

# *Chapter 5*

## **Fiscal Resource Overview**





The FY01 Budget emphasizes the primacy of the Marine Air Ground Task Forces (MAGTFs) and balances our resources across the four pillars upon which readiness is built. These pillars are our Marines and their families, our current systems, our modernization efforts, and our infrastructure. Properly funding these four pillars is absolutely essential to ensure we remain ready, relevant and capable as we enter the 21st Century.

Marines and their families are our first priority and our greatest success story. We continue to dedicate resources to attract and retain quality young men and women. Our individual and unit training continue to be demanding and rewarding enough to build an esprit de corps that is unequaled in any other service. Recent quality of life improvements in pay and retirement allowances will help us retain our highly qualified Marines. Initiatives funded in this budget will help restore our “shock absorber” capability by freeing up over 2,100 Marines from supporting establishment duties and returning them to the Fleet Marine Force.

Our current systems are the key to near-term readiness. To maintain near term readiness we have dedicated significant resources - both dollars and man-hours to maintaining our legacy systems. Many of these systems have reached the end of their useful service lives. We are virtually facing block obsolescence in our major ground and aviation weapons systems. Marines are required to spend more and more time and money to maintain aging equipment and weapons systems. We can no longer pour scarce resources into maintaining aging legacy systems at the expense of modernizing the force.

Modernization of the Marine Corps is the key to addressing this near-term readiness challenge. Ground equipment has been funded well below the historical, or “steady state” level of \$1.2 billion for the last seven years. This extended period of underfunding has driven the recovery rate to \$1.8 billion per year for ground equipment modernization. The increases provided in this budget will allow us to sustain the “steady state” level we first achieved in FY00. However, it is still well short of the recovery level.

Regarding aircraft modernization, this budget balances aircraft modernization with new aircraft procurement necessary to maintain warfighting capability through new aircraft transitions. Modernization programs like CH-46E ERIP, ECP-583 F/A-18 upgrade and the AV-8B remanufacture programs are essential for the transition to MV-22 and JSF, respectively. At the same time, immediate savings in operating and support costs can be realized with the greater reliability and maintainability of new aircraft like the KC-130J and UC-35.”

Our infrastructure, Marine Corps bases and stations, is the platform for developing, training, and maintaining our Marines. It also serves as the centerpiece for our quality of life programs. While investment in our aging physical plant is long overdue our ability to do so remains limited. In the last two years we have been able to arrest our previously growing backlog of maintenance and repair (BMAR) at approximately \$650 million. This is well short of our goal to reduce BMAR to \$100 million by FY10. In terms of military construction, the Marine Corps’ fiscally constrained goal is to replace physical plant every 70 years compared to an industry standard of 50 years. However, current funding levels allow for a replacement cycle in excess of 100 years. Investment in family housing has been underfinanced for many years. While we are on schedule to revitalize our current inventory by FY10, we are unable to address our current deficiency.

The current budget proposal allows for significant progress toward solving some of our most pressing needs, however, solutions to our problems will not be achieved overnight. To meet tomorrow’s challenges and maintain the “expeditionary force in readiness” our Nation requires will take a sustained period of funding support for our modernization program. This chapter reviews the FY2001 Department of Defense (DoD) Budget resources allocated to the Marine Corps.