

Cohen Gives Peek at Fiscal 2001 Budget

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WASHINGTON – DoD will hit the \$60 billion mark in procurement in its coming fiscal 2001 DoD budget request, Defense Secretary William Cohen said Jan. 28 to the Defense Writers Group.



Cohen also said the budget addresses quality of life issues such as the basic allowance for housing and the military's TRICARE medical system.

"When I first took over three years ago the procurement level was down around \$43 billion," Cohen said. "This year we will hit the \$60 billion mark."

Then-Chairman of the Joint Chiefs of Staff Army Gen. John M. Shalikashvili first proposed the \$60 billion modernization amount in 1995. Each year, the amount crept toward that level and in fiscal 2001 will hit the magic number.

Cohen told reporters that lessons learned in Operation Allied Force over Yugoslavia will be part of the procurement effort in the budget request. "Some of the items that we have allocated resources to would be additional Joint Surveillance and Target Attack Radar System aircraft, the Global Hawk unmanned aerial vehicle, a squadron of electronic warfare aircraft – EA-6Bs – and, of course, increase in our Joint Direct Attack Munitions," he said.

He said the final Lessons Learned Report will be released in February.

Cohen said he is proud of the pay and retirement reforms that were part of the fiscal 2000 budget cycle. He said these are having a good effect on morale around the Services. But now, he said, he wants to address other quality-of-life aspects, particularly housing and healthcare.

In housing, DoD is making changes to the basic allowance for housing," Cohen said. "Frankly, I was not aware at the time that there was such a disparity in terms of off-base cost. It was averaging about 18.8, almost 19 percent out of pocket."

So if servicemembers don't live in base housing, they pay 19 percent out-of-pocket to live off-base. "The law actually requires 15 percent as far as a servicemember is con-

cerned," Cohen said. "So we put the money in this particular [fiscal 2001] budget to eliminate that."

In the 2001 budget, out-of-pocket expenses would go down to 15 percent and then over a five-year period would fall to zero, Cohen said. "I think [this] will have a major impact on quality of life and also on morale for the forces."

Servicemembers have consistently complained about military healthcare, Cohen said. "TRICARE has been plagued with problems in terms of the contracting," he said. "We need to streamline it to make it as universal in application as possible."

This means servicemembers can move from one TRICARE region to another without having to start the process all over again. "We're trying to make it as seamless as possible so when you sign up you can pretty much expect the same kind of benefits wherever you go, as opposed to having different area arrangements in terms of a contract," he said.

Cohen said DoD will push for better business practices on the part of military medical facilities so they can take advantage of the techniques and technology that the private sector has.

"Then we're also looking into how we can make the TRICARE Prime more equitable," he said. "We have proposed to eliminate co-pay for those who are in the TRICARE Prime program so that when they have to go off base for treatment, they don't have to come up with the co-pay out of their pocket."

Cohen said the budget request proposes two more base realignment and closure rounds in fiscal 2003 and 2005 for DoD. "Can we achieve it this year?" he asked. "I don't know. But I continue to say this is an issue that [the Congress] will have to wrestle with in the coming year."

"Those members on the committees that have jurisdiction over this will have a choice. They can say they can continue to carry the excess infrastructure and see either readiness accounts or operations and maintenance accounts or procurement accounts suffer; or be forced to raise the top line even further to carry the excess infrastructure."

"But I will continue to point out, these are the choices," Cohen said. "There's a big wave coming in terms of what we have to procure, and the way to help pay for that is to eliminate excess overhead."

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