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FOCA

(6)

21st REPUBLIC OF KOREA INFANTRY DIVISION (1st)
OPERATING COSTS
CY 70 - FY 71 (U) (5)

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U.S. ARMY

FIELD OPERATING COST AGENCY

DOWNGRADED AT 3 YEAR INTERVALS;
DECLASSIFIED AFTER 12 YEARS
DOD DIR 5200.10

A Class II Activity of:
Comptroller of the Army
Director of Cost Analysis

(DDC and L91)

EXECUTIVE SUMMARY

1. This publication is intended for planning purposes only and is not a budgetary document. The study is of one division in a given situation and should not be construed to be representative of all Republic of Korea Army (ROKA) Divisions.

2. As with previous FOCA studies, the data are limited to the best available description of the costs of resources consumed based on issues to the division. The report also normalizes those actual costs based on the personnel and equipment status of the division. Normalization attempts to estimate the costs of a unit if the unit had precisely the personnel strength, and the types and quantities of equipment that are authorized by the unit's TO&E at full strength.

3. Data for both calendar year and fiscal year are included since the Korean fiscal accounting period is the calendar year. The two periods have approximately the same total operating costs. A summary of the results for FY 71 are as follows:

21ST ROKA DIVISION
FY 71 OPERATING COSTS (DOLLARS/WON)

	ACTUAL COSTS		NORMALIZED COSTS	
	Won Funded	MAP Funded	Won Funded	MAP Funded
Personnel	W1,159,175,466	$ 0	W1,342,609,235	0
Materiel	W 237,758,153	$ 2,416,968	W 264,891,365	$ 3,489,638
Other	W 51,594,598	$ 0	W 51,594,598	0
TOTAL	W1,448,528,217	$ 2,416,968	W1,659,095,189	$ 3,489,638
	($ 3,904,389)	(W896,695,128)	($ 4,471,954)	(W1,294,655,698)

The 21st Division is organized under the former U.S. Army triangular concept. The division is smaller than the present U.S. Infantry division in that authorized strength is 13,904 versus 16,504 respectively. (see fig. 1, Pg. 4) The division is deployed along the DMZ in the Northeastern sector of South Korea. The division headquarters is located near Yanggu (see map, fig. 2, Pg. 5) with a sector of responsibility that includes a portion of the infamous punchbowl of Korean Conflict fame. The terrain in the area is mountainous and lacks a good communications network. Winters are extremely harsh and long, resulting in exceptional demands on men and equipment.

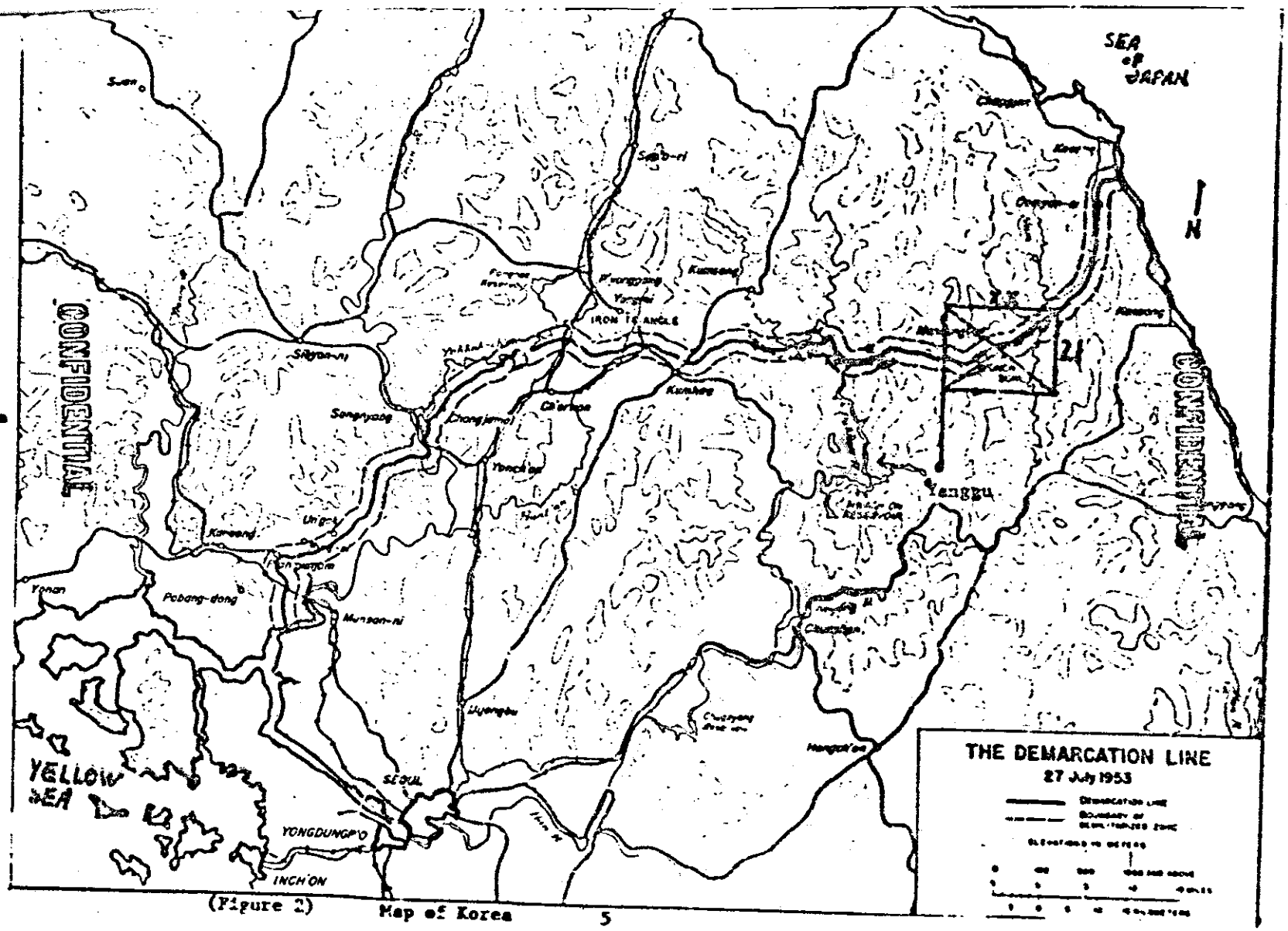
The data collection effort for this study began with an advanced party effort in Korea surveying direct support, general support and divisional supply sources as well as headquarters and headquarters staff elements for documentation of resource consumption. It was determined for the most part that records, including stock record cards, at the divisional level would be the most appropriate source of data. Accordingly, a follow-on effort was made wherein records were microfilmed or otherwise duplicated and returned to the U.S. for analysis. These records provided the basis for the costing results presented in this report.

5. RESULTS

This report is simple in nature in that tabular data is held to a minimum. Data for both calendar year and fiscal year are included since the Korean fiscal accounting period is the calendar year.

As with previous FOCA studies, the data are limited to the best available description of the costs of resources consumed based on issues to the division, and a normalization of those costs (see appendix). No attempt was made to determine what the operating costs would have been had financial restraints been removed. Normally it can be recognized that restraints are always going to exist and that units will be forced to operate within them. Even to a casual observer, however, the support and equipment situation existing in the ROKA 21st Division demand further comment.

The logistical situation of the 21st Division impedes determining the operating costs of a Korean Division in what U.S. units would call a "combat ready" mode. For example, one-third of the wheeled vehicle fleet is in a "red" status indicating a shortage or inoperable condition. Eleven percent are in condition "yellow" generally indicating overage. The ASL in support of these items has a 79.9% zero balance. In addition to these abnormalities,



(Figure 2) Map of Korea

21st ROKA DIVISION
OPERATING COSTS
FY 71
NORMALIZED

	W *	$
PERSONNEL:		
PAY AND ALLOWANCES	728,934,030	0
TRAVEL AND TDY	33,431,528	0
SUBSISTENCE	580,243,677	0
SUB-TOTAL	W1,342,609,235	$ 0
	($ 3,618,892)	
MATERIEL:		
GENERAL SUPPLIES AND REPAIR PARTS		
SIGNAL	254,842	272,363
TRANSPORTATION	0	13,038
ORDNANCE	39,961,859	1,344,267
QUARTERMASTER	193,381,059	307,615
ENGINEER	30,591,337	368,030
MEDICAL	288,079	49,711
CHEMICAL	414,180	61,468
SUB-TOTAL (GEN SPLY & PARTS ONLY)	W 264,891,356	$ 2,416,492
AMMUNITION	0	502,138
POL	0	571,008
SUB-TOTAL (MATERIEL)	W 264,891,365	$ 3,489,638
	($ 713,993)	(W1,294,655,698)
OTHER:* **		
UNIT OPERATING COST	21,336,000	0
TRAINING	1,105,272	0
CONSTRUCTION	9,027,740	0
GRAVES REGISTRATION	1,315,910	0
CIVILIAN LABOR	2,142,950	0
ELECTRIC POWER	11,877,030	0
TROOP INFORMATION	378,804	0
MISCELLANEOUS	4,410,892	0
SUB-TOTAL	W 51,594,598	$ 0
	($ 139,069)	
TOTAL	W1,659,095,189	3,489,638
	($ 4,471,954)	(W1,294,655,698)

* 371 W/$
** POL is being transferred to the won budget
*** Won budget items assumed to be the same as CY 70

DEPARTMENT OF THE ARMY
HEADQUARTERS, EIGHTH UNITED STATES ARMY
APO SAN FRANCISCO 96301-0009

REPLY TO
ATTENTION OF:

March 6, 1987

~~7632 a. vii.~~

7920.0.xii.

Publications and Records Management Division

Mr. Peter Hayes
Box 309
Leverett, Massachusetts 01054

Dear Mr. Hayes:

This correspondence is in reply to your letter (FOI 142) dated November 5, 1986.

In response to item 12 of your request, enclosed is a breakdown of funding by various appropriations from fiscal year 1975 to the present. It would be a mistake to imply that these costs reflect the total cost of maintaining US Forces in Korea. This information pertains to US Army funding only and does not include the salaries of the US military stationed here. These costs are attributed to Military Personnel Army (MPA) which is centrally funded.

Reference the paragraph in our letter of January 20, 1987, pertaining to Republic of Korea/United States authorities' classified documents. A search for these documents is continuing and you will be notified when they are located and forwarded to the Initial Denial Authority (IDA) Headquarters, Department of the Army.

An effort to locate the records described in items 4, 8, 9, 10, 11, 13, 14, and 17 was made by this headquarters with negative results.

Sincerely,

Robert C Christensen
ROBERT C. CHRISTENSEN
Chief, Records Management Branch

Enclosure

40,000
20,000
0000

8×10^8
= 800 million
~~800~~ million.
$1.56 billion.

[illegible]

[illegible]

Publication of Notice for Final Adoption

Mr. [illegible]
[illegible]
Lowell, Massachusetts [illegible]

Dear Mr. [illegible]:

This correspondence is in reply to your letter (PDF 1[illegible]) dated November [illegible], 1[illegible].

In response to item 1[illegible] of your request, enclosed is a [illegible] of funding by various entities for fiscal year 1[illegible] to the present. It would be a mistake to apply such broad costs [illegible] the total cost of maintaining US forces in Korea. The stationing portrayal to US Army funding only one does not include the support of the military [illegible]. These costs are attributed to [illegible] Korea (ROK) which is certainly fair.

Referred the paragraph in our letter of January 20, 1[illegible], pertaining to [illegible] of Korea's [illegible] classified documents. A search for those documents is continuing and [illegible] will be notified when they are located. [illegible] forwarded to the Inter[illegible] Agency (IDA) [illegible] Department of [illegible].

In effort to [illegible] the record [illegible] in items 4, 5, 7, 10, 11, 1[illegible], 1[illegible] [illegible] negative results.

Sincerely,

Robert E. [illegible]
Chief, Access [illegible]

Enclosure

EUSA DIRECT AFP
$000

AS OF 26 JAN 87

ACTUAL DOLLARS

APPRN	75	76	77	78	79	80	81	82	83	84	85	86	87
OMA	160,517	199,420	238,893	280,494	295,962	337,192	391,732	462,882	452,311	489,009	546,425	524,259	556,942
AFH(O)											20,960	17,665	17,289
AFH(C)											1,631	1,748	2,665
OPA-BCE											2,685	1,000	3,500
OPA-QRIP											750	905	1,300
OPA-PIF											181	0	0
OPA-C&E											300	900	0
APA											0	322	0
OMARNG											0	181	50
OMAR											100	195	184
AFAP/PHIT											100	2,225	1,297
ASF											190,939	224,400	222,450
RPA											90	272	282
MCA											107,690	144,790	134,470
TOTAL	160,517	199,420	238,893	280,494	295,962	337,192	391,732	462,882	452,311	489,009	676,796	688,734	711,648

OMA - OPERATION & MAINTENANCE, ARMY
AFH(O) - ARMY FAMILY HOUSING OPERATIONS
AFH(C) - ARMY FAMILY HOUSING CONSTRUCTION
OPA-BCE - OTHER PROCUREMENT, ARMY - BASE COMMERCIAL EQUIPMENT
OPA-QRIP - OTHER PROCUREMENT, ARMY - QUICK RETURN ON INVESTMENT PROGRAM
OPA-PIF - OTHER PROCUREMENT, ARMY - PRODUCTITY IMPROVEMENT FUNDS
OPA-C&E - OTHER PROCUREMENT, ARMY - COMMUNICATIONS & ELECTRONICS
APA - AIRCRAFT PROCUREMENT, ARMY
OMARNG - OPERATION & MAINTENANCE, NATIONAL GUARD
OMAR - OPERATION & MAINTENANCE, RESERVES
AFAP/PHIT - DOD APPN, ARMY FAMILY ADVOCACY PROGRAM/PORT HANDLING & INLAND TRANSPORTATION
ASF - ARMY STOCK FUND
RPA - RESERVE PERSONNEL, ARMY
MCA - MILITARY CONSTRUCTION, ARMY

Page 3

[USFK FY 84 spending in Korea]

from: EUSA under FOIA response.

LZ: note & return.

I. Purchases and Contracts

- US Army Korea Contracting Agency issued 137.5 million US dollars in contracts in FY 84. These contracts included:

  -- terminal handling and stevedoring at Pusan port

  -- refurbishment and modernization of Army combat vehicles by Korean contractors

  -- maintenance of Air Force combat maneuvering instrumentation systems

  -- the hire of a security guard force employing more than 2000 individuals.

  -- purchase of 1.25 million dollars of local goods resold to Americans in commissaries

- Far East District, Corps of Engineers expenditures with Korean contractors totalled 130.3 million dollars in FY84.

  -- These contracts include architecture and engineering construction for USFK facilities such as medical clinics, maintenance, petroleum storage, and airfield facilities.

- The Korea Area Exchange of the Army and Air Force Exchange Service procures materials and services for the post exchange system in Korea. FY84 contracting activity totalled 48 million dollars.

  -- USFK American personnel spent more than 28 million dollars at the PX concessions run by Korean firms.

  -- Through KOAX, Americans purchased more than 4.8 million dollars worth of gasoline and other POL.

  -- The PX system purchased more than 10 million dollars of local Korean products for resale in the Exchanges.

- The US Air Force programs for maintenance, modification, and corrosion control of aircraft by Korean contractors totalled 13.2 million dollars.

- USFK utility payments to Korean companies totalled 34 million dollars.

  -- The largest utility expenditure is for electricity.

ENCL 3

II. LN Employee Salaries

- FY84 salaries for the more than 19,000 LN appropriated and non-appropriated fund civilians totalled 206 million dollars.

- In FY84, 3,209 personnel of the Korean Service Corps were paid 22.7 million dollars.

- (These figures omit:

  -- contract employees such as the more than 2,000 security guards employed by contractors for the command. They are counted in part I.

  -- Korean employees of invited contractors and tech reps; USFK/ACJ receives no information from the 92 contracting firms on how many Koreans they employ.)

- If all command "employees" (American or Korean) are counted, USFK, with 66,000 military and civilian personnel, would be the third largest business conglomerate in Korea, exceeded in number of employees only by Hyundai (146,000) and Samsung (102,000).

- Counting USFK's 22,000+ Korean employees only, USFK would be the fourth largest corporation in Korea. Hyundai, Samsung, and Lucky Group (53,000) lead; USFK would be fourth, grouped in size with such conglomerates as Hyosong Group (20,400) and Sunkyong (19,400).

Mr Hicks
294-6132
KCA
Kim
294-7739

III. Local Spending by USFK Americans

- The USFK American community has about 63,000 members:

  -- 39,450 military personnel.

  -- 2200+ American civilian employees

  -- More than 1100 American and Third-Country contract personnel

  -- About 21,000 family members

  -- The command houses only about 2000 families; more than 5400 families (1200 command-sponsored, 4200 non-command sponsored) rent housing on the local economy.

- There is no firm esimate of the volume of American spending on the local economy, but 120 million dollars seems a reasonable estimate.

  -- In January 1984 the spending by Americans was estimated at 100 million dollars; due to the continuted devaluation of the won since that time the local spending figure should be strengthened.

  -- If the average rent and utilities paid by 1200 command-sponsored families is about $10,000 per year, then total payments would be 12 million dollars.

  -- If the average rent and utilities paid by 4200 non-command sponsored families comes to $525 per month, yearly payments come to 26.4 million dollars.

  -- The American Express bank and the club system officially exchanged 17.8 million dollars for won in FY84, but direct spending in dollars must exceed that total several times.

  -- If only 1000 of the 7400 USFK families hired maids at $150 per month, payments would exceed 1.9 million dollars.

  -- While the total estimate of 120 million dollars is conjectural, if the estimated payments for rent and utilities (almost 1/3 of the total) are subtracted, spending for other needs in the local economy of only $150 per month by each American sponsor (soldier or employee) would equal 77 million dollars. The figure does not seem excessive.

IV. USFK Contribution in the Korean Trade Balance

- In FY 84 the ROK earned:
  - -- 25.7 billion dollars in exports FOB
  - -- 7.3 billion dollars in services
  - -- Total earnings for goods and services were just under 33 billion dollars.

- The estimated USFK contribution of 711 million dollars would equal about 2.15 percent of those total ROK FY84 earnings.
  - -- In the years immediately after the Korean war, USFK expenditures made up approximately 50 percent of Korea's foreign exchange earnings.
  - -- The smaller percentage contribution of USFK to Korea's earnings in 1984 is good news, for it indicates how robust the Korean economy has become and how much Korea's export earnings have grown in the years since the war.

Minutes of the Official Meeting of the United States - Republic of Korea, Joint Committee Established Under the

These minutes are considered as official documents pertaining to both Governments and will not be released without mutual agreement.

Republic of Korea & the United States, Status of Forces Agreement, 1975.

JOINT COMMITTEE UNDER THE REPUBLIC OF KOREA AND THE UNITED STATES STATUS OF FORCES AGREEMENT

7420.0. xii

23 January 1975

MEMORANDUM FOR: Joint Committee

SUBJECT: Nineteenth Report of the Ad Hoc Subcommittee on Civil-Military Relations

1. On 19 December 1974 the Ad Hoc Subcommittee on Civil-Military Relations visited Kunsan Air Base and Kunsan City. This visit was the first to this area since 7 October 1971 at which time there had been significant problems in the area of black-white race relations. The present visit, however, revealed no significant problems. It was evident that a spirit of mutual cooperation now prevails in the Kunsan area between the Base Command and local Korean officials. Sixteen officials from Seoul, including CAPT David G. Ramsey, USN, who recently succeeded CAPT W. E. Sharp in the US Component Chairmanship, and Mr. KIM Chol Yong acting Chairman of the ROK Component, made this one-day trip in two UH-1 helicopters.

2. The group was welcomed upon landing at Kunsan Air Base by officials including Colonel Alfred M. Miller Jr., USAF, Commander, 8th Tactical Fighter Wing; Colonel John W. Gordon, Vice Commander; Colonel Boyd W. Hensley Commander, 8th Combat Support Group; and the Base Community Relations Officer, Mr. KWON Yong Chol. Colonel Miller and his group, joined by other base officials, presented briefings at the Officers Open Mess. Local Korean officials and civic leaders, headed by Kunsan City Mayor, Mr. CHAE Bong Chae, and other members of his official family, who are also members of the Kunsan Chapter of the Korean-American Friendship Council (KAFC), were present at the US Air Force presentation and joined us for lunch at the Air Base.

3. The US Air Force presentation included several briefings by officers of the 8th Tactical Fighter Wing. Later in the afternoon a briefing was conducted at the Kunsan City Hall by Vice Mayor CHUNG Jae Bong, who emphasized the excellent cooperation which

a. Ready availability at relatively cheap prices was identified as one of the major contributing factors to the continuing drug problem in and around US military installations. There was evidence that drug abuse has been on the increase recently with marijuana accounting for approximately ninety percent of the overall narcotics problem. Some increase in the use of barbiturates was also noted. Hard drugs were not considered a problem at this time. All pharmacies have been placed off limits in the Camp Humphreys area while Osan Air Base officials are contemplating similar actions. Additional ROKG narcotics agents are being assigned to the Suwon Prosecutor's office to provide increased surveillance of the Osan/Camp Humphreys areas. Local public health official explained various measures taken by that authority and explained difficulties in solving this problem. He emphasized the importance of close cooperation between both sides.

b. With regard to venereal disease, it was found that gonorrhea accounts for the major problem in this area. Osan reported no syphillis cases during the past twelve months while Humphreys, however, has experienced several cases in recent months. An entertainer registration program is employed in both the Osan and Camp Humphreys areas. Interviews with military personnel reporting for VD treatment are conducted in an effort to identify the contacts. While providing some control, these measures by no means, are solving the VD problem The street girls who are not registered pose a continuing major problem. Insuring that those girls identified as contacts actually report to treatment facilities and undergo proper treatment continues as another weakness of the system. Governor SHIN expressed his opinion that the strict enforcement of local regulations is not enough for the eradication of the street girls and it is also desirous for the US military authorities to enlighten their personnel not to contact with those girls who have not been properly registered. The Camp Humphreys Commander expressed particular concern regarding the culture test versus pap smear method of testing VD suspects. He felt that the culture test, a more positive method of VD detection, must be administered to all suspects and to others on a frequent basis if any degree of reliability in control measures is to be gained. Governor SHIN emphasized that this type of treatment requires high cost and time but he said he would try to purchase necessary culture testing equipment for the Pyongtaek VD clinic within the limits of budget authority. An attempt would also be made to perform monthly culture tests on twenty-five percent of the registered girls plus all of the identified contacts Increased surveillance and action against

These minutes are considered as official documents pertaining to both Governments and will not be released without mutual agreement.

US-ROK AD HOC SUBCOMMITTEE ON CIVIL-MILITARY RELATIONS
Under the US-ROK Joint Committee
Established by Article XXVIII of the
Status of Forces Agreement (SOFA)

MEMORANDUM FOR: The Joint Committee

SUBJECT: Twentieth Report of the Ad Hoc Subcommittee on Civil-Military Relations

1. On 29 April 1975 the Ad Hoc Subcommittee on Civil-Military Relations conducted a combined fact-finding trip to the Osan Air Base/Songtan-up and Camp Humphreys/Anjong-ni areas. This was the fourth visit by the Subcommittee to Osan Air Base and adjacent Songtan-up, the last being on 19 October 1973. A combined visit to Osan and Camp Humphreys was made on 6 February 1973. Both the ROK and US components of the Subcommittee were headed on the trip by their respective chairmen, Mr. LEE Seung Kon and Captain David G. Ramsey, USN. The group traveled by bus from Seoul, stopping first at Osan Air Base for briefings followed by a tour of Songtan-up and lunch at the Base Officers Club. Following lunch the group proceeded to Camp Humphreys where briefings were given by the Camp Commander, followed by a drive through Anjong-ni and inspection of one club. The group returned to Seoul around 1800 hours.

2. Col Charles M. Summers, Base Commander, and Col John R. Budner, Vice Commander, 314th Air Division, welcomed the group upon their arrival at Osan Air Base. Col Edward V. Mollichelli, Commander of Camp Humphreys, welcomed the group upon arrival at that installation. The senior ROK Province official present at both locations was Mr. SHIN Dong-an, Governor of Pyongtaek-gun.

3. Briefings were presented at both Osan Air Base and at Camp Humphreys on matters of major concern between the military installations and their respective local communities. The cooperation between installations and the ROK community appeared excellent at Osan and a somewhat lesser degree at Camp Humphreys. A general discussion of subjects presented follows:

those contributing toward unregistered and underage street girls was also mentioned as well as an occupational training program that is being conducted in an effort to influence girls to pursue occupations other than prostitution.

c. Larceny continues as a major problem but with no significant increase during the past year. Osan Air Base reports government property losses in excess of $59,000 during the past six months with a $16,000 personal property loss during the same period. Such losses obviously result in a drain on US resources and morale and a loss of duty revenue to the ROK government. Close cooperation between Osan Air Base and local law enforcement agencies on dealing with these matters was reported.

d. The racial climate in both areas visited appeared generally good. While one or two clubs may be patronized primarily by blacks, whites can and do utilize these facilities. Black soldiers are likewise found in all other clubs. Only one recent incident of discrimination in off-base housing was reported. The case is currently under investigation.

e. Very close coordination between the military installations and adjacent communities was noted in the area of fire protection. Mutual cooperation and support was found to be excellent between the Osan Air Base and Songtan-up fire departments. A hot-line has been established between the departments. Monthly inspections of the thirteen clubs and surroundings are made by the Base fire department personnel. Reports are made to the President of the Bar Owners Association who has been most cooperative in seeing that deficiencies are corrected. Anjong-ni on the other hand has no fire department. This was pointed out as a problem area by the Camp Humphreys Commander, since the closest fire protection equipment is at Pyongtaek. The Camp Humphreys fire department does respond to fires in Anjong-ni.

f. The group was impressed by the efforts of Governor SHIN and his County officials in their efforts to improve living conditions for those US personnel and their dependents living on the local economy. Housing projects are nearing completion in both Songtan-up and Anjong-ni which will provide modern apartment rental units to US personnel in close proximity to the military installations. The basic monthly rental fee for a one-bedroom apartment with living room, bath and kitchen was reported at $80. Fuel during winter months and electricity and water charges will be added.

These minutes are considered as official documents pertaining to both Governments and will not be released without mutual agreement.

g. It was reported that Pyongtaek-gun officials had arranged a tour program for US military personnel to promote understanding and friendship between these personnel and the local community. The US side expressed their thanks to Governor SHIN for this program.

4. As they returned to Seoul, the representatives of both components who had made the trip were in mutual agreement that the day had been most interesting and productive.

DAVID G. RAMSEY
Captain, United States Navy
United States Chairman
Ad Hoc Subcommittee on
Civil-Military Relations

LEE SEUNG KON
Republic of Korea Chairman
Ad Hoc Subcommittee on
Civil-Military Relations

APPROVED BY THE JOINT COMMITTEE ON
22 MAY 1975 AT ONE HUN DRED AND FOURTH MEETING

JOHN MURPHY
Lieutenant General
United States Air Force
United States Representative

LEE SANG OCK
Republic of Korea
Representative