary	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>
Previous President's Budget (<u>FY 2000/2001</u> PB)	16685	17656	17995
Appropriated Value	16718	17656	
Adjustments to Appropriated Value			
a. Congressional General Reductions	-33		
b. SBIR / STTR			
c. Omnibus or Other Above Threshold Reductions		-72	
d. Below Threshold Reprogramming	+127		
e. Rescissions		-61	
Adjustments to Budget Years Since <u>FY 2000/2001</u> PB			+1877
Current Budget Submit (<u>FY 2001</u> PB)	16812	17523	19872

Change Summary Explanation: Funding - For FY 2001, the increase supports the QDR and senior leader requirements.