

TABLE A-4. CONTINUED

Committee		1981 Base	Projections		
			1982	1983	1984
Judiciary					
Sole jurisdiction	BA	3.3	3.7	3.8	3.8
	O	3.3	3.6	3.7	3.7
Shared jurisdiction	BA	1.4	1.4	1.4	1.4
	O	1.6	1.6	1.4	1.4
Merchant Marine and Fisheries					
Sole jurisdiction	BA	3.4	3.4	3.6	3.8
	O	3.5	3.4	3.5	3.6
Shared jurisdiction	BA	2.6	2.8	2.9	3.0
	O	2.4	2.7	2.8	2.9
Post Office and Civil Service					
Sole jurisdiction	BA	44.0	50.8	57.8	64.2
	O	33.5	39.5	45.2	50.4
Shared jurisdiction	BA	a/	a/	a/	a/
	O	a/	a/	a/	a/
Public Works and Transportation					
Sole jurisdiction	BA	24.5	25.7	27.8	29.7
	O	27.6	27.8	29.1	30.2
Shared jurisdiction	BA	6.0	6.7	7.1	7.4
	O	5.9	6.3	6.7	7.1
Science and Technology					
Sole jurisdiction	BA	7.4	8.0	7.9	7.9
	O	7.1	7.8	7.9	7.9
Shared jurisdiction	BA	7.3	7.8	8.2	8.7
	O	7.1	7.9	8.1	8.4

(Continued)

a/ Less than \$50 million.

TABLE A-4. CONTINUED

Committee		1981 Base	Projections		
			1982	1983	1984
Small Business					
Sole jurisdiction	BA	2.3	1.1	1.3	1.4
	O	2.5	1.7	1.1	1.3
Veterans' Affairs					
Sole jurisdiction	BA	23.8	25.9	27.3	28.4
	O	23.3	25.4	27.0	28.1
Ways and Means					
Sole jurisdiction	BA	331.0	381.1	410.9	436.7
	O	329.5	375.0	401.4	426.2
Shared jurisdiction	BA	4.0	4.5	4.7	5.0
	O	6.6	7.5	8.2	8.8
Total Allocations					
Sole jurisdiction	BA	797.3	884.1	957.3	1,024.4
	O	730.4	824.3	887.4	947.4
Shared jurisdiction <u>b/</u>	BA	19.9	21.9	23.0	24.0
	O	22.8	24.8	26.0	27.5
Unallocated to Committees					
Sole jurisdiction	BA	-93.4	-110.4	-121.0	-131.6
	O	-93.4	-110.4	-121.1	-131.6
Grand Totals					
	BA	723.8	795.6	859.3	916.
	O	659.8	738.7	792.5	843

b/ In computing total shared jurisdiction, those dollar values allocated to two or more authorizing committees were counted only once.

TABLE A-5. BASELINE PROJECTIONS OF BUDGET AUTHORITY AND OUTLAYS BY SENATE COMMITTEES WITH AUTHORIZING JURISDICTION (By fiscal year, in billions of dollars)

Committee		1981 Base	Projections		
			1982	1983	1984
<b>Agriculture, Nutrition, and Forestry</b>					
Sole jurisdiction	BA	24.1	26.6	28.9	30.2
	O	21.9	27.3	28.6	30.5
Shared jurisdiction	BA	2.8	3.0	3.1	3.3
	O	2.7	3.0	3.1	3.2
<b>Armed Services</b>					
Sole jurisdiction	BA	171.7	195.5	216.1	234.6
	O	157.8	181.1	201.0	218.8
Shared jurisdiction	BA	3.7	4.0	4.3	4.6
	O	3.7	4.2	4.3	4.5
<b>Banking, Housing, and Urban Affairs</b>					
Sole jurisdiction	BA	46.9	47.2	49.8	54.6
	O	15.5	19.6	20.4	22.4
Shared jurisdiction	BA	10.8	5.8	6.2	6.6
	O	4.7	4.8	5.0	5.2
<b>Commerce, Science, and Transportation</b>					
Sole jurisdiction	BA	15.8	16.0	16.2	16.0
	O	15.9	15.2	15.8	15.8
Shared jurisdiction	BA	9.1	9.9	10.6	11.2
	O	8.4	9.0	9.5	9.8
<b>Energy and Natural Resources</b>					
Sole jurisdiction	BA	12.3	16.6	15.3	14.9
	O	12.6	14.8	15.7	14.9
Shared jurisdiction	BA	6.7	7.2	7.6	7.9
	O	6.6	7.3	7.5	7.8

(Continued)

TABLE A-5. CONTINUED

Committee		1981 Base	Projections		
			1982	1983	1984
<b>Environment and Public Works</b>					
Sole jurisdiction	BA	18.5	18.5	20.1	21.5
	O	21.6	21.6	22.5	23.4
Shared jurisdiction	BA	3.3	3.5	3.7	3.9
	O	3.3	3.6	3.8	4.0
<b>Finance</b>					
Sole jurisdiction	BA	359.8	411.7	443.5	471.9
	O	360.9	408.4	437.3	465.0
Shared jurisdiction	BA	10.8	12.4	13.4	14.3
	O	10.8	12.3	13.1	14.0
<b>Foreign Relations</b>					
Sole jurisdiction	BA	19.9	21.0	22.3	24.4
	O	18.3	19.3	20.2	21.0
Shared jurisdiction	BA	6.6	1.1	1.1	1.0
	O	0.9	1.0	1.1	1.0
<b>Governmental Affairs</b>					
Sole jurisdiction	BA	45.4	52.3	59.3	65.8
	O	34.9	41.0	46.7	52.0
Shared jurisdiction	BA	0.3	0.4	0.4	0.4
	O	0.3	0.3	0.4	0.4
<b>Judiciary</b>					
Sole jurisdiction	BA	4.1	4.5	4.7	4.7
	O	4.4	4.6	4.6	4.6
Shared jurisdiction	BA	1.1	1.1	1.1	1.0
	O	1.0	1.1	1.1	1.1

(Continued)

TABLE A-5. CONTINUED

Committee		1981 Base	Projections		
			1982	1983	1984
<b>Labor and Human Resources</b>					
Sole jurisdiction	BA	35.3	37.7	40.5	43.2
	O	34.6	37.3	39.5	41.9
Shared jurisdiction	BA	13.5	15.2	16.2	17.1
	O	13.4	15.1	16.0	16.9
<b>Rules and Administration</b>					
Sole jurisdiction	BA	0.8	0.9	0.9	0.9
	O	0.8	0.8	0.8	1.0
Shared jurisdiction	BA	<u>a/</u>	<u>a/</u>	<u>a/</u>	<u>a/</u>
	O	<u>a/</u>	<u>a/</u>	<u>a/</u>	<u>a/</u>
<b>Small Business</b>					
Sole jurisdiction	BA	2.3	1.1	1.3	1.4
	O	2.5	1.7	1.1	1.3
<b>Veterans' Affairs</b>					
Sole jurisdiction	BA	23.8	25.9	27.3	28.4
	O	23.3	25.5	27.1	28.1
Shared jurisdiction	BA	0.3	0.4	0.4	0.4
	O	0.5	0.4	0.4	0.4
<b>Select Committee on Indian Affairs</b>					
Sole jurisdiction	BA	1.5	1.5	1.6	1.6
	O	1.4	1.2	1.3	1.5
Shared jurisdiction	BA	0.8	0.9	0.9	1.0
	O	0.8	0.9	0.9	0.9

(Continued)

a/ Less than \$50 million.

TABLE A-5. CONTINUED

Committee		1981 Base	Projections		
			1982	1983	1984
Total Allocations					
Sole jurisdiction	BA	782.3	877.0	947.8	1,014.2
	O	726.5	810.4	882.7	942.2
Shared jurisdiction <u>b/</u>	BA	34.9	29.0	32.5	34.2
	O	26.7	38.7	30.8	32.7
Unallocated to Committees					
Sole jurisdiction	BA	-93.4	-110.4	-121.0	-131.6
	O	-93.4	-110.4	-121.0	-131.6
-----					
Grand Totals	BA	723.8	795.6	859.3	916.8
	O	659.8	738.7	792.5	843.3

b/ In computing total shared jurisdiction, those dollar values allocated to two or more authorizing committees were counted only once.

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APPENDIX B. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS

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The unified budget and the federal sector of the national income accounts (NIA) both measure receipts and expenditures of the federal government. The national income accounts have as their special focus current income and production, and are the most widely used indicator of aggregate economic activity. In general, the unified budget is used for budgetary analysis while the NIA federal sector is used for fiscal policy analysis.

The principal distinction between the two sets of accounts is that the unified budget records transactions on a cash basis while the NIA federal sector does not. Recording transactions on a cash basis means that transactions are recorded when receipts are actually deposited in and checks are issued by the Treasury. The NIA federal sector records transactions on a variety of bases that depend on the nature of the individual transaction. These include: when liability is accrued; when payments are made either by the taxpayer or by the government; or, as in the case of national defense items, when delivery is taken.

DIFFERENCES BETWEEN THE UNIFIED BUDGET AND THE FEDERAL SECTOR IN THE NATIONAL INCOME ACCOUNTS

Differences between the unified budget and the NIA federal sector can be classified in four categories: timing differences, netting and grossing differences, coverage differences, and differences resulting from the exclusion of financial transactions from the NIA.

Timing differences occur when the two sets of accounts record a transaction at different times. For example, the NIA federal sector records the corporate income tax as corporations earn income and accrue tax liability. The unified budget, on the other hand, records this tax when money is actually deposited in the Treasury--an act that may take place several months to several years after the liability has accrued.

Netting and grossing differences arise because some government revenues are recorded as offsets against expenditures in the unified budget, but as positive receipts in the NIA. Government contributions for employee retirement are one example of a netting adjustment. These contributions

are not reflected in the unified budget totals since they are offset by intragovernmental transactions. In the NIA, however, contributions to government employee retirement are regarded as part of employee compensation and are included in contributions for social insurance. Other netting and grossing items include imputed contributions for social insurance, unemployment compensation, and workmen's compensation.

Coverage differences arise from the NIA's geographical exclusion of transactions with Puerto Rico, the Virgin Islands, and other U.S. territories, and inclusion of certain foreign currency transactions not recorded in the unified budget. The NIA federal sector also includes the transactions of certain off-budget agencies.

The final difference is the exclusion of financial transactions from the NIA. Since the national income accounts measure current income and the production of goods and services, it excludes transactions, such as lending and borrowing, that are transfers of existing assets and liabilities. The interest expended or earned as a result of financial transactions is, however, included in the NIA as net interest.

#### TRANSLATION OF UNIFIED BUDGET ESTIMATES TO THE NIA FEDERAL SECTOR BASIS

The federal government's receipts in the NIA are divided into four categories: personal tax and nontax receipts, corporate profits tax accruals, indirect business tax and nontax accruals, and contributions for social insurance. The Congressional Budget Office translates each category separately by aggregating the appropriate accounts from the unified budget and then adding estimates of the timing, netting, and coverage differences.

Expenditures in the NIA are also divided into several categories: defense and nondefense purchases, domestic and foreign transfers, grants-in-aid to state and local governments, domestic and foreign interest, and subsidies less current surplus of government enterprises. CBO has developed a model that distributes federal-sector outlays among these categories on the basis of their composition in previous years. This model is based on the assumption that previous years' relationships between the unified budget and the NIA federal sector will continue to hold in the future.

Table B-1 contains the CBO translation of the unified budget baseline projections presented in this report to the NIA federal sector basis. Table B-2 contains a similar translation of the revenue and outlay targets of the First Concurrent Resolution on the Budget for Fiscal Year 1982.

TABLE B-1. PROJECTIONS OF BASELINE REVENUES AND OUTLAYS ON A NATIONAL INCOME ACCOUNTS BASIS (By fiscal year, in billions of dollars)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
Receipts						
Personal Tax and Nontax Receipts	293.5	347.5	408.2	477.1	548.1	629.2
Corporate Profits Tax Accruals	71.0	82.0	96.5	110.8	127.2	146.0
Contributions for Social Insurance	199.5	229.1	254.2	278.9	312.2	244.5
Indirect Business Tax and Nontax Accruals	<u>60.1</u>	<u>67.7</u>	<u>70.3</u>	<u>73.2</u>	<u>72.2</u>	<u>73.8</u>
Total	624.1	726.3	829.2	940.0	1,059.7	1,093.5
-----						
Expenditures						
Purchases of Goods and Services						
Defense	146.3	168.1	186.2	203.3	218.8	232.7
Nondefense	71.0	77.3	82.4	85.3	89.4	95.4
Transfer Payments						
Domestic	276.1	310.5	335.8	361.7	389.6	417.4
Foreign	5.1	5.8	6.0	6.5	6.9	7.3
Grants-in-Aid to State and Local Governments	91.3	96.8	102.0	107.4	113.3	119.8
Net Interest Paid	67.0	74.8	77.8	76.3	70.8	64.4
Subsidies less Current Surplus of Government Enterprises	<u>12.3</u>	<u>12.9</u>	<u>13.5</u>	<u>14.0</u>	<u>14.5</u>	<u>15.0</u>
Total	669.1	746.2	803.7	854.5	903.3	952.0

TABLE B-2. ESTIMATES OF RECOMMENDED REVENUES AND OUTLAYS CONTAINED IN THE FIRST BUDGET RESOLUTION FOR 1982 ON A NATIONAL INCOME ACCOUNTS BASIS (By fiscal year, in billions of dollars)

	1980 Actual	Budget Resolution			
		1981	1982	1983	1984
Receipts					
Personal Tax and Nontax Receipts	251.4	284.5	301.8	324.1	354.3
Corporate Profits Tax Accruals	70.6	71.5	73.0	80.7	85.1
Contributions for Social Insurance	168.3	197.2	226.0	252.8	279.0
Indirect Business Tax and Nontax Accruals	<u>35.8</u>	<u>60.6</u>	<u>69.8</u>	<u>72.7</u>	<u>76.0</u>
Total	526.0	613.8	670.6	730.2	794.4
-----					
Expenditures					
Purchases of Goods and Services					
Defense	125.9	148.9	173.1	204.5	230.7
Nondefense	64.5	70.9	65.6	60.8	60.7
Transfer Payments					
Domestic	233.5	273.9	293.7	308.1	325.5
Foreign	4.5	5.3	5.6	5.6	5.6
Grants-in-Aid to State and Local Governments	86.3	89.8	82.4	79.1	78.5
Net Interest Paid	50.6	67.4	72.2	74.2	72.5
Subsidies less Current Surplus of Government Enterprises	<u>11.1</u>	<u>12.6</u>	<u>12.1</u>	<u>11.5</u>	<u>11.0</u>
Total	576.4	668.7	704.6	743.8	784.5

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## APPENDIX C. THE DEFENSE BASELINE PROGRAM

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The defense baseline is a five-year projection of the explicit force structure and investment programs approved during the second session of the 96th Congress. The outyear force structure reflects announced changes in force level, the introduction of new weapon systems purchased in the current and prior years, and the planned deactivation of obsolete or worn-out systems. The outyear investment programs thus represent the Carter Administration's 1981 program adjusted to reflect the outyear effects of Congressional appropriation decisions. The Reagan Administration has not yet announced its outyear investment plans for defense programs.

The baseline is costed in 1981 dollars, assuming the same per unit level of force activity in the outyears as Congressionally approved in the regular 1981 appropriation bills and the same level of efficiency over the six-year period. The outyear costs in 1981 dollars are adjusted for inflation using the economic assumptions of the First Concurrent Resolution on the Budget for Fiscal Year 1982 (see Chapter II).

### SUMMARY OF THE CBO DEFENSE BASELINE

Table C-1 shows baseline budget authority and outlays in constant 1981 dollars and in current dollars (that is, with adjustments for inflation). Real budget authority measured in constant 1981 dollars grows at an average annual rate of about 1 percent over the projection period. Increases between 1981 and 1984 averaging nearly 3 percent annually are partially offset by a 3.5 percent decline between 1985 and 1986, when many major procurement programs (for example, Trident submarines) will have ended or passed peak production levels. Real growth in outlays over the five-year projection period is larger--an average annual rate of over 3 percent--primarily because of spending from 1981 and earlier procurement appropriations. The real growth in outlays is particularly high in 1982 and 1983, but then falls to less than 2 percent annually in 1985 and 1986.

Table C-2 shows the baseline budget authority by Defense Planning and Programming Category (DPPC) in current dollars; Table C-3 shows the same data in constant 1981 dollars. These are the amounts required to keep the approved 1981 program on track including full adjustment for projected inflation.

TABLE C-1. CBO DEFENSE BASELINE PROJECTIONS (By fiscal year, in billions of dollars)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
<b>Constant 1981 Dollars</b>						
Budget authority	173.7	179.4	184.9	188.9	189.2	182.6
Outlays	159.6	169.7	176.7	181.4	184.5	186.5
<b>Current Dollars</b>						
Budget authority	173.7	198.1	219.0	238.0	252.0	256.6
Outlays	159.6	183.8	203.5	222.0	238.8	254.0

TABLE C-2. CURRENT-DOLLAR CBO DEFENSE BASELINE BY DEFENSE PLANNING AND PROGRAMMING CATEGORY (By fiscal year, budget authority in billions of current dollars)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
Strategic Forces	14.0	17.6	26.0	32.1	35.9	34.7
<b>Tactical/Mobility Forces</b>						
Land forces	20.9	24.0	26.2	27.8	28.8	29.6
Air Force Tac Air	13.8	15.3	16.5	16.3	16.6	16.1
Navy Tac Air	8.1	8.6	9.0	8.9	10.2	9.7
Marine Corps Tac Air	1.4	1.9	2.0	2.5	2.5	2.6
Naval forces	20.1	23.4	24.0	27.0	27.2	25.9
Mobility	2.8	3.0	3.1	3.4	3.3	3.5
Auxiliary Forces	14.2	15.4	16.8	17.7	18.9	19.7
Mission Support Forces	14.0	15.5	17.1	18.3	19.5	20.7
Central Support Forces	40.2	44.3	48.8	52.5	55.9	59.3
Miscellaneous	20.5	25.0	25.1	26.6	27.9	29.3
Subtotal, DoD-Military	169.9	194.0	214.6	233.1	246.8	251.1
Other National Defense	3.7	4.1	4.5	4.9	5.2	5.5
Total	173.7	198.1	219.0	238.0	252.0	256.6

TABLE C-3. CONSTANT-DOLLAR CBO DEFENSE BASELINE BY DEFENSE PLANNING AND PROGRAMMING CATEGORY (By fiscal year, budget authority in billions of constant 1981 dollars)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
Strategic Forces	14.0	16.2	22.3	26.2	27.8	25.4
Tactical/Mobility Forces						
Land Forces	20.9	21.8	21.9	21.7	21.1	20.5
Air Force Tac Air	13.8	14.2	14.2	13.2	12.7	11.6
Navy Tac Air	8.1	8.0	7.7	7.2	7.8	7.1
Marine Corps Tac Air	1.4	1.8	1.7	2.0	1.9	1.9
Naval Forces	20.1	21.6	20.5	21.8	20.7	18.6
Mobility	2.8	2.7	2.6	2.6	2.4	2.4
Auxiliary Forces	14.2	14.2	14.2	14.1	14.2	14.1
Mission Support Forces	14.0	14.1	14.1	14.2	14.2	14.2
Central Support Forces	40.2	40.2	40.4	40.5	40.6	40.6
Miscellaneous	<u>20.5</u>	<u>20.9</u>	<u>21.4</u>	<u>21.7</u>	<u>22.1</u>	<u>22.5</u>
Subtotal, DoD-Military	169.9	175.7	181.2	185.2	185.5	178.9
Other National Defense	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>	<u>3.7</u>
Total	173.7	179.4	184.9	188.9	189.2	182.6

Higher force levels in the projection period require higher military and civilian strengths under the CBO costing assumptions. Table C-4 shows personnel requirements for each fiscal year.

TABLE C-4. ACTIVE MILITARY AND CIVILIAN PERSONNEL IN THE CBO DEFENSE BASELINE (By fiscal year, end-strengths in thousands)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
Active Officers	280	282	283	283	283	284
Active Enlisted	1,785	1,797	1,806	1,810	1,811	1,820
Civilians	986	992	994	996	996	999

The major results of the baseline projections by Defense Planning and Programming Category are discussed below.

### Strategic Forces

The baseline provides significant real dollar growth in strategic forces over the projection period. Budget authority in 1986 is about 81 percent higher in real terms than in 1981. Additions to deployed forces are relatively small, with 9 additional Trident submarines and 12 new strategic bombers being the major changes. Investment programs account for most of the growth as major funding increases are made for the MX missile, Trident II missile, KC-135 reengining, and the new strategic aircraft. These increases are partially offset by the projected termination of the Trident submarine procurement program consistent with original program goals.

### Tactical/Mobility Forces

Land Forces. Budget authority for land forces declines slightly in real dollar terms. The only significant changes occur in the investment program, where production rates are at their highest levels by 1986, but learning-curve effects have lowered unit costs; in other words, there is little, if any, real decline in effort. Deployed force levels do not change at all.

Air Force Tac Air. The number of deployed combat aircraft is about 14 percent higher in 1986 than 1981. The increases in budget authority supporting the higher force levels are offset in real terms by reductions in investment for all tactical aircraft procurement. The A-10, F-15, KC-10, and E-3A (AWACS) all reach the end of their planned procurement by 1985. The F-16 program ends at its lowest production rate (for this period) in 1986.

Navy Tac Air. The Navy is projected to operate about 7 percent more combat aircraft and two more aircraft carriers in 1986 than 1981. The investment program in 1986 is lower than that in 1981 because F-14 procurement has ended; there is no funding for a carrier service-life extension; and procurement of tactical missiles is also reduced. In 1986, 191 F-18s are procured compared to 60 in 1981.

Marine Corps Tac Air. The CBO baseline shows that F-18s replace F-4s and AV-8Bs replace AV-8As as deployed aircraft. Procurement of the AV-8B begins in 1982 with 12 aircraft, rising to 54 aircraft per year in 1984 through 1986.

Naval Forces. Deployed major combatants increase 17 percent by 1986 over 1981. Nuclear attack submarines and guided missile frigates show the largest increases. The baseline contains procurement of 12 attack submarines, 21 AEGIS cruisers, and 24 guided missile frigates during the six-year period.

Mobility Forces. By 1986, the Air Force is operating all of its stretched C-141s. The only CX funding in the baseline occurs in 1981 (\$34 million for research and development), consistent with Congressional action on this program.

#### Auxiliary Forces

Funding for the basic research, communications and intelligence, and geophysical activities included in auxiliary forces is essentially constant in real terms.

#### Mission and Central Support Forces

Higher force and personnel levels require real funding increases for various base operations, training, medical support, personnel support, command, and logistic functions.

#### Miscellaneous

Military retired pay, the largest part of this category, increases with the cost of living and a larger population of military retirees.

#### Other National Defense

Defense programs of the Department of Energy, the General Services Administration, the Selective Service System, and the Intelligence Community Oversight Staff are held constant in real terms.

#### PROJECTION METHOD

The CBO baseline focuses on the main determinant of the defense budget, force structure, by addressing changes in the forces operated each year and the investment programs contributing to future force changes. The defense baseline is not a forecast of future forces and budgets. Rather, it is

a budget projection based on current and anticipated force levels and on investment plans as reflected in appropriation and authorization bills enacted to date for 1981.

Force Levels

Force levels change during the projection period because weapon systems currently on order will be delivered and some systems now in operation will be phased out. For example, the Navy will operate 85 nuclear attack submarines (SSNs) by the end of fiscal year 1981. CBO estimates, however, that on the basis of age and obsolescence 5 of these will be decommissioned or retired over the next five years. CBO also estimates that 20 new SSNs that are now under construction will enter active service. Table C-5 shows the net change to SSN force levels in each fiscal year.

TABLE C-5. COMPUTATION OF NUCLEAR-POWERED ATTACK SUBMARINE (SSN) FORCE LEVELS (By fiscal year, in numbers of ships)

	1982	1983	1984	1985	1986
SSN Force Level at Start of Year	85	89	94	98	97
Projected Retirements	--	--	1	2	~
Projected Deliveries	4	5	5	1	5
SSN Force Level at End of Year	89	94	98	97	100

Force levels are translated into budget authority requirements by assuming the same per unit level of force activity (for instance, steaming hours per ship) approved in the base year, 1981, and by assuming a constant level of overall efficiency during the projection period. CBO computes all costs in constant base-year dollars and then adjusts these estimates for inflation.

Table C-6 depicts the overall force levels used in making the funding projections. As in the SSN example, these force levels are the net result of

TABLE C-6. MAJOR ACTIVE FORCE LEVELS USED IN THE CBO DEFENSE BASELINE (By fiscal year, in units of equipment)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
<b>Strategic Forces</b>						
Titan	54	54	54	54	54	54
Minuteman	1,000	1,000	1,000	1,000	1,000	1,000
SSBN	35	34	35	37	38	40
B-52	316	316	316	316	316	316
FB-111	60	60	60	60	60	60
New strategic aircraft	--	--	--	--	--	12
<b>Tactical/Mobility Forces</b>						
<b>Land forces</b>						
Army divisions	16	16	16	16	16	16
Marine Corps divisions	3	3	3	3	3	3
<b>Air Force Tac Air</b>						
A-10	252	288	312	336	360	360
F-4	666	504	456	312	168	48
F-15	360	432	432	432	432	432
F-16	168	312	432	552	672	792
F-111	252	240	240	240	240	240
<b>Navy Tac Air</b>						
Aircraft carriers	12	13	13	13	13	14
A-7	288	288	288	288	288	288
F-4	96	72	48	24	--	--
F-14	192	216	216	216	216	240
F-18	--	--	24	48	72	96
<b>Marine Corp Tac Air</b>						
AV-8	45	45	45	45	45	45
F-4	153	153	141	105	81	57
F-18	--	--	12	48	72	96
<b>Naval forces</b>						
Attack submarines	89	93	98	102	101	104
Destroyers	83	83	84	84	84	84
Frigates	80	89	97	103	107	111
Cruisers	27	27	28	29	30	32

the introduction of new systems and the phasing out of obsolete systems. The force-level analysis is straightforward: once a weapon system is procured, it is delivered and becomes operational according to a predictable schedule. Similarly, retirements are a function of the obsolescence or age of the weapon system. The age of current forces and the backlog of undelivered items are critical to the analysis.

### Investment Profile

The investment profile is based primarily on the five-year procurement program contained in the budget justification materials for fiscal year 1981 and modified by the 1981 defense appropriation bill. President Carter's budget request for 1981 was supported by detailed estimates of the five-year investment costs of proposed weapon system acquisitions. The baseline projections are based on that 1981 program as changed to reflect the outyear effects of 1981 Congressional action. In some cases, the change is substantial; for example, although President Carter's program included \$6.8 billion for the CX aircraft over the projection period, the baseline includes only the \$34 million appropriated for 1981 because the appropriation bill did not represent a commitment to the CX program. Conversely, the baseline includes all of the Carter Administration's planned outyear funding for the MX strategic missile because the appropriations bill did not differ from the Air Force program. Table C-7 shows the budget authority included in the projections for major investment programs.

### Other Programs

Some programs in the 1981 base reflect a desired level of effort that is not affected by force changes or major investment decisions. Examples include minor military construction and basic research, which are projected to be constant in real terms--that is, adjusted for inflation only. Other parts of the base, such as the intelligence and atomic energy defense activities, have a very specific program content, but unless the variation in these programs was obtainable in unclassified form they were projected to be constant in real terms.

TABLE C-7. MAJOR INVESTMENT PROGRAMS CONTAINED IN THE NATIONAL DEFENSE BUDGET PROJECTIONS (By fiscal year, in billions of dollars)

	1981 Base	Projections				
		1982	1983	1984	1985	1986
<b>Strategic Forces</b>						
MX	1.5	2.8	5.9	8.1	9.9	10.0
Trident I missile	0.9	0.8	0.8	0.8	0.5	--
Trident II missile	0.1	0.6	1.3	1.8	2.8	3.8
Trident submarine	1.1	1.4	1.6	1.4	2.6	--
B-52 mods	0.5	0.6	0.5	0.3	0.1	0.1
Air-launched cruise missiles <sup>a/</sup>	1.0	1.0	0.8	0.7	0.6	0.5
New strategic aircraft	0.3	1.0	3.9	6.7	6.0	6.3
KC-135 reengining	0.1	0.3	1.1	1.3	1.4	1.4
<b>Tactical/Mobility Forces</b>						
<b>Land forces</b>						
Army aircraft	0.9	1.1	1.5	1.5	1.4	1.2
M-1 tanks	1.2	1.3	1.6	1.7	1.6	1.6
Other tracked vehicles	0.8	0.8	0.9	1.0	1.0	0.9
Missiles	1.8	2.3	2.2	2.0	1.9	1.9
<b>Air Force Tac Air</b>						
A-10	0.6	0.4	0.4	0.4	--	--
F-15	1.1	1.0	0.4	--	--	--
F-16	2.0	2.0	2.2	2.1	2.2	0.9
KC-10A	0.3	0.3	0.4	--	--	--
E-3A (AWACS)	0.3	0.3	0.3	--	--	--
<b>Navy Tac Air</b>						
CV-SLEP	0.5	0.1	0.6	0.1	0.6	0.1
F-14	0.9	1.0	0.3	0.1	--	--
F-18	1.8	2.4	2.6	2.7	3.0	3.1
<b>Marine Corps Tac Air</b>						
F-18	0.1	0.2	0.2	0.2	0.3	0.3
AV-8B	0.3	0.7	0.6	1.0	0.9	1.0
<b>Naval forces</b>						
SSN-688	1.2	1.1	1.1	1.3	1.3	1.1
CG-47	1.8	3.4	2.6	3.6	3.7	3.9
FFG-7	1.6	1.2	1.2	1.3	1.2	0.7

<sup>a/</sup> Air Force ALCM and Navy Tomahawk.

