



JUNE 2013

WORKING PAPER

Right-Sizing the Force
*Lessons for the Current Drawdown of
American Military Personnel*

By Bernard Rostker



**Center for a
New American
Security**

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About the Author

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President Barack Obama's decision in June 2011 to begin the withdrawal of U.S. combat forces from Afghanistan set in motion the first significant reduction in the size of the U.S. military since the 9/11 attacks.¹ This will be the latest in a long history of drawdowns, going back to the American Revolution, which have restructured, repositioned and reduced U.S. military forces after each major conflict. These past drawdowns offer many important lessons on what not to do, including excessive demobilization² and planning based on specific assumptions about the nature of the next war.³ Yet, evidence from the past — including newly analyzed data from the 1990s drawdown — suggests that the Department of Defense (DOD) may be about to repeat two critical errors in drawing down its military personnel.

First, it is assuming that reserve ground forces will be ready for combat and quickly available in any future mobilization.

Second, it is reducing the size of present active forces by cutting accessions and thus compromising the future ability of the force to operate effectively and efficiently.

To avoid these mistakes, the planning guidance issued in January 2012 should be changed. Mobilization plans should be realistic, truly reflect the likely state of reserve combat force readiness and identify how those combat forces will achieve full readiness when needed. DOD should also reduce the overall size of the force in a balanced manner to ensure that there are sufficient junior and senior personnel to fight the next war.

Error Number 1: Relying Too Heavily on the Reserve Component

In January 2012, DOD announced plans to cut the end strength of active-duty ground forces. By 2017, the Army will decline from a peak of about 570,000 to 490,000 active-duty personnel, and the Marine Corps will shrink from about 202,000 to 182,000 active-duty personnel.⁴ As a hedge

Mobilizing reserve forces, particularly ground combat forces, has often been problematic.

against uncertainty — both about future strategic requirements and the possibility of additional end strength cuts if budgets decline further — then-Secretary of Defense Leon Panetta and General Martin Dempsey, chairman of the Joint Chiefs of Staff, both emphasized relying on the reserve component. At a press briefing in January 2012, Panetta stated, “Another part of ensuring the ability to *mobilize quickly* will be retaining a capable, ready and operational Reserve Component, leveraging 10 years of experience in war.”⁵ Earlier that month, DOD issued *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, which contained a more contemplative and less directive piece of guidance on this issue:

[T]he Department will need to examine the mix of Active Component (AC) and Reserve Component (RC) elements best suited to the strategy. ... The expected pace of operations over the next decade will be a significant driver in determining an appropriate AC/RC mix and level of RC readiness.⁶

Yet history shows that mobilizing reserve forces, particularly ground combat forces, has often been problematic.⁷

PAST MOBILIZATIONS OF RESERVE COMBAT FORCES

The Militia Role in the Defense of the Country

The Constitution envisioned a federal system with a small standing federal army,⁸ augmented in time of war by the militias of the states, as had existed before the founding of the republic.⁹ After the Constitution took effect, Congress passed the

Militia Act of 1792, which mandated that “each and every free able-bodied white male . . . [between] the age of eighteen years and under the age of forty-five years . . . [should be] enrolled in the militia.”¹⁰ Yet, by the time the Mexican War began in 1846, service in the militia had ceased to be compulsory. In its place volunteer companies were formed, and Congress decreed that they should be regarded as militias and organized under the militia clause of the Constitution.

Problems of relying on these volunteer companies were well-illustrated during the war with Mexico and the first year of the Civil War. Of the more than 100,000 volunteers who responded to the call, no more than 14,000 were “assembled for battle at any one time.”¹¹ Furthermore, these new recruits were unprepared for a military campaign and “quickly transformed the camps into miasmatic sink-holes of filth and squalor.”¹² As usual, disease was invariably a more dangerous foe than the enemy, especially for the volunteers who lacked the discipline to practice even rudimentary hygiene. Malaria caused much illness, scurvy appeared from time to time, and measles and mumps afflicted volunteer units, but dysentery and diarrhea caused more difficulties than any other ailment.¹³ The killed-in-action rate was 23.3 per thousand for the Army, which spent the most time in Mexico, and 9.96 per thousand for the volunteers. The death rates from disease told a different story. Despite the fact that the federal troops spent more time in the field in Mexico — on average, 26 months, compared with 15 months for volunteers — their losses to disease were half those of the volunteers: 76.8 per thousand men, compared with 148.8 per thousand men.

The militia that was called up for the Civil War was equally unprepared. It had little regard for the discipline of army life, as reflected in the slovenliness of the militia camps and lack of discipline under fire. For Northern soldiers, all this started to change after the Union loss at the First Battle of Bull Run. They learned, as Washington had after the defeats of

1776 and 1777, that only men who knew how to fight could win the war. As it had at Valley Forge, drilling on battle techniques became a major camp activity.

The Prussian System for Total Mobilization

The American system was a far cry from the system to integrate reserve and active forces for total mobilization that had grown up in Europe in the early part of the 19th century. By the 1870s, that system had been adopted by most countries, except Britain and the United States.

The European system was based upon the Prussian model that had proved so successful in the Franco-Prussian War of 1870. It provided Prussia (and then Germany) with a well-trained and large national army that could be mobilized to meet the demands of a modern mass army. The system was based upon universal military service that translated into a small regular force backed up by reservists who had been trained for several years on active duty.¹⁴ At the time, critics of the Prussian system argued that it was overly concerned with the total number of soldiers and that Prussia underestimated how much military service was needed to produce a trained soldier. The French model of long-serving professionals was in vogue, but it had disastrous results for the French in its war with Prussia in 1870. The French adopted this model in 1872, followed by Italy in 1873, Russia in 1874 and Japan in 1883. The current U.S. system includes a faint echo of this model, whereby new recruits accept a military service obligation that includes periods of both active and reserve service. The model, however, does not come close to providing the trained manpower produced by the Prussian system of short-term conscripts backed by years of compulsory service in the reserves.

From the Civil War to Desert Storm

After the Civil War, the professional officers of the War Department sought a federally organized and controlled volunteer force that would be controlled by the Regular Army. Congress opposed this plan.

In April 1898, Congress explicitly chose the organized militia of the states over a federal volunteer force. In the future the Regular Army would be supplemented through a presidential call for volunteers. The states would raise new units, then generally referred to as the National Guard, and the governors could even appoint officers, but generals and staff officers for higher headquarters were to be commissioned and assigned by the federal government.¹⁵

By 1912,¹⁶ the general outline of the current U.S. system had taken shape: a small, fully formed and manned army-in-being that could fight immediately and that did not require expansion in order to fight effectively. Its mission would be to deploy rapidly and fight in the early stages of war, while a larger citizen army would mobilize and form behind it. The reserve was not to be a manpower pool; instead, it was a second Army. However, this system did not work well during World War I. When war came, the federalized state National Guard and the Regular Army had their hands full inducting hundreds of thousands of new soldiers in the United States and training the deployed American Expeditionary Force in France. A year after the Armistice, General John J. Pershing told Congress, “Our success in the war was not due to our forethought in preparedness, but to exceptional circumstances which made it possible to prepare after we had declared war.”¹⁷

After World War I, the National Defense Act of 1920 reduced the autonomy of the National Guard. The act did not guarantee the integrity of National Guard units when activated for federal service, and it stated that the federal government would only pay for the training of National Guard officers who met War Department standards. Unfortunately, Congress at the time never appropriated the funds needed to bring either the Regular Army or the National Guard up to full strength.

During World War II, the National Guard divisions deployed were divisions in name only. Regular Army officers made up much of the officer corps, and draftees made up a very large part of the divisions’ enlisted strength. After the war, the U.S. government adopted policies stating that reserve forces — now composed of the National Guard and a much-enlarged federal reserve — were of “vital importance” in any future emergency. Yet, these same forces were described as “not now capable of participating effectively in major combat operations,” and “the impression that these forces now contain elements which are ready for combat is a dangerous illusion.”¹⁸

At the start of the Korean War, soldiers serving in the four activated Army National Guard (ARNG) divisions were separated from their units and individually reassigned to fill out active units. These divisions then had to train filler replacements before they could deploy. Two of the ARNG divisions that were rated 40 to 45 percent combat-effective were sent to Japan for an additional seven to eight months of additional training. They finally entered combat in December 1951 and January 1952. The other two ARNG divisions stayed in the United States for 14 months of training, after which they were deployed to Europe.¹⁹ Unlike the ARNG divisions, Army Reserve units²⁰ were rarely called up as a whole since individual reservists with particular skills were needed most at that time.

The next “test” of reserve forces came during the Kennedy administration — not in combat, but as a symbol of national power and resolve. On July 25, 1961, President John F. Kennedy, to underscore his determination to stand fast in Berlin, asked Congress to increase draft calls and call up 200,000 National Guardsmen. This provided an important lesson about activating reserve units when they were not involved in active combat. Guardsmen and reservists complained bitterly about just sitting around, and more than a few members of Congress

asked, if no fighting had taken place, nor was fighting imminent, why were reservists kept on active duty?²¹

In July 1965, the Army wanted to call up as many as 235,000 members of the Army National Guard and Army Reserve as part of the buildup of forces in Vietnam. President Lyndon Johnson, however, decided against the call-up and instead expanded the Regular Army through increased draft calls. There has been much speculation as to Johnson's motive.²² Some have suggested that his decision was politically motivated and that drafting young men was less likely to generate public opposition, an assumption that proved wrong as the war progressed. But there is another explanation, one that speaks to the difficulties of maintaining military capability in reserve: The necessary expansion could be accomplished just as quickly by relying on existing active forces, augmented by new personnel recruited and inducted into newly created units.

After Vietnam, the Nixon administration again swung toward relying on reserve forces, under what became known as the Total Force Policy. Secretary of Defense Melvin Laird announced that henceforth, DOD would "increase the readiness, reliability and timely responsiveness of the combat and combat support units of the Guard and Reserve and individuals of the Reserve ... [with] ... emphasis ... given to concurrent consideration of the total forces, active and reserve, to determine the most advantageous mix to support national strategy and meet the threat."²³

By 1975, however, the new secretary of defense, James Schlesinger, informed Congress that "[i]n the aftermath of Vietnam and the changeover to the all-volunteer force, we basically went too far in reducing our active-duty ground forces."²⁴ There were limits, he told Congress, to how far reserve divisions could be substituted for active forces in the early stages of a major emergency. He said: "[H]eavy reliance on the Guard and Reserve divisions for initial defense missions would be imprudent. ... If

we are to act responsibly toward the National Guard and Reserve, we should stop pretending that we can use all of them as full substitutes for active-duty ground forces."²⁵ Instead, he sought to tie reserve units to their active-duty counterparts more closely, through a new "round-out division" concept, where two active brigades would be rounded out by a reserve brigade and would transfer additional support functions to the reserves — thus requiring the president to call up reserve units in order to deploy active-duty units. This latter notion that presidents should "have to seek, or feel assured of popular support for a major conflict by requiring them to mobilize citizen soldiers"²⁶ has often been called the Abrams Doctrine.²⁷

By the end of the Reagan administration's second term, the force mix had shifted substantially. Six of the 18 active divisions included a reserve round-out brigade, and three others relied on one or more round-out battalions. About two-thirds of the Army's support capabilities were in its reserve components. The support capability retained in the active forces was merely to sustain peacetime operations and was judged "inadequate for large-scale or extended operations."²⁸

The Total Force Policy During the 1991 Gulf Conflict

Operation Desert Shield/Desert Storm (ODS/S) was the first major test of the post-Vietnam drawdown Total Force Policy and the first large-scale call-up and use of reserve forces since the Korean War. By 1990, the United States had a robust military force designed to fight the Warsaw Pact on the plains of central Europe, and many of the combat and support formations used in the Persian Gulf were active forces forward-deployed in Europe at high states of readiness. Moreover, the United States was able to build up forces over a substantial period and to use existing infrastructure in Saudi Arabia, and the ground war lasted only four days. A 1992 congressionally mandated study called *Assessing the Structure and Mix of Future Active and Reserve Forces* found:

Under Total Force Policy, the reserve forces are intended to be the initial and primary augmentation of the active forces in any contingency. Judged by the criteria of available and ready forces, Total Force Policy was effective during the Persian Gulf conflict. Specifically, the number and type of reserve units and individuals that were needed were available. The vast majority that were called were ready to deploy with minimal or no post-mobilization training. However, notable exceptions to this are instructive for future force planning.²⁹

The original mobilization plan called for activating three ARNG round-out brigades, but the Army activated support units from the reserve component units instead.³⁰ When the ARNG brigades were finally called on November 8, 1990, it was expected that they could begin deploying within 30 days.³¹ However, the Department of the Army Inspector General later reported, “All of the brigades’ performance of mission essential tasks and demonstrated readiness after activation was generally lower than planners and trainers had anticipated.”³² The General Accounting Office (GAO) also found that at the time of their deployment, the active Army brigades that replaced the Army National Guard combat round-out brigades demonstrated higher proficiency for almost every objective measure of individual and unit proficiency.³³ By contrast, the training of the round-out brigades was extended because of an “initial lack of individual preparedness.” The 1992 study mentioned above found:

Ninety-one days after call-up and as the war ended, the 48th brigade was judged to be combat ready after observation of its performance at the National Training Center (NTC). This 91 days included 74 collective training days. The Department of the Army Inspector General estimated that an additional 24 days would have been spent in stand-down from training, movement, and transportation for a total of 115 days from call

to deploy for the 48th. “This is an unprecedented achievement, when compared to the previous historical experience of mobilizing National Guard combat units of brigade or division size.” However, compared to rhetoric and expectation prior to ODS/S, the achievement seems less.³⁴

The Total Force Policy in Afghanistan, Iraq and Beyond

As noted above, Secretary Panetta’s guidance suggests that by leveraging the last 10 years of experience, a capable and ready operational reserve component is a key part of “ensuring the ability to mobilize quickly.” In fact, however, the experience of the last 10 years shows those RC units, especially ground combat units, do *not* mobilize quickly. Consider what it takes to get an RC unit ready for deployment today. In 2010, RAND published an analysis of the preparation and deployment of three classes of units in the Army National Guard and U.S. Army Reserve: infantry battalions, military police companies and truck companies. In all, RAND traced deployments of more than 40,000 authorized positions in 153 RC units from 1996 to 2008. The study found:

Personnel stability is highly valued by all military forces, particularly in combat units and other formations that deploy to a theater of operations. The U.S. Army in particular aims to maximize unit stability — that is, the degree to which a unit’s membership remains constant over time. Yet, Reserve Component units typically experience a surge of personnel turbulence as they approach mobilization and deployment. Some members leave the unit, and new personnel are cross-leveled into the unit to reach its target for deploying strength. This inflow of personnel may undercut the effectiveness of training because new arrivals miss training events that have occurred before they join. As a result, units must repeat some training, making pre-mobilization preparation less efficient and potentially increasing the extent of training that must be accomplished after mobilization.³⁵

Past U.S. military drawdowns have repeatedly involved greater reliance on reserve forces, yet time and again they have not been ready for combat when they have been called.

Past U.S. military drawdowns have repeatedly involved greater reliance on reserve forces, yet time and again they have not been ready for combat when they have been called. The message given by the Committee on Civilian Components after World War II is as valid today as it was in 1948. In a prophetic statement, the committee said that reserve forces were of “vital importance,” but “the impression that these forces now contain elements which are ready for combat is a dangerous illusion.”³⁶ The proof came just two years later, on June 25, 1950, when forces from the North Korean People’s Army crossed the 38th Parallel, starting a war that the United States was tragically unprepared to fight.

GETTING THE MIX OF ACTIVE AND RESERVE FORCES RIGHT

Volumes have been and will be written about the proper AC/RC mix and how to ensure the readiness of reserve forces. The subject is covered in the Constitution itself and has been examined by commissions and studies since the founding of the republic. Yet, policies about this force mix must be based on realistic assessments of how reserve forces differ from active forces and what they can and cannot do. Throughout U.S. history, thousands have died because this mix has been wrong.

Past discussions of the proper mix have often assumed that active and reserve forces are substitutes for one another. Some have argued that reserve units cost less but are just as effective. Others have argued that they cost less because they do not spend the time needed to master the tasks, and are not as effective. A more fruitful discussion would focus on how their differences result in units that complement each other so as to produce more than either could do alone.

Achieving the right mix will require policymakers to balance three key issues: the resources the United States is willing to spend to train the reserves in peacetime to achieve a given state of readiness, the missions assigned to the reserves and the limited time that reservists can devote to military training.

Resources

Every military drawdown in American history has been driven by a desire to reduce resources spent on the military. Reserve forces do cost less than active-duty forces when they are not on active duty, but they are also less ready and effective. Readiness can improve if more and better training is available, but that can be expensive. Policymakers must find the right balance between cost and effectiveness.

Missions Assigned

Some missions are better assigned to reserve forces than others. Desert Shield demonstrated that combat support and combat service support units from the reserve component can be deployed without unacceptable delays. Reserve component units assigned these tasks were ready to deploy with little or no unforeseen delays. These units complement active units to create a cost-effective total force. For example, the Air Force has had great success with programs that seamlessly integrate reserve and active-duty personnel into a cohesive unit. Problems occur, however, when reserve units are seen as cheap substitutes for active units. Mobilizing ground combat reserve units has never gone as planned. These

units have always required substantial additional training after being mobilized, making them a poor substitute for active units given the goal of being able to mobilize quickly.

Available Time for Training

Personnel who serve in the reserve component — either the Guard or reserves — are part-time warriors with a part-time commitment. These service members often have obligations to civilian employers that can be put aside occasionally for training or active service, and balancing these commitments can be quite challenging.³⁷ In cases where increased readiness is important, such as for Air Force pilots, additional training is provided and individual reservists are willing and able to provide the necessary time. In other cases, however, especially where whole units are involved, additional training is more difficult to accommodate. Some will adjust by leaving the program;³⁸ others will demand additional compensation to stay; and some who might have joined will decide they cannot make the added commitment.

Error Number 2: Unbalanced Reductions in End Strength

DOD plans to cut the end strength of the active-duty Army by 14 percent and the Marine Corps by 10 percent during the next five years.³⁹ How these plans are implemented will impact the careers of current and future service members. Decisions made today will reverberate for years to come by determining how service members' careers will progress, the jobs they will do and what they will be paid. If these decisions upset that orderly flow and service members progress too quickly through the ranks, they may not have the experiences they need to do the jobs they are promoted to do. If they progress too slowly, they may become frustrated and leave. For the Army and Marine Corps, how service members progress over time will determine the experience and quality at various ranks, as well as the overall personnel costs of the force.

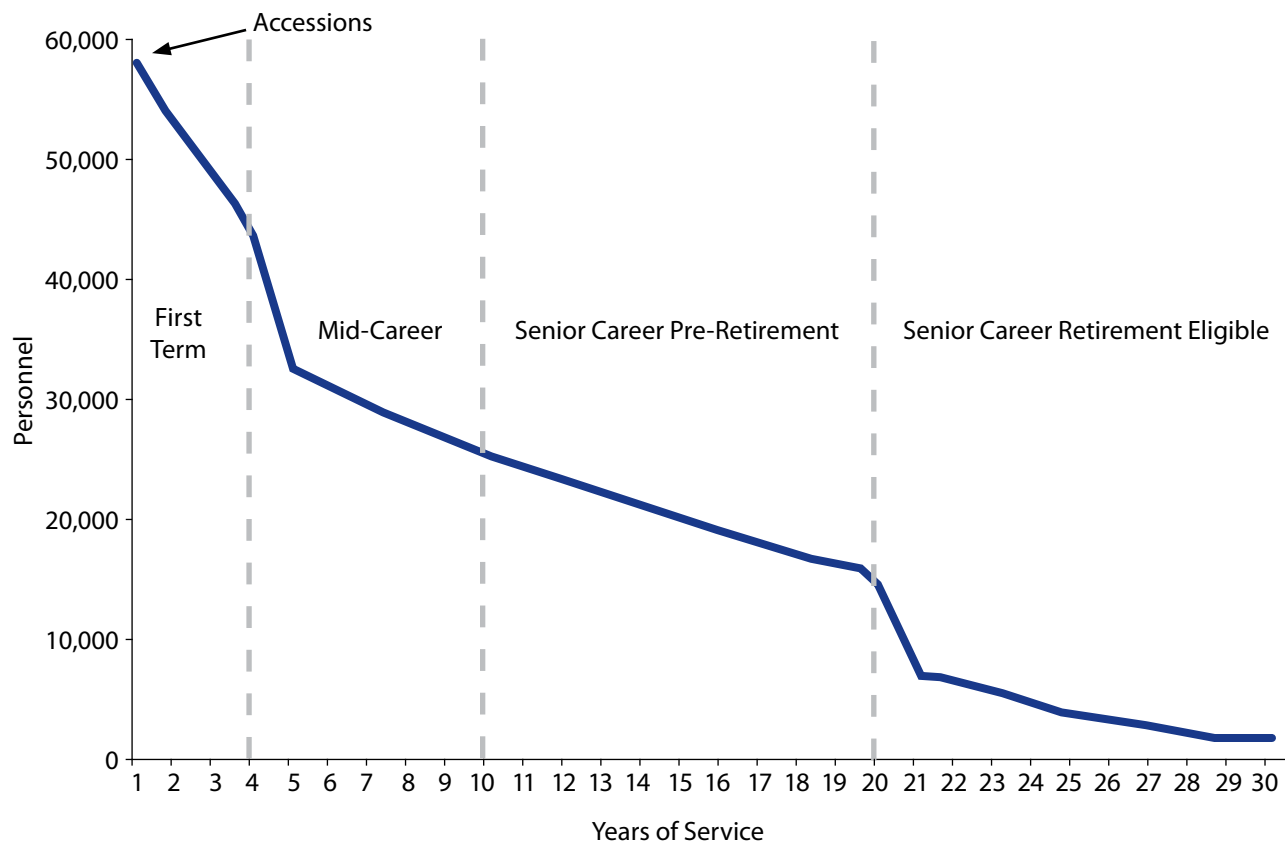
Decisions made today will reverberate for years to come by determining how service members' careers will progress, the jobs they will do and what they will be paid.

Managing the orderly flow of personnel in militaries has a long history that is instructive.⁴⁰

DOD has already issued broad guidance on this subject, including the following statements:

- “Manage the force in ways that protect its ability to regenerate capabilities that might be needed to meet future, unforeseen demands, maintaining intellectual capital and rank structure that could be called upon to expand key elements of the force.”⁴¹
- “To ‘manage that risk’ of reduced ground forces we will ensure that we can mobilize, surge and adapt our force to meet the requirements of an uncertain future. ... *To that end, the Army will retain more mid-level, mid-grade officers and NCOs.* These are the guys who have the experience. And they will maintain them even as their overall strength decreases to ensure that we have the structure and experienced leaders necessary to re-grow the force quickly if we have to.”⁴²
- “The men and women who comprise the All-Volunteer Force have shown versatility, adaptability, and commitment, enduring the constant stress and strain of fighting two overlapping conflicts. ... As the Department reduces the size of the force, we will do so in a way that respects these sacrifices. This means ... facilitat[ing] the transition of those who will leave the service.

FIGURE 1: IDEAL ENLISTED PERSONNEL YEAR OF SERVICE DISTRIBUTION



These include supporting programs to help veterans translate their military skills for the civilian workforce and aid their search for jobs.⁴³

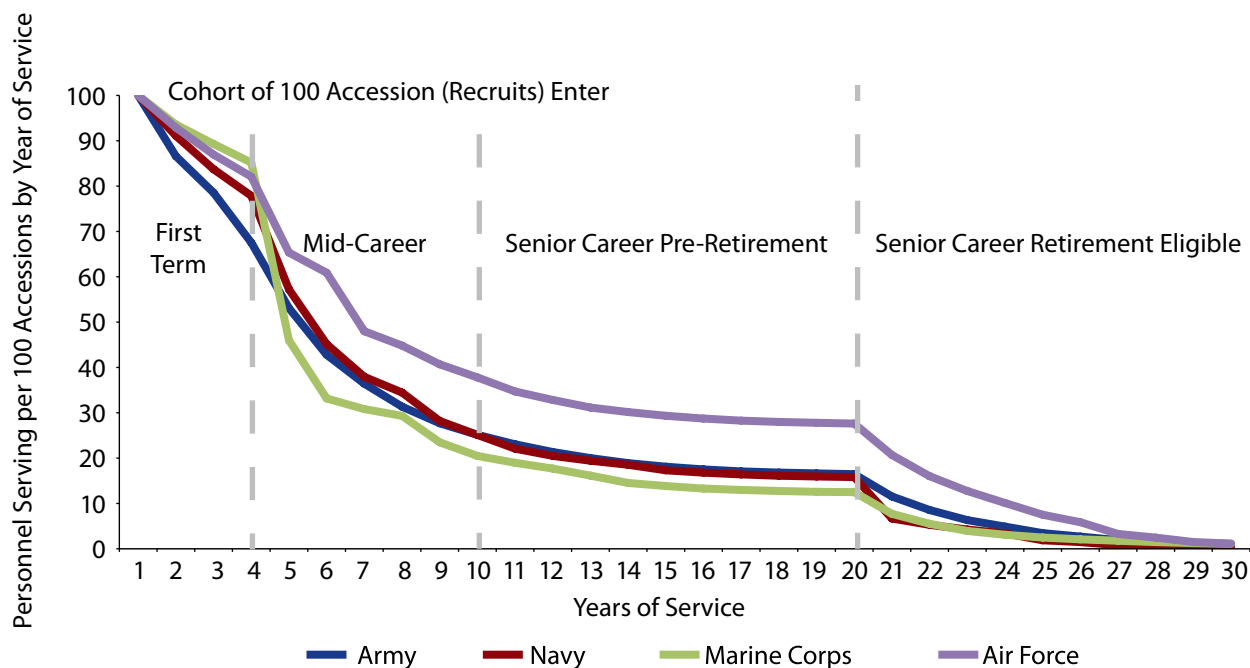
However, these points of guidance are inherently contradictory: They tell planners to maintain flexibility to expand in the future, but they also tell the Army to retain more midlevel, midgrade officers and noncommissioned officers (NCOs) than it might normally want to have in its reduced force structure. This contradiction proved particularly problematic during the personnel drawdown after the end of the Cold War. Generally, the services maintained their personnel structures by using the tools Congress provided to reduce their career personnel. The Air Force, however, disproportionately retained its career personnel, which led to an unbalanced, less-than-ideal force structure that

“reduce[d] efficiency and productivity”⁴⁴ of the force during operations in Iraq and Afghanistan.⁴⁵

THE NEED TO MAINTAIN A BALANCED FORCE

The ideal military personnel profile, as shown in Figure 1, reflects the “in-at-the-bottom, up-through-the-ranks” military personnel system.⁴⁶ This profile is ideal in at least two ways. First, at any point in time, it is consistent with the proper workings of the promotion system, the internal organization of military units, the desired ratio of junior to senior personnel and the competitiveness of the military pay system, while also minimizing total military personnel costs.⁴⁷ Second, this general shape will reproduce itself over time, and thus the age and experience of such a force called to war at some time in the future will always be substantially the same.

FIGURE 2: YEAR-OF-SERVICE PROFILE FOR FY 2009



Source: Defense Manpower Data Center (DMDC) Information Delivery System

Each service has its own “objective force,” depending upon its mission and the need for junior or senior personnel. The Army and Marine Corps desire a more junior force because they need combat soldiers. The Navy and Air Force prefer a more senior force because they require technical personnel needed to maintain aircraft and other equipment. Figure 2 shows the year-of-service profile of each of the services’ enlisted force in fiscal year (FY) 2009.

PERSONNEL REDUCTIONS AND THE COLD WAR DRAWDOWN

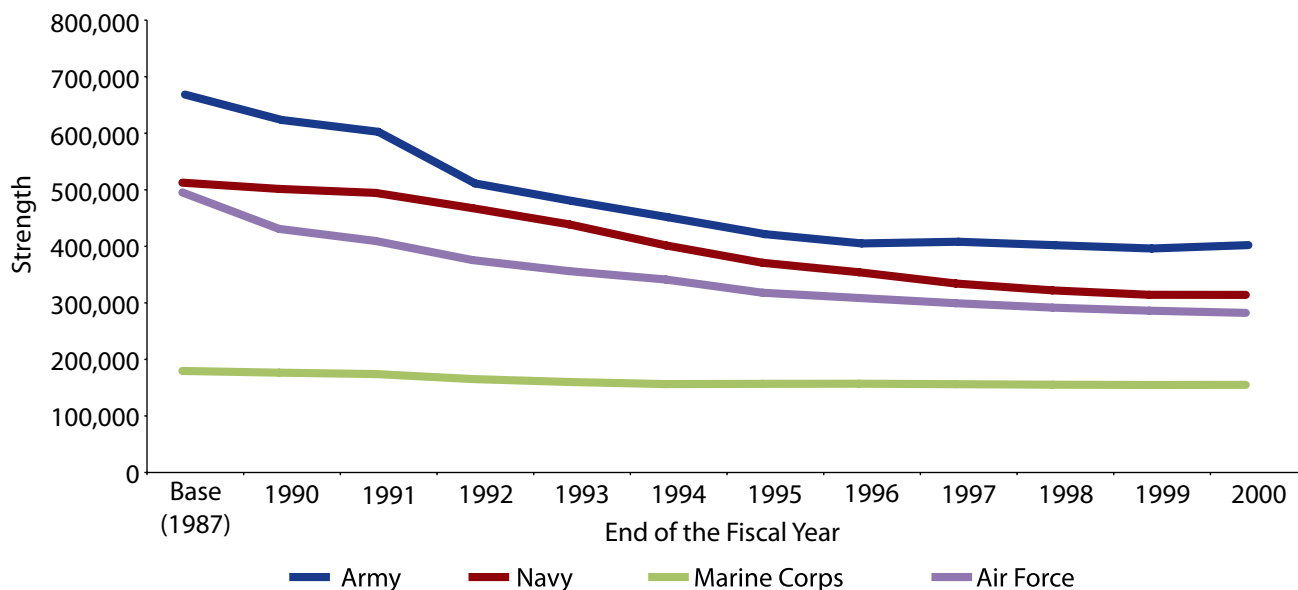
The size of the U.S. military shrank by almost 37 percent after the Cold War, from 2.17 million personnel in 1987 to 1.37 million in 2000.⁴⁸ Figure 3 shows this reduction using service end strength at the end of FY 1987 as a base. Throughout the 1990s, the Army dropped 39 percent and the Navy 37 percent. The Air Force shrank the most, losing

42 percent of its personnel. The Marine Corps took the smallest hit, dropping almost 14 percent.

At the time there was much debate about how to make these reductions. The Senate Armed Services Committee gave specific guidance on where cuts should be made. For example, it told DOD that it should “prudently adjust the intake of new recruits, selectively retiring senior personnel, and selectively releasing first term personnel before completion of their first term of service.”⁴⁹ The House Armed Services Committee was less proscriptive but emphasized that “the force draw down [be] accomplished in a balanced and equitable fashion that will preserve the integrity of the military maintaining adequate force readiness, and cushion the blow for adversely affecting career personnel.”⁵⁰

The Congressional Budget Office (CBO) starkly summarized the two approaches that the services

FIGURE 3: SERVICE END STRENGTH DURING THE COLD WAR DRAWDOWN



Source: Defense Manpower Data Center (DMDC) Information Delivery System

could take: an “across-the-board approach” or an “accessions-heavy approach.”⁵¹ Focusing on the Army and Air Force, CBO warned against the accession-heavy approach:

[In] an accession-heavy approach [and given the reductions programmed for FY 1991, the] accessions into the Army and the Air Force can be reduced sufficiently to accommodate the personnel reduction. Such an accession-heavy approach would avoid the need to separate involuntarily any career personnel before retirement. It might be a reasonable policy for the Army and the Air Force if they expected no further personnel cuts beyond 1991. If force reductions continue, maintaining an accession-heavy approach would lead to serious problems. ... In the long term, as the small groups of enlistees progressed into the senior ranks, there might be too few to ensure the availability of highly qualified leaders. ... In the nearer term, continued cuts in accessions would lead to

top-heavy forces. ... As senior personnel became more expensive to support, they could find their assigned tasks becoming more elementary.⁵²

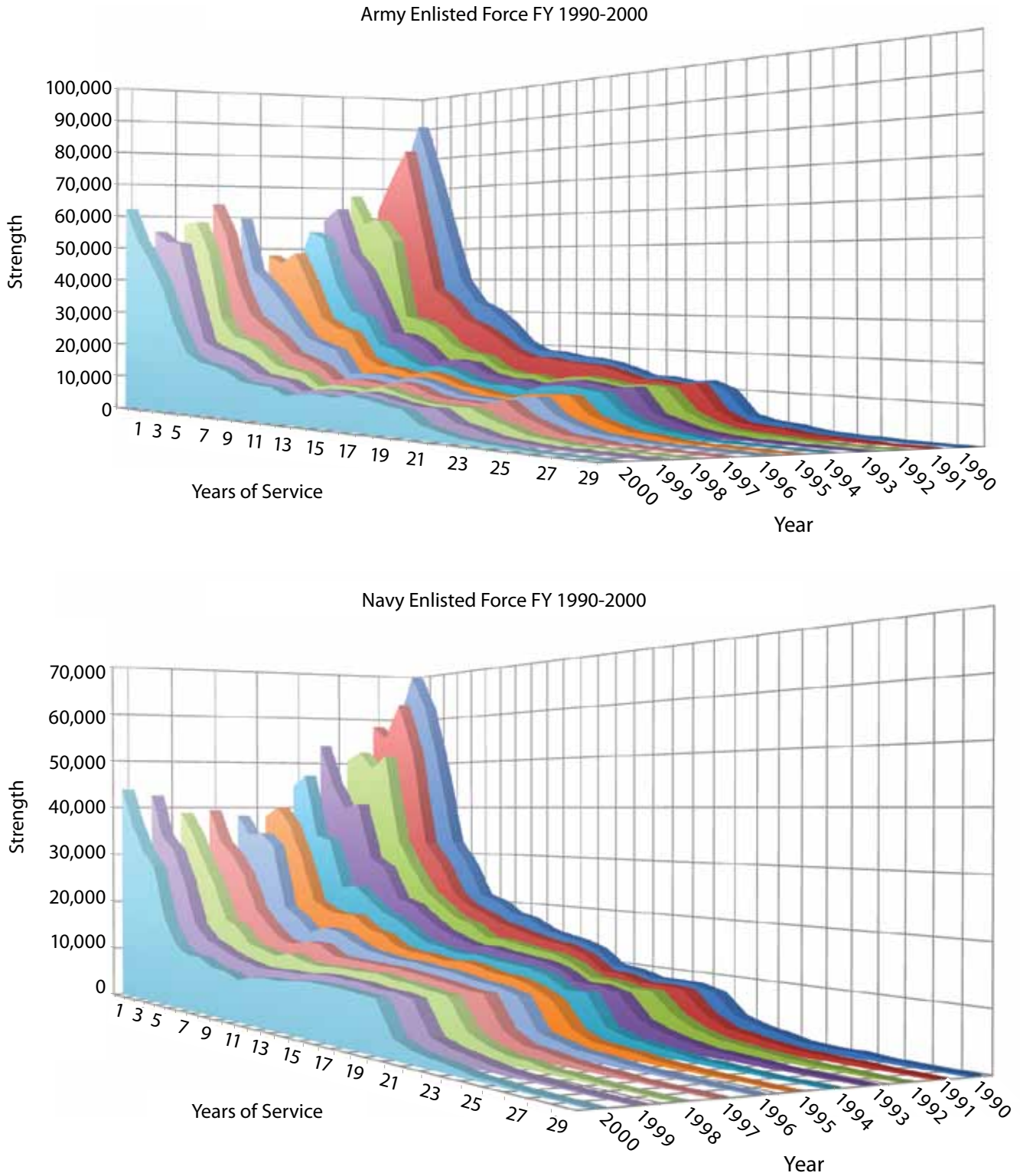
The CBO noted that the across-the-board approach, which would allow accessions to fall only to a level commensurate with the new lower overall force strength, “would include large cuts in the number of personnel already in uniform.” It concluded, however, that:

Forcing people who have already reenlisted one or more times to give up a military career and the opportunity to receive military retirement benefits would be a painful process for the services and for the people involved. The problems associated with involuntary separations, however, must be weighed against the problems they avoid: a gap in the distribution of enlisted personnel among experience levels, sharp growth in the seniority of the enlisted forces, and higher average personnel costs.⁵³

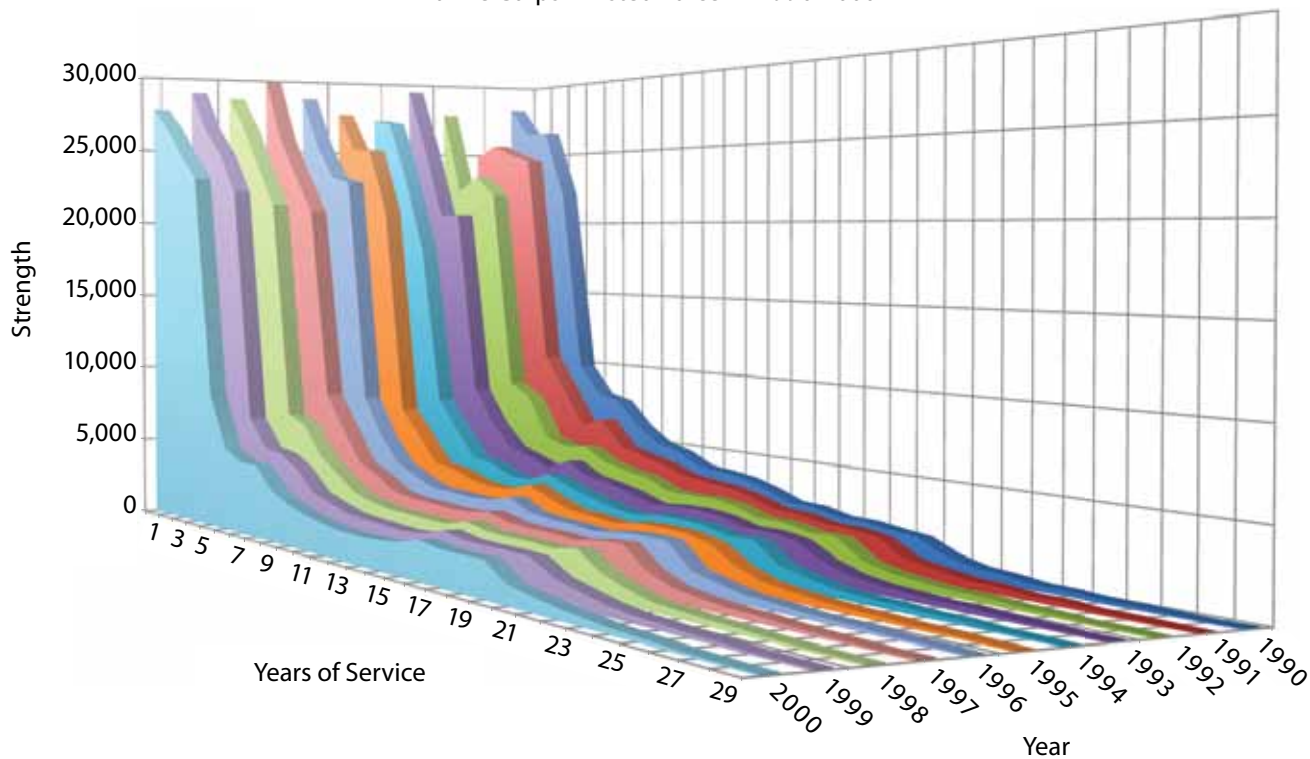
By protecting its career force in the early part of the drawdown and making a disproportionately large reduction in accessions, the Air Force created a “trough” that moved forward during the decade, trading a short-term problem for a more serious long-term one.

Figure 4 shows how the personnel profiles of the services changed during the 1990s. In each year, the Army, Navy and Marine Corps fielded a balanced force. The Air Force, however, sharply curtailed accessions, opting instead — just as DOD is now advocating — to retain more midlevel officers and NCOs. This resulted in a force profile that grew increasingly unbalanced over time. By protecting its career force in the early part of the drawdown and making a disproportionately large reduction in accessions, the Air Force created a “trough” that moved forward during the decade, trading a short-term problem for a more serious long-term one.

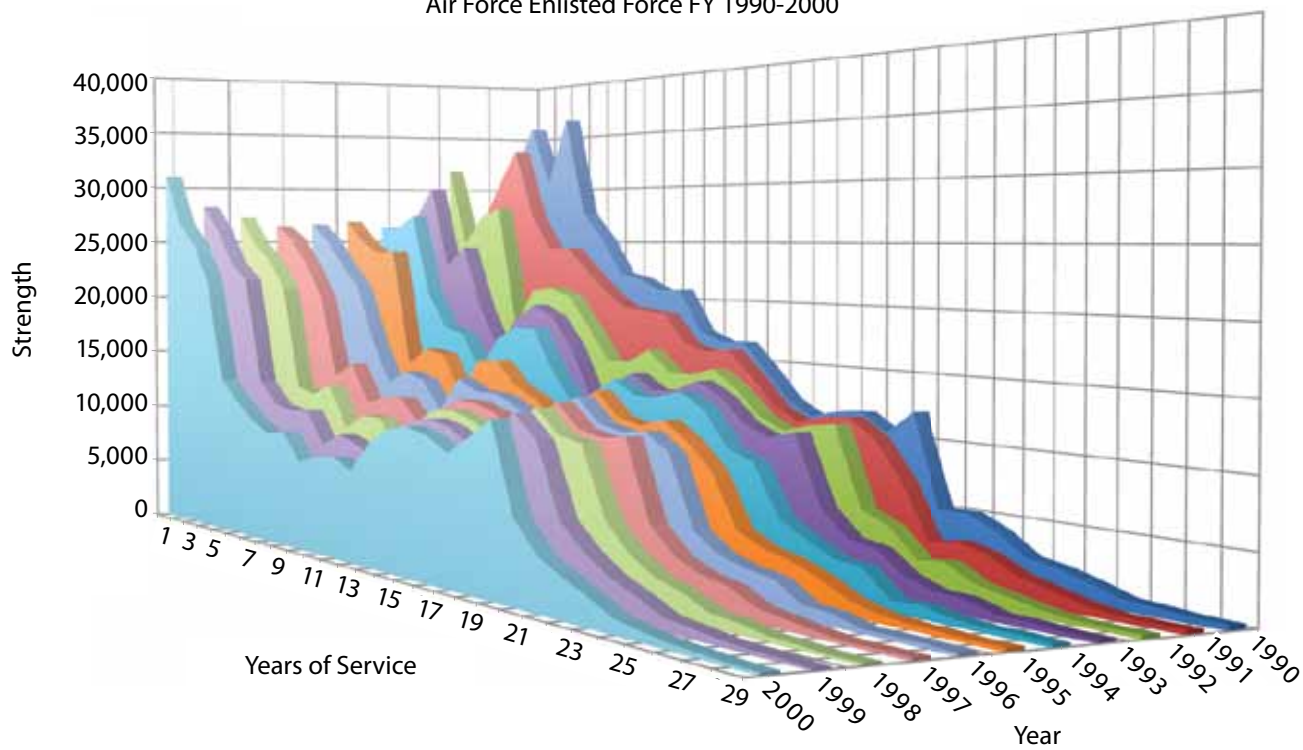
FIGURE 4: SERVICE ENLISTED FORCE PROFILE DURING THE POST-COLD WAR DRAWDOWN



Marine Corps Enlisted Force FY 1990-2000

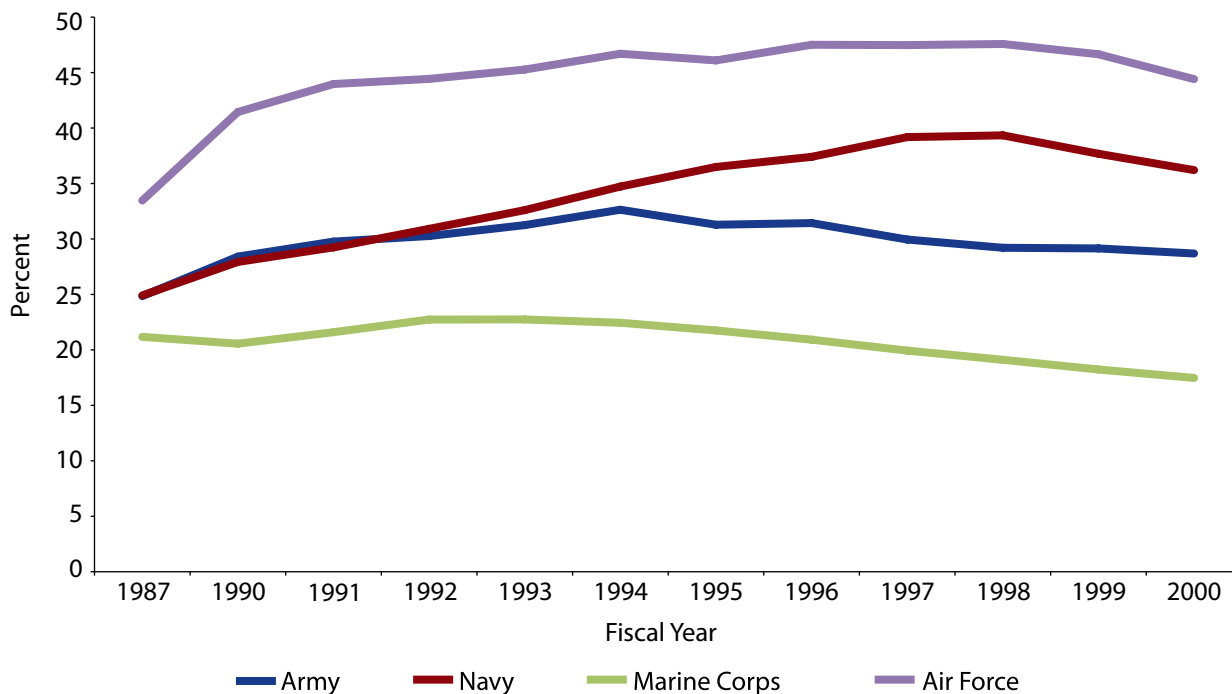


Air Force Enlisted Force FY 1990-2000



Source: Defense Manpower Data Center (DMDC) Information Delivery System

FIGURE 5: PERCENT OF FORCE WITH 10 OR MORE YEARS OF SERVICE



Source: Defense Manpower Data Center (DMDC) Information Delivery System

THE CONSEQUENCES OF AN UNBALANCED PERSONNEL PROFILE

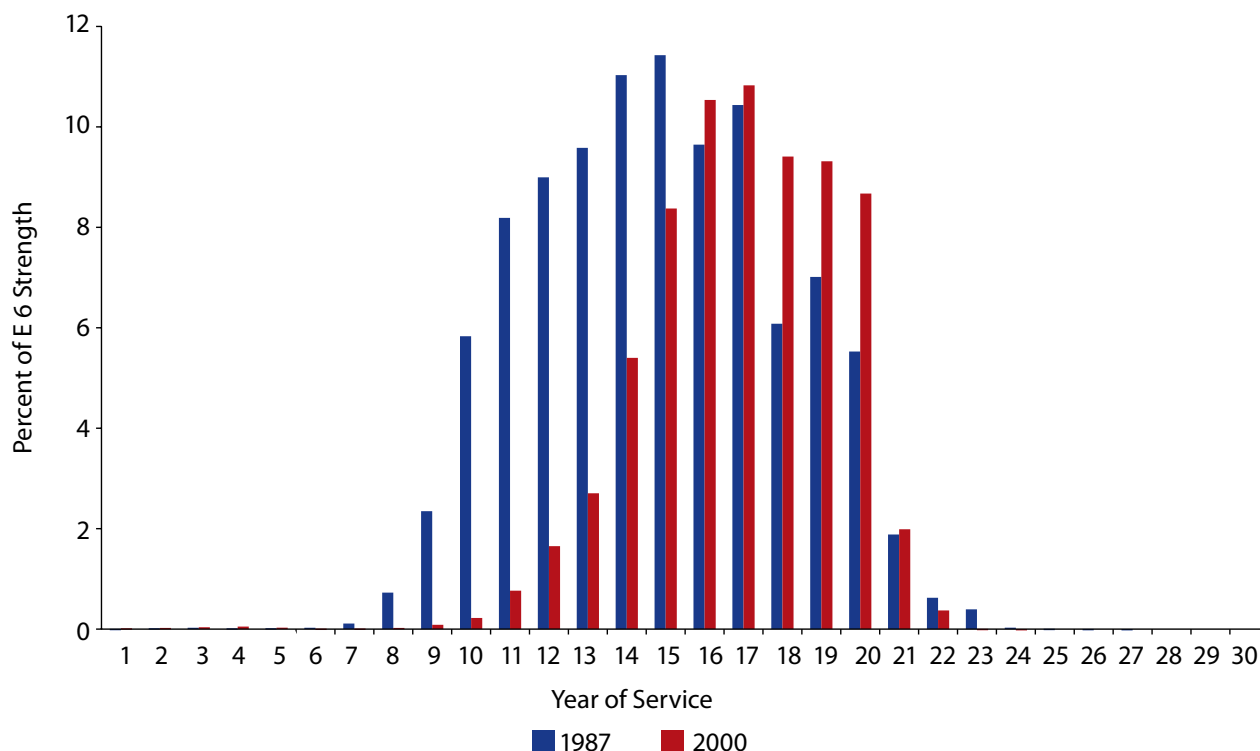
In 1990, CBO noted that by protecting career personnel, the Air Force would face a:

large rise in average tenure [that] would add to the average cost of keeping a person in uniform, but the resulting management and morale problems are probably even more important [and future] career personnel would have little opportunity for advancement in such a top-heavy force. ... Indeed, some senior personnel might find themselves performing more and more of the work usually delegated to junior personnel even as the experience levels, and perhaps the pay grade of these senior personnel advance. Morale almost certainly would suffer and the higher pay following promotion might offer little consolation.⁵⁴

CBO proved to be correct. Figure 5 shows the personnel profiles of the services between FY 1987 and FY 2000, and the considerable growth of the career Air Force. This growth also led to decreased promotion rates.

In 1990, the CBO also predicted that the Air Force would be taking in far fewer recruits than needed to sustain its forces and that “career personnel would have little opportunity for advancement.”⁵⁵ Figure 6, which compares the distribution of Air Force E-6 personnel between 1987 and 2000, shows that this did in fact occur. Comparing 1987 with 2000 clearly shows that the distribution of grade E-6 shifted toward the right. In 1987, more than half — 58.4 percent — of E-6s had reached that grade by their 15th year of service. In 2000, only 19.4 percent of the E-6s had done so. Moreover, since promotions also

FIGURE 6: THE DISTRIBUTION OF AIR FORCE GRADE E-6 BY YEARS OF SERVICE, FY 1987 AND FY 2000



Source: Defense Manpower Data Center (DMDC) Information Delivery System

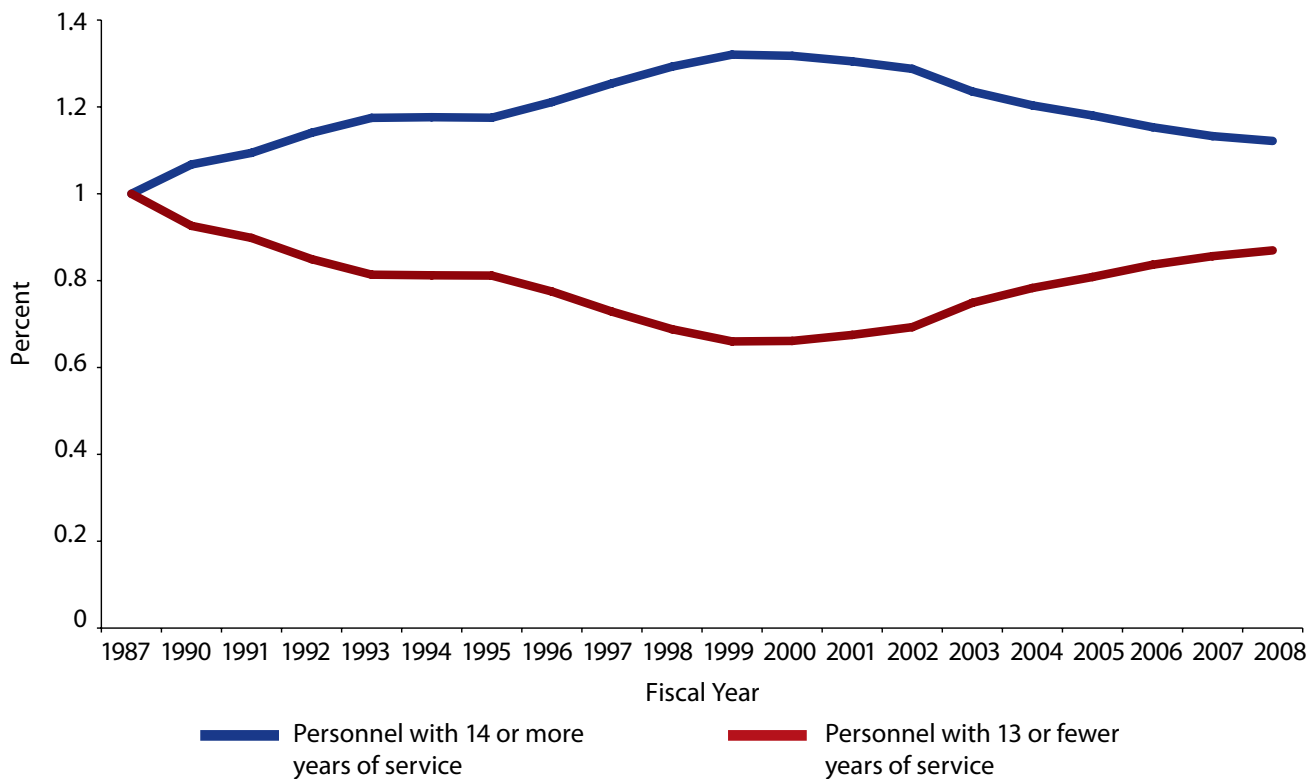
increased compensation, this delay reduced the attractiveness of staying in the military and further exacerbated the subsequent decline in midcareer airmen. In a very real way, the cost of not reducing the size of the career force earlier in the decade was borne by future generations of Air Force personnel.

The CBO was also concerned that “some senior personnel might find themselves performing more and more of the work usually delegated to junior personnel even as the experience levels, and perhaps the pay grade of these senior personnel advance.”⁵⁶ Again, such concerns proved warranted. Figure 7 shows that throughout the first decade of the drawdown, senior airmen were increasingly doing the work that had previously been done by airmen with 13 years of service. This

did not start to change until 1999, and the consequences continued to be felt throughout the Air Force. According to one RAND study:⁵⁷

During the late 1990s and early 2000s, many U.S. Air Force organizations were finding that their manpower authorizations and the number of people assigned were inadequate to sustain both deployment and in-garrison missions with normal levels of military manpower availability. This problem stemmed in part from manning shortages and imbalances in skill levels. ... Skill-level imbalances affect productivity and contribute to workforce stress. If there are too many personnel in the lower three grades relative to the number of middle-grade trainers, the on-the-job training load can become a burden and can interfere with other mission activities.⁵⁸

FIGURE 7: EMPLOYMENT RELATIVE TO THE WORK DONE BY 13-YEAR AIRMEN IN 1987



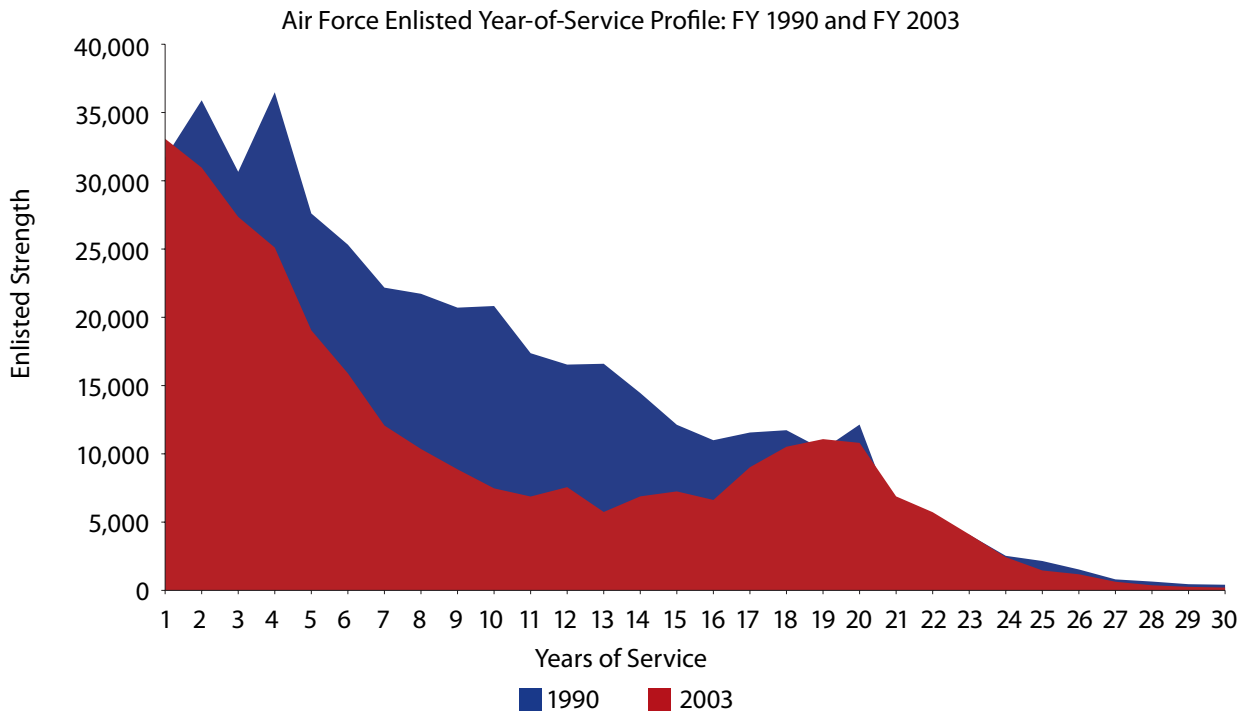
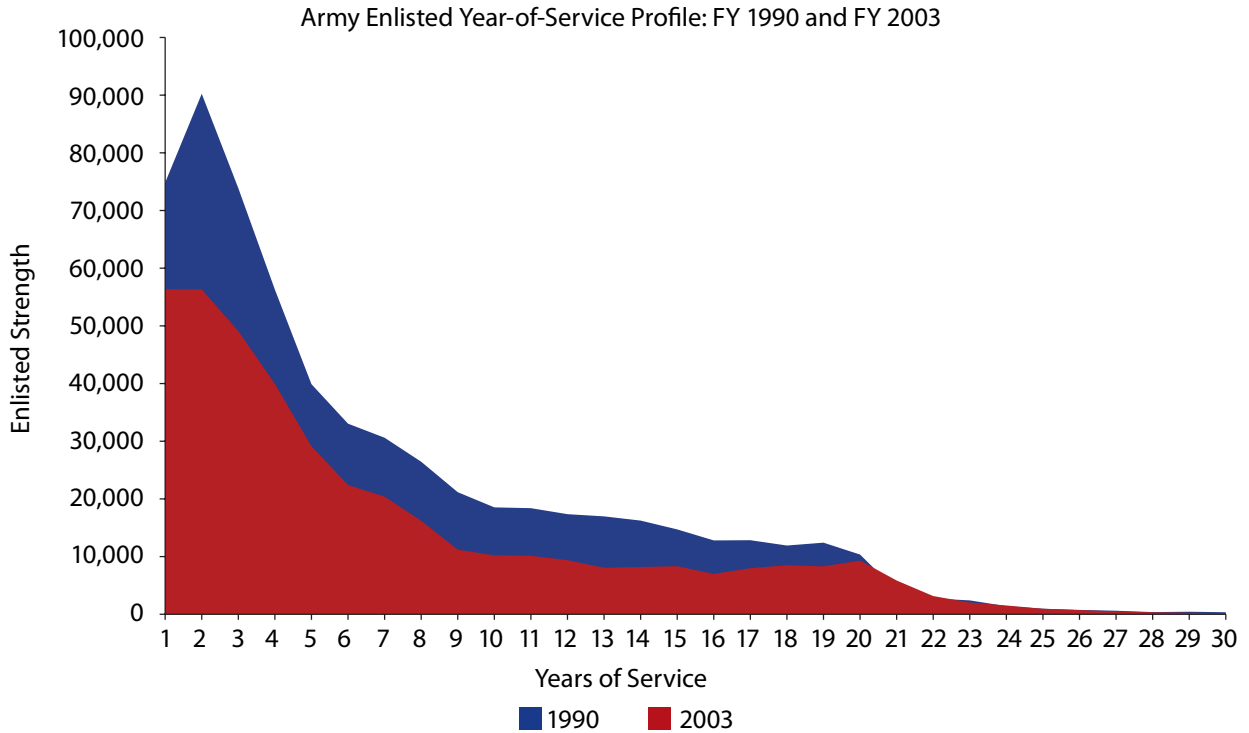
Source: Defense Manpower Data Center (DMDC) Information Delivery System

In words that echoed the concerns the CBO expressed almost 15 years earlier, the study also found:

Middle-grade noncommissioned officers (NCOs) are spending more time training subordinates, less time doing, and probably more time correcting errors of the less-experienced personnel. This would reduce efficiency and productivity and increase the risk of error in the performance of duties. This would further add to the stress and level of frustration on the part of both the junior and middle-grade personnel. Middle-grade NCOs must either jump in and do today’s work themselves while ignoring the training of junior personnel or must train the junior people to do the work in the future while assisting them in doing today’s work.⁵⁹

How did these trends affect Air Force operations in Afghanistan and Iraq? Figure 8 compares the experience profiles of the Army and Air Force that went to war with Iraq in 1990 with the force that went to war with Afghanistan and then Iraq in 2001 and beyond. The two Army profiles closely resemble each other, but the Air Force’s later profile shows a very large number of inexperienced first-term airmen, a deficit in midcareer airmen and a very large number of senior airmen. The same RAND study found, “Several comprehensive measures, such as declining readiness indicators and increased rotational deployments ... support arguments that at least portions of the Air Force were working harder and longer hours.”⁶⁰

FIGURE 8: ARMY AND AIR FORCE ENLISTED FORCE YEAR-OF-SERVICE PROFILES, FY 1990 AND FY 2000



Source: Defense Manpower Data Center (DMDC) Information Delivery System

WHAT FACILITATED THE COLD WAR DRAWDOWN

Just as the experience during the Cold War drawdown provides lessons to avoid about mobilization, it also shows that forces can be drawn down in a balanced way by encouraging career personnel with between six and 20 years of service to leave voluntarily. This minimized involuntary separations and was deemed fair to those who had served loyally and expected to retire from the military. Leaders in DOD and Congress knew that this would be more expensive than just terminating the employment of career personnel, but all agreed that such a program would be unfair and unduly impact those let go. Accordingly, Congress authorized a Voluntary Separation Incentive (VSI) program and the Special Separation Benefit (SSB) program starting in fiscal year 1992.⁶¹ In addition, Temporary Early Retirement Authority (TERA) was granted starting with fiscal year 1993, which allowed members to retire with as few as 15 years of service.⁶² Yet these programs were too little and too late to avoid an unbalanced force, particularly for the Air Force.⁶³

Voluntary Separation Incentives or Special Separation Benefits

The VSI annual payment equaled final base monthly pay x 12 months x 2.5 percent x twice the number of years of service. Therefore, a major with 14 years of service who volunteered would receive \$14,640 each year for 28 years. Alternatively, service members could choose the SSB, which provided a lump sum payment equal to 15 percent of the member's base pay x the number of years of service at the time of separation. The major with 14 years of service would receive a lump sum payment of \$87,840.⁶⁴

Those who designed the VSI program believed that half of the enlisted and almost none of the officers who would take the early out option would take the lump sum payment, preferring the annuity. In fact, 90 percent of the enlisted personnel and half of the

officers who elected to leave early took the lump sum payment. By one estimate, the SSB option saved the government \$1.7 billion,⁶⁵ while doubling the separations that would otherwise have been expected.⁶⁶

The Cold War drawdown showed that the U.S. military had the tools to reduce the force in a fair and balanced way but that it sometimes lacked the will to do it. Today, DOD stands in the same position.

Temporary Early Retirement Authority

The obvious success of the VSI/SSB program notwithstanding, in 1992 the Senate Armed Services Committee concluded “the military services do not have an effective tool to reduce active duty strength in the 15 to 20-year element of the career inventory.”⁶⁷ Congress then authorized the TERA program, which allowed those members with more than 15 but less than 20 years of active-duty service to retire. Normal retirement pay was reduced based on the number of months the retiree was short of 20 years. To some extent, TERA worked at cross-purposes to VSI/SSB. Since it provided higher benefits, it provided incentives for service members to stay in the military until they were eligible for TERA at their 15th year of service. By the time the program ended in 2002, 55,400 people were drawing retirement pay under TERA.

RECOMMENDATIONS

The Cold War drawdown showed that the U.S. military had the tools to reduce the force in a fair and balanced way but that it sometimes lacked the will to do it. Today, DOD stands in the same position. DOD has the tools, but the guidance to “retain more mid-level, mid-grade officers and NCOs” suggests that it might not use those tools. To date Congress has provided new voluntary retirement authorities, and the National Defense Authorization Act for fiscal year 2012 reinstates the early retirement to service members who have completed at least 15 years of active service.⁶⁸

The Cold War drawdown demonstrated the risks of disproportionately retaining midlevel officers, particularly when the goal is to ensure that “we have the structure and experienced leaders necessary to re-grow the force quickly if we have to.”⁶⁹ As the Air Force experience after the Cold War shows, it would instead compromise the ability of a future force to go to war. DOD should aggressively use the authorities provided by Congress to achieve a balanced reduction across all year-of-service groups. In particular, Congress should authorize both the VSI and the SSB alternative. Service members showed a preference in the 1990s for the latter, “voting” for cash in hand rather than an annuity — and this option is less expensive for the government in the long run.⁷⁰

Conclusion

It has often been said that those who do not learn from history are bound to repeat it. It appears that DOD may be about to repeat two critical errors in drawing down its military personnel. First, it is assuming that reserve ground forces will be ready for combat and quickly available in any future mobilization. Second, it is reducing the size of present active forces by cutting accessions and thus compromising the future ability of the force to operate effectively and efficiently.

A central part of the current guidance stresses that the reserve component is a key part of “ensuring the ability to mobilize quickly.”⁷¹ However, experience shows that at least ground combat units do *not* mobilize quickly. The National Guard and the federal reserves have much to contribute, but the missions assigned them must be carefully chosen and appropriately resourced. Reserve and active units are fundamentally different, and planning should focus on how they can complement one another, not just on how reserve units are a less costly and, some would argue, a less effective substitute for active units needed for quick response.

Any future U.S. mobilization must involve experienced personnel who can get the job done efficiently and effectively. The experience built up in the recent past will be fleeting, as today’s service members age and move on. Disproportionately protecting current personnel will increase costs and reduce readiness in the years to come. During a drawdown, U.S. military personnel policies must take the long-term view and strive to maintain a balanced force with the blend of experience needed to field an efficient and effective force at any time. The current guidance for the impending drawdown, unfortunately, does not do that. Yet the tools are at hand — all that is missing is the will.

ENDNOTES

1. Christi Parsons and David Cloud, "Obama announces drawdown of forces from Afghanistan, saying 'tide of war is receding,'" *Los Angeles Times*, June 22, 2011, <http://articles.latimes.com/2011/jun/22/news/la-pn-obama-speech-afghanistan-20110622>.
 2. The efficacy of a demobilization and drawdown cannot be determined right away; it can only be determined after the next conflict, by assessing how well the United States was prepared for it. With the notable exception of Desert Shield/Storm, the United States has not been prepared very well. See Robert H. Scales Jr., *Certain Victory: The U.S. Army in the Gulf War* (Washington: Office of the Chief of Staff, United States Army, 1993), 5-6. Not only has it taken time to rebuild, but also it has taken time for the military to discard preconceived notions of what the new conflict would be like, to relearn the lessons of the past and, by trial and error, forge a new path. The Korean War is a stark example, as recounted in the Army's history of the war:

The United States was hardly in condition to wage war during the summer of 1950. Popular sentiment against a large standing military establishment and eagerness to effect economies in government had forced drastic reductions in defense expenditures in the years following World War II. Few trained units were available for immediate commitment in Korea.

See John W. Mountcastle, *Korea — 1950* (Washington: Center of Military History, Department of the Army, 1997), 14.
 3. In March 2006, the Harry Frank Guggenheim Foundation staged a conference called "Imagining the Next War," to explore questions about what the next U.S. war might look like. Most attendees presented specific visions of the future. In contrast, I recommended that the military should adopt "a hedging strategy; the idea is to prepare the military for as many different [future] scenarios as possible." See Brian Francis Slattery, "Imagining the Next War: A Conference Sponsored by the Harry Frank Guggenheim Foundation, March 25-26, 2006" (Harry Frank Guggenheim Foundation, 2007), 16. See also Richard Danzig, "Driving in the Dark: Ten Propositions About Prediction and National Security" (Center for a New American Security, October 2011).
 4. Department of Defense, *Defense Budget Priorities and Choices* (January 2012), 11.
 5. Secretary of Defense Leon E. Panetta and Chairman of the Joint Chiefs of Staff Gen. Martin E. Dempsey, "DOD News Briefing: Major Budget Decisions Briefing from the Pentagon" (January 26, 2012). Emphasis added.
 6. Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense* (January 2012), 7. The full statement reads: "Over the past decade, the National Guard and Reserves have consistently demonstrated their readiness and ability to make sustained contributions to national security. The challenges facing the United States today and in the future will require that we continue to employ National Guard and Reserve forces." While demonstrably true in the context of sustained operations in Iraq and Afghanistan, these engagements may not be clear indications of the role that reserve component combat units can play in the nation's ability to mobilize quickly.
 7. Much of the material in this section draws on two publications I authored or co-authored: Bernard Rostker, "America Goes to War: Managing the Force During Times of Stress and Uncertainty" (RAND Corporation, 2007); and National Defense Research Institute, "Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense" (RAND Corporation, 1992). The latter was an extensive study of the AC/RC mix done shortly after Operation Desert Storm for the secretary of defense at the direction of the Senate Armed Services Committee.
 8. Article 1, Section 8, provides for both the militia and a national Army and Navy. Clauses 15 and 16 provide for the militia: "The Congress shall have Power . . . to provide for calling forth the Militia to execute the Laws of the Union, suppress Insurrections and repel Invasions; to provide for organizing, arming, and disciplining, the Militia, and for governing such Part of them as may be employed in the Service of the United States, reserving to the States respectively, the Appointment of the Officers, and the Authority of training the Militia according to the discipline prescribed by Congress." In addition, Congress is authorized to "raise and support Armies . . . [and in Clauses 12-14 to] provide and maintain a Navy."
 9. The Army's official history of military mobilization notes that in the colonies "every able-bodied man, within prescribed age limits . . . [was] required by compulsion to possess arms, to be carried on muster rolls, to train periodically, and to be mustered into service for military operations whenever necessary." See Marvin A. Kreidberg and Merton G. Henry, *History of Military Mobilization in the United States Army: 1775-1945*, Department of the Army Pamphlet No. 20-212 (1955), 3. Emphasis added.
 10. John O'Sullivan and Alan M. Meckler, eds., *The Draft and Its Enemies: A Documentary History* (Urbana, IL: University of Illinois Press, 1974), 36.
 11. Thomas R. Irey, "Soldiering, Suffering, and Dying in the Mexican War," *Journal of the West*, 11 no. 2 (1972), 293.
 12. *Ibid.*, 286.
 13. See Mary C. Gillett, *The Army Medical Department: 1818-1865*, U.S. Army Center of Military History, Army History Series (1987), 101.
 14. This model was inadvertently developed during the Napoleonic wars, when Prussia was compelled by the Treaty of Paris of September 1808 — after its defeat at the Battle of Jena on October 14, 1806 — to limit its army to 42,000 men. This limit was intended to reduce Prussia to a second-rate power. Prussia got around this limit by instituting the so-called Krumper system, in which each company sent five men on extended leave every month and took in five recruits so that a trained reserve could be built up over time. By 1813, the Prussian army numbered 270,000 — well beyond the treaty limits of 42,000. With the appointment of Hermann von Boyen as Prussia's first real minister of war on June 3, 1814, Prussia was ready to complete the reforms started after the defeat at Jena. On September 3, 1814, Boyen's military law decreed in its opening words that "[e]very citizen is bound to defend his Fatherland," and it established universal military service in Prussia. Even in light of the new mass armies of the industrial age, the terms of Boyen's law were all-encompassing, committing all male citizens from ages 17 to 50 to serve the state. See Guy Stanton Ford, "Boyen's Military Law," *The American Historical Review*, 20 no. 3 (1915), 534.
- Prussia used the system even when no war was imminent. Substitutions were banned, but deferments were allowed to maintain essential economic services. Under the law, when a young man turned 20, he was called for five years to the

standing army — three years of active duty, followed by two years “on leave” in the reserves. This was followed by seven years in the Landwehr, “with the obligation to serve abroad as well as at home, to participate in occasional reviews and drills on set days, and once annually to participate with the regular army in large maneuvers.” A second period of seven years consisted of “occasional drills, the obligation to do garrison duty in war, and possible service abroad in need.” Even after 19 years in service, and at age 39, there was a further commitment to the Landsturm until age 50. *Ibid.*, 537.

15. According to RAND:

The Dick Act of 1903 provided that, at federal expense, general military stores, as well as arms and equipment, would be made available to organized National Guard units that drilled at least 24 times a year and maintained a summer encampment of not less than five days. Qualifying National Guard units were to be periodically inspected by Regular Army officers, and Regular Army officers were to be detailed to National Guard units. When in the actual service of the United States, guardsmen were subject to federal regulations and the Articles of War and were entitled to the same pay and allowances as regulars.

National Defense Research Institute, “Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense,” 20.

16. U.S. War Department, *Report of the Secretary of War* (1912), 128.

17. P.M. Ashburn, *A History of the Medical Department of the United States Army* (New York: Houghton Mifflin Co., 1929), 324.

18. U.S. Department of Defense Committee on Civilian Components, *Reserve Forces for National Security* (1948), 29.

19. Martin Binkin and William W. Kaufmann, *U.S. Army Guard & Reserve: Rhetoric, Realities, Risks* (Washington: Brookings Institution, 1989), 41–43.

20. In many ways, compared with the pre-war structure, the most remarkable change was the growth of the Army Reserve. It had changed from essentially a large pool of individual reservists to support and fill out a cadre Army, to a fully formed reserve force with combat units that could be mobilized, much like the Army National Guard.

21. Richard B. Crossland and James T. Currie, *Twice the Citizen: A History of the United States Army Reserve, 1908–1983* (Washington: Office of the Chief, Army Reserve, 1984), 141.

22. Binkin and Kaufmann, *U.S. Army Guard & Reserve: Rhetoric, Realities, Risks*, 48–53.

23. Secretary of Defense Melvin R. Laird, *Memorandum: Readiness of the Selected Reserves* (1970), 1–2. The memorandum is reprinted in the Congressional Record, September 9, 1970, 30928.

24. Secretary of Defense James R. Schlesinger, *Annual Report to the Congress, Fiscal Year 1976 and 1977*, III–14/15.

25. *Ibid.*

26. Lewis Sorley, “Creighton Abrams and the Active-Reserve Integration in Wartime,” *Parameters*, 21 (Summer 1991).

27. It has been widely alleged that after the Vietnam War, Army Chief of Staff Creighton Abrams insisted the force be structured so that the reserves had to be called up, to make the president pay a political price for the call-up. No one, however, has ever been able to find a direct statement by Abrams to that effect. Nevertheless, in 2010, Jill A. Rough found that “communities do respond to the mobilization of their local soldiers as evidenced by a statistically significant negative relationship in 2008. These findings suggest that local National Guard mobilizations tend to decrease local public support for war as measured by Republican vote, lending credence to the concepts underlying the Abrams Doctrine.” Jill A. Rough, “Is the Abrams Doctrine Valid?: Exploring the Impact of Army National Guard Mobilization on Public Support for the War on Terror” (Ph.D. dissertation, George Mason University, 2010).

28. General Accounting Office, *Reserve Force: DOD Guidance Needed on Assigning Roles to Reserves Under the Total Force Policy* (December 1989), 10.

29. National Defense Research Institute, “Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense,” 40.

30. Military planning for both the global and lesser regional contingencies assumed that the United States would move at least to partial mobilization within a matter of days, but that was not the case. The reserve forces that were initially needed were primarily to help deploy the active forces. For the Air Force, more than half of the tactical airlift and strategic airlift, and much of the air refueling and maintenance capability, are in the Air National Guard and the Air Force Reserve. For the Army, support for port operations, military police companies, military intelligence units, water purification and communications skills were needed and were mainly in the reserves. The Navy had an immediate need for reservists to support the military sealift command. The first call-up list on August 22, 1990, did not include any reserve combat forces because the full allotment of 25,000 personnel had to be consumed in critical support units, and active combat units were readily available. *Ibid.*, 40–44, 46.

31. Les Aspin, Beverly Byron and G.V. (Sonny) Montgomery, *Iraq, Saudi Arabia and the Reserve Components: Missing Lessons for Future Force Structure* (House Armed Services Committee, 1990), 6.

32. Department of the Army Inspector General, *Special Assessment: National Guard Brigades’ Mobilization* (1991), 2–7.

33. Based upon a draft report and briefing, “Substitution of Active Brigades for National Guard Round-out Brigades in Operation Desert Storm,” provided to RAND by the GAO on September 2, 1992, and cited in National Defense Research Institute, “Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense,” 55.

34. National Defense Research Institute, “Assessing the Structure and Mix of Future Active and Reserve Forces: Final Report to the Secretary of Defense,” 56.

35. Thomas F. Lippiatt and J. Michael Polich, "Reserve Component Unit Stability: Effects on Deployability and Training," MG-954-OSD (RAND Corporation, 2010), xi.
36. U.S. Department of Defense Committee on Civilian Components, *Reserve Forces for National Security*, 29.
37. The issue is discussed in Susan M. Gates et al., "Supporting Employers in the Reserve Operational Forces Era: Are Changes Needed to USERRA, DOD Policies or Programs?" (RAND Corporation, forthcoming).
38. Problems that reservists have in meeting the time demands of additional training often resulted in cross-leveling, which is defined as "all measures taken to fully man a deploying unit with personnel not previously members of that unit prior to deployment." Dennis P. Chapman, "Manning Reserve Component Units for Mobilization: Army and Air Force Practice," The Land Warfare Papers No. 74 (The Institute of Land Warfare, Association of the United States Army, 2009), 8.
39. Department of Defense, *Defense Budget Priorities and Choices*, 11.
40. "Personnel planning, as we know it today, can be traced to at least 1679 when the Secretary of the Admiralty started to regulate the annual entry of officers into the Royal Navy. By 1779, the Royal Marines were managing career structures, retention rates and promotion probabilities. The Navy List, a forerunner of the American Navy's Linear List, dates to 1814 and is attributed to John Finlayson, who later became the first Government Actuary of Britain. The systematic collection of statistics useful in personnel planning by actuaries for the British Navy dates to this period and enabled the Admiralty to 'focus attention on some of the dangerous characteristics of the officer structure in the 1820's—age-blocks leading to promotion stagnation, lack of enough suitable posts in which to gain experience, and so on.' By the 1850's the British Navy had full fledged even-flow entry, training, appointment, promotion and retirement policies and management practices. As in many areas the American Navy followed the Royal Navy. By 1899, in order to overcome the worst features of the seniority system which characterized the American military, the Navy introduced 'plucking boards' to regulate the movement of officers through its personnel system by selecting out a prescribed number of officers each year. This was the first example of the 'up-or-out' feature in the American military. Under the Navy Personnel Act of 1916, promotion boards were directed to select only those who were 'best fitted' and minimum and maximum time-in-grade standards were established to control the flow of personnel through the system. Our modern personnel system, particularly for officers, as dictated by the Defense Officers Personnel Management Act (DOPMA), owes much of its form and structure to this pre-World War II Navy system. Today, the problem with modern personnel planning systems is not the lack of conceptual planning models. It is the lack of will on the part of senior managers to make the sometimes unpopular short term decisions to separate personnel from their service in order to maintain the long-term viability of the force." Bernard Rostker, "I Want You!: The Evolution of the All-Volunteer Force," MG-265-RC (RAND Corporation, 2006), 237-238.
41. Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, 6.
42. Panetta and Dempsey, "DOD News Briefing: Major Budget Decisions Briefing from the Pentagon." Emphasis added.
43. Department of Defense, *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, 7.
44. The impact is discussed below and can be found in Raymond E. Conley et al., "Maintaining the Balance Between Manpower, Skill Levels, and PERSTEMPO," MG-492-AF (RAND Corporation, 2006), 58-61.
45. The Air Force came to this position over the strenuous objections of the assistant secretary of defense for force management and personnel. See Rostker, "I Want You!: The Evolution of the All-Volunteer Force," 536-541.
46. For a discussion of manpower structures and personnel planning models, see Richard C. Grinold and Kneale T. Marshall, *Manpower Planning Models* (New York: North-Holland Publishing Co., 1977).
47. In 1975, the Air Force, reacting to the problems created by an unbalanced force structure caused by the drawdown after the Korean War, developed the Total Objective Plan for Career Airmen Personnel (TOPCAP) objective force as its ideal force structure. The Air Force determined that such a profile "represents a force configuration that would satisfy all mission requirements, achieve the ... career progression goals and be attainable at the least cost." B.L. Davis, "The USAF Personnel Plan, Volume III, Airmen Structures" (Department of the Air Force, 1975), C-2.
48. These figures are based upon data from the DMDC Information Delivery System.
49. Senate Fiscal Year 1991 Defense Authorization Report, 157.
50. House Fiscal Year 1991 Defense Authorization Report, 264.
51. The issues raised by the were examined in detail by David Grissmer and Bernard D. Rostker, "Military Personnel in a Changing World," in *American Defense Annual: 1991-1992*, ed. Joseph Kruzal (New York: Lexington Books, 1992). These findings were briefed to the secretary of the Air Force and the chief of staff of the Air Force in 1992. The chief said that it was more important for the Air Force to keep faith with its career airmen and to take cuts in accessions than to maintain a balanced personnel force structure. He said that the lower midcareer-year groups in the future could be made larger by increasing retention. When the time came, however, the Air Force was not able to increase retention in these year groups. The chief was also told that jobs then done by airmen in a given year of service, e.g., the 13th year of service, would in the future be done by more-senior airmen. He said that was not important because they were as productive. It was pointed out that while he might not be able to tell the difference, he was surely paying them very differently. The Air Force, however, followed the general policy of accessions first, as far as the secretary of defense would permit. In so doing it ignored its own experience with the Korean War "hump" and its own analysis that had gone into the development of TOPCAP, and it set the stage for the subsequent problems discussed here.
52. Congressional Budget Office, *Managing the Reduction in Military Personnel* (1990), v-vi.
53. *Ibid.*, 5.
54. *Ibid.*, 5.
55. *Ibid.*, 5.

56. *Ibid.*, 5.

57. The RAND report explains the problem this way:

Airmen undergoing initial formal school training are assigned a skill level of 1. When they complete this training and arrive at their first duty station, their skill level increases to 3, and they continue training on the job. . . . The more-senior and -skilled personnel in the specialty (those with skill levels of 5 or 7) generally occupy the middle three grades and supervise the OJT for the junior personnel while performing their normal duties. If there are too many personnel in the lower three grades for the number of available trainers, this OJT load can become a burden and can interfere with normal activities. . . . This means that the skilled personnel must spend more of their time training the less-skilled personnel and also suggests that trainees are most likely performing tasks that normally require a 5-level specialist.

See Conley et al., "Maintaining the Balance Between Manpower, Skill Levels, and PERSTEMPO," 58-61.

58. *Ibid.*, xiii-xiv.

59. *Ibid.*, 58-61.

60. *Ibid.*, 40.

61. The programs are described in Department of Defense, Undersecretary of Defense for Personnel and Readiness, *Military Compensation Background Papers: Compensation Elements and Related Manpower Cost Items — Their Purposes and Legislative Backgrounds* (2011), Chapter III.C.4, starting on page 669.

62. Involuntary separations were still possible. Retirements beyond normal numbers are generated by actions of Selected Early Retirement Boards (SERBs) and enforcement of Service up-or-out policies. For example, the Air Force held a SERB for captains and majors who were either retirement eligible or were within two years of being retirement eligible and had not been selected for promotion.

63. The Air Force had to make a sizable reduction of 177,000 personnel. It primarily offered VSI/SSB to midgrade (E-4 and E-5) enlisted members in less-critical skills who had more than nine years of service. It treated involuntary separations for those who were offered the program but did not take the offer, and introduced a five-tier system with the 5th tier the most likely to be involuntarily separated if they did not take the option to leave early. In FY 1992, 44,000 received offers, with a take rate of 17 percent. The take rate was highest for those in Tier 5. Over the next four years a total of 24,000 airmen agree to leave early: 2,000 took VSI and 22,000 took SSB. See Frank Rogge, "An Analysis of the Separation Bonus (VSI/SSB) Program Using the Annualized Cost of Leaving Model" (Naval Postgraduate School, 1996), 6 and 33.

64. Given that the VSI annuity was an obligation of the U.S. government, a bank should have been willing to buy the VSI annuity for much more than the cash received by a member who opted for the SSB. Estimates suggest that those who took the SSB had a preference for cash much like those willing to pay interest rates of about 16 percent, the typical interest rates paid on credit card balances. See John T. Warner and Saul Pleeter, "The Personal Discount Rate: Evidence from Military Downsizing Programs," *American Economic Review*, 91 no. 1 (March 2001).

65. *Ibid.*, 33.

66. Beth Asch and John T. Warner, "The Effect of Voluntary Financial Incentives on Separation Rates for Mid-Career Military Personnel," RAND Research Brief RB-7547-OSD (RAND Corporation, 2002).

67. Department of Defense, Under Secretary of Defense for Personnel and Readiness, *Military Compensation Background Papers: Compensation Elements and Related Manpower Cost Items — Their Purposes and Legislative Backgrounds*, 672.

68. The 2012 bill also includes a voluntary retirement incentive of up to one year of basic pay for officers with 20 to 29 years of service who have a year or more remaining before they can retire at their current pay grade and a year or more before reaching mandatory retirement age for their grade. Eligibility can be based on years of service, grade, military specialty or a combination of these factors. The incentive is available to a maximum of 675 officers. See Rick Maze, "15 Years & Out: Congress Pushes Early Retirement, Other Drawdown Incentives," *Army Times*, December 18, 2011.

69. Panetta and Dempsey, "DOD News Briefing: Major Budget Decisions Briefing from the Pentagon."

70. Warner and Pleeter reported: "Using the 7-percent discount rate on government bonds prevailing at the time of the program, we calculated that if only the annuity alternative had been available, the present value of the annuity payments would have been \$4.2 billion. The present value of the actual annuity payments plus lump-sum payments was \$2.5 billion. The lump-sum alternative thus saved the federal government \$1.7 billion." Warner and Pleeter, "The Personal Discount Rate: Evidence from Military Downsizing Programs," 33.

71. Panetta and Dempsey, "DOD News Briefing: Major Budget Decisions Briefing from the Pentagon." Emphasis added.

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