



POLICY

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THE UNDER SECRETARY OF DEFENSE

WASHINGTON, D. C. 20301-2000

EXECUTIVE SUMMARY/COVER BRIEF

MEMORANDUM FOR THE SECRETARY OF DEFENSE
DEPUTY SECRETARY OF DEFENSE

FROM: Paul Wolfowitz, Under Secretary of Defense (Policy)

SUBJECT: Excess Equipment Stocks and Future "Lend-Lease"
Options (~~S, NE~~)

PURPOSE: INFORMATION--To discuss a reference in the Defense
Planning Guidance that suggests that excess
equipment stocks retained for possible force
expansion under reconstitution might also be used,



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of the Department of Defense
FOIA 5 USC §552(b)(5)

Reviewed by:

PDUSD/S&R _____

ADUSD/R&P _____

Prepared by: Andrew R. Hoehn, OPDUSD/S&R, x79478

DECLASSIFIED UNDER AUTHORITY OF THE INTERAGENCY
SECURITY CLASSIFICATION APPEALS PANEL.
E.O. 13526, SECTION 5.3(b)(3)
ISCAP No. 2008-003, document 2

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Excess Equipment Stocks and

~~(S, NE)~~

(S) The DPG programming guidance directs the Services to "program for--or alternatively, itemize and cost in a POM addendum--assets to enable reconstitution of ... combat capable forces" This guidance intends for the Services to maintain "cadre-type" units, or production restart capacity for current systems, or to consider long-term storage or "mothballing" of combat vehicles, airplanes, and ships leaving the force. We expect this form of "smart layaway" to be a low-cost hedge against future reconstitution threats. If relatively near-term force expansion were required we will have made best use of our earlier investments by preserving the option to build forces around what, in most cases, is still modern and usable equipment.

~~(S, NE)~~ Another factor that should influence our consideration of a smart layaway program is the idea that this same equipment could be used, in extreme conditions, facing a particularly urgent or unanticipated threat. In this case, assets that were set aside for purposes of reconstitution could be made available. This would provide us an instrument to influence or shape events by strengthening the military capability and thereby furthering deterrence. Perhaps more importantly it might ultimately help to preclude the direct involvement of American forces.

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~~(S)~~ Our view of this concept is that we should not set aside more equipment than we might reasonably expect to use for our own reconstitution efforts. And we would want to be guarded in anything but very general references to the thought of a future for fear of unsettling other initiatives we may have underway or of prejudging what we would hope to be a more positive outcome. This is the same reason we may not wish to make some of this equipment available now. But like the "hedge" that a program provides for the reconstitution of our own forces, arrangements could help to defuse an emerging situation, show our commitment to the concept of democracy and our unwillingness to accept aggression or military intimidation, and make productive, yet highly leveraged use of our earlier military investments.

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~~(S)~~ The DPG Policy and Strategy section will make reference to this concept in the last sentence of the paragraph that follows:

~~(S)~~ We will plan to reconstitute with forces tailored to exploit new high-leverage technologies, operational concepts, or strategies; to exploit vulnerabilities unique to a

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particular adversary or situation; or to reflect role
specialization for the reconstitution threat. As
we reduce our defense establishment, we have the unique
opportunity to preserve selectively through such means
.....
access to selected long-lead elements of our capacity to
rebuild that would also offer timely availability in the
immediate future, if needed. **These same assets might also
be useful in providing timely support**
..... facing a greatly increased or unanticipated
threat.

(S) We believe this is an important factor to bear in mind
when considering the advisability of maintaining excess equipment
in some form of We do not feel it is an argument
to be used against judicious or for
destroying or otherwise eliminating clearly outdated equipment.
But it does strengthen the idea that there are various benefits to
be gained from maintaining excess equipment stocks for potential
reconstitution purposes.

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