



# ASSOCIATION OF THE UNITED STATES ARMY

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## MANAGING ARMY STRENGTH REDUCTIONS AND RELATED PERSONNEL ISSUES

Summary of  
AUSA Issue Conference  
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### TABLE OF CONTENTS

	Page
I. Acronyms.....	1
II. Introduction.....	2
III. The Transition Plan (Mr. Emmerichs).....	2
IV. Follow-on Discussion (for item III).....	5
V. Discussion, Personnel Policy Issues (GEN Thurman).....	8
VI. Transition to the End-state Army (LTG Reno).....	10
VII. Follow-on Discussion (for item VI).....	12
VIII. Summary Notes.....	14



## ACRONYMS

AC	Active Component
CMF	Career Management Field
COLA	Cost of Living Allowance
HAC	House Appropriations Committee
HASC	House Armed Services Committee
HSDG	High School Diploma Graduate
MOS	Military Occupational Speciality
OPM	Office of Personnel Management
QMP	Qualitative Management Program
RC	Reserve Component
RCP	Reenlistment Control Point
RIF	Reduction in Force
SAC	Senate Appropriations Committee
SASC	Senate Armed Services Committee
SEA	Selective Early Annuity
SERB	Selective Early Retirement Board
VSI	Voluntary Separation Allowance
YOS	Years of Service

## I. INTRODUCTION

This issue conference, held at AUSA National Headquarters, focused on the reduction of Army forces and the management of resulting personnel reductions through FY 1995. Also, it addressed other related personnel policy issues, some of which were highlighted during Operation Desert Shield and Desert Storm.

The outline of the conference, including identification of the principal presenters, is attached.

By the rules of the conference (except for summaries of the presentations by the listed speakers), no direct quotes or specific attributions are made.

The session was introduced by General Jack N. Merritt, USA Ret., President of AUSA.

Now that Desert Storm is over, the Army's attention must focus on its transition to the Army of the future. By FY 1995, the Army is programmed to cut combat structure to 12 active, 6 National Guard and 2 cadre divisions. The overwhelming management challenge, however, is how to cut personnel along a glide path compatible with budget requirements, while ensuring fairness and equity, and, at the same time, maintain a ready and capable force.

The numbers alone highlight the complexity of what has to be done. From the end of FY 1989 to the end of FY 1995, the Army's strength projections are:

AC Military	From 770K to 535K
RC Military	From 859K to 550K
Civilians	From 319K to 255K

Currently, Congress is blocking a good share of the RC cuts and is placing restrictions on involuntary separations of active force personnel.

Altogether there were 24 attendees. The conference was chaired by General Jack N. Merritt, USA Ret., President of AUSA and General Maxwell R. Thurman, USA Ret., AUSA Senior Fellow. The presentations were followed by questions and general discussion.

### I. THE TRANSITION PLAN -- PLANS AND POLICIES (Summary of Mr. Emmerichs' presentation)

Mr. Robert Emmerichs, Deputy Assistant Secretary of the Army for Military Personnel Management discussed the plans and policies driving Army strength reductions.

The guiding principles are to meet the prescribed reduction requirements in both numbers and timing while maintaining force readiness, maintaining the quality of personnel and, at the same time, taking care of soldiers and their families.

The Army is proceeding on a track of meeting the objective force strength of 535,000 by the end of FY 1995. The FY 1991 Congressional Authorization Act, however, specifies a somewhat lower number of 520,000 and this will probably prevail.

It's a complex process with a number of variables acting concurrently. Constant assessment and management are required with careful meshing of the Army's personnel inventory and input to meet the desired strength, MOS and years of service desired. Some of the uncertainties and external factors include:

- (1) The threat, which is the basis for force structure. World events of the past 20 months alone tell us that this is subject to unexpected changes which can "whip-lash" the whole planning process.
- (2) Force structure to meet stated national security requirements. This seems simple enough, but is threat dependent and subject to other factors, such as budget constraints, political considerations, congressional direction and the ongoing AC/RC mix debate.
- (3) The desired inventory of military personnel by number, skills and years of service to fill future force needs. This can be worked out analytically, providing the force structure remains stable. Against this, the Army must match actual or presumed inventory to determine both input and reductions by skills. The inventory assumed at any time is also a variable that is affected by recruiting guidelines, incentives and other constraints imposed by OSD or Congress. All of this combines to derive Army reductions and accessions needed over time and is the basis for detailed planning.
- (4) Finally, there are the constraints and specific guidance from both OSD and Congress which directly impact planning.

In the macro sense, the challenge is to take an active force of over 700,000 (about 730,000 today and anticipated to be 710,000 at the end of the FY 1991) and reduce it to 535,000 or 520,000, as the case may be, by the end of FY 1995. Clearly this can be achieved, if it's just a numbers game, but the real challenge (and potential threat) is the maintenance of a fully ready, albeit smaller force. This means having the right people with the right skills in the right place to maintain effective units. We must also provide for a constant input and flow of new people to ensure a vigorous Army in the future.

Some of the planning parameters have been set by congressional direction (or constraints) and by OSD guidance. These narrow the Army options. Some of the key ones are as follows:

- o FY 1991 Congressional Action. The FY 1991 Authorization Act sets the FY 1995 Army end strength at 520,000. Before undertaking a reduction in force (RIF), the Secretary of Defense must certify that accessions and first term soldiers are limited to the FY 1995 sustainment level and that retirement eligible personnel are reduced to the FY 1995 level. Also, involuntary separation of soldiers between 6 and 20 years of service can take place only after Secretary of Defense certification. The intent of Congress was to avoid any RIF for soldiers between 14 and 20 years of service.
- o OSD Guidance. OSD confirmed the constraint of limiting retention of soldiers with one to six years of service as well as retirement eligible soldiers to the FY 1995 sustainment levels; also, to protect careerists in the 15 to 19 years of service category with minimum losses in the 12 to 14 years of service group. New accessions are to be in the range of 85 to 100 percent of the FY 1995 sustainment level. Some other OSD constraints pertained to officer/enlisted ratios, enlisted promotions and enlisted career content. The overall guidance, however, was to match skill requirements and personnel inventory.
- o FY 1992 Congressional Constraints. While the FY 1992 DOD budget is not yet complete, committee report language imposes certain restrictions. The HASC agreed to some end strength relief. The SASC also accepted the administration's request on end strength adjustment and, in addition, prohibited the involuntary separation of career personnel who are not eligible to retire. The HAC went further. It stated that it does not want involuntary separations. The prescribed order of reduction is: attrition, reduced accessions and voluntary early-out options. The HAC report stated that DOD should use end strength flexibility if it cannot meet the authorized end strength without involuntary separations. At the time of this conference, the SAC report has not been prepared, but is expected to be negative on involuntary separations.

The Army will reduce accessions (probably to a level of about 85 percent of the FY 1995 sustaining level) and achieve losses through voluntary early releases, retirements and waivers of certain service obligations. Also, the Army will conduct officer retention boards and selective early release boards. It will reduce promotion rates and, as the final recourse, use reduction in force (RIF).

Considered in OSD for possible recommendation to the Administration and Congress were two concepts to provide incentives for voluntary separation prior to retirement eligibility. These were (1) the Voluntary Separation Incentive (VSI), developed within OSD, and (2) Selective Early Annuity (SEA), proposed by the Army.

Both of the concepts would be temporary and apply only to eligible personnel through FY 1995. Also, control on who would be permitted to separate under such programs would be controlled by the Services so that critical skills could be retained.

The two plans differ in several important respects. The VSI would apply to the years of service (YOS) six to 19 with an annual payment of 2.5 percent times base pay times YOS for a total payout period of twice the YOS. There would be no COLA indexing or additional benefits. The second plan, the Selective Early Annuity (SEA) that is favored by the Army, is focused on the 15 to 19 YOS group and would work essentially like an early retirement. It would pay an annual annuity of 2.5 percent times YOS. It would retain COLA protection and other benefits such as medical, PX and commissary. The services would control eligibility by grades and skills.

OSD has decided not to go with the SEA (too costly and does not include all YOS) and is forwarding the VSI version. The Army contends the VSI will not provide the incentives needed for voluntary separation in senior enlisted categories (over 15 years) unless it includes COLA and especially medical benefits.

### III. DISCUSSION SUMMARY (Mr. Emmerichs presentation)

Force Structure. Force structure is the foundation on which overall strength requirements are derived, particularly the distribution of grades and skills. The basic question is who sets the force structure? The Army can't do this by itself. The Army must have sound and solid guidance. The Secretary of Defense has set the terminal objective for the Army at 12 active, six National Guard and two cadre divisions.

Congress can interfere with this by not accepting the strategic layout developed by OSD and by independent direction with respect to the Reserve Components. Also, there are some uncertainties with respect to the draw-down in Europe in both the timing and the ultimate structure.

The Army, however, cannot be placed in the position of defending future structure as its own invention, and should be able to cite higher authority (i.e. OSD) as the authoritative source. If Congress wants to argue force structure, they should have to argue with the Secretary of Defense, not DA.

Force structure which translates into strength, including the elements of both active and RC, is far more comprehensive than just the TOE units.

It is essential to consider nondivision strength with equal rigor. about 60 percent of the force is found in the TDA category and this is far more difficult to determine and control. The Army is currently working all this through the Total Army Analysis (TAA) which will provide input in the FY 1994-1999 POM. If the basic strategic guidelines are changed, however, all this is subject to change.

Force structure is the independent variable and manpower is the dependent variable. Going at this backwards or getting manpower out of balance with force structure leads directly into the "hollow-Army" syndrome.

### Options

Manpower options derive from the flow model. This is essentially a closed system in which any one action impacts on another. While officers are managed primarily by year group, enlisted personnel are generally managed by MOS.

The situation has been complicated by the need to react to a series of constraints such as the floor on accessions, bar to RIF, etc. Many options must be developed to react to these special conditions. The objective is to get as close to optimum as possible. It is essential that we maintain a clear picture of actual versus requirements by skills and MOS and use this as a continuing measure. Working in between accession control and retirements are the voluntary and involuntary separations which must be managed with great skill.

The same rules and guidelines do not apply to the reserves. This has become an issue in Congress dealing not only with total numbers but potentially affecting the very force assumptions on which current planning is based. As already stated, DA needs a firm foundation for force projections. It should be able to rely on OSD to defend RC programmed reductions and constraints and not place itself in a direct conflict mode with Congress on the subject.

Question: Could the Army avoid any RIF with sufficient under-accession? The answer is yes, but the long term impact, particularly if repeated more than one year, is unacceptable from a readiness standpoint.

### Congressional Language

Congress has inserted restrictive language in report language with respect to involuntary separations. It is ambiguous, however, and needs additional clarification.

Involuntary actions, including RIF, will be needed to get officer strength down to programmed levels and, at the same time, to maintain proper balance.

For enlisted personnel, a RIF per se could be postponed for several years if all other tools were used aggressively, and the use of RIF could be eliminated altogether if sufficient incentives for voluntary separations were provided. To meet the enlisted draw-down, the Army plans to tighten standards for reenlistment. Tighter criteria for RCP and QMP are tools to be used, but could be challenged on the basis that they are, in fact, involuntary separations. Except for those released for misconduct, those selected-out under these criteria are eligible for separation benefits.

The use of selective early retirement through board (SERB) action seems to be OK with the committees. The concern is for those with over six years service who are not retirement eligible. The tightening of standards and the subsequent involuntary release through QMP action will be at issue, even though QMP is an ongoing procedure.

The alternative is more cut back on initial accessions, a solution favored by committee language, but this has serious long term impacts on Army readiness.

So far, we're talking about guidelines for the FY 1992 budget -- what about FY 1993 and beyond? Reductions through piecemeal guidance on a year-to-year basis are the worst approach. The Army needs continuity in its execution plan.

#### Readiness

The important thing is to manage by CMF and occupational specialty and not just by total numbers. The Army must take a proactive stance on the readiness theme and win the battle of a qualitative versus a quantitative approach. Operational readiness must take priority over the mechanical aspects of personnel management.

Instead of managing readiness in past draw-downs, we have tended to focus on numbers as the primary objective. An example was the rapid cut of 50,000 man years (which translated into a 100,000 man end strength cut) at the end of Vietnam. The Army moved to an unready posture rapidly with lack of adequate management controls. The Army had to fix it and did so over time.

What has to be done is to establish floors and ceilings by skill so as to provide the necessary readiness capability and to manage within the envelope. However, this has to be properly communicated to and be understood by the oversight committees.

#### Managing the Personnel Reductions

Officer RIF, in the grades of captain and major, should not be combined with promotion boards -- they are two separate actions. Officer RIFs are to be programmed so as to look only once at each year group during the period through FY 1995.



Voluntary Separation Incentive (VSI) could become a positive option if approved. As sent to Congress for consideration, it would provide for those individuals between six and 19 YOS with a payment of 2.5 percent times YOS paid over twice the number of years of service. As now structured, it would not provide a COLA indexing or any other post-service benefits normally given to retirees. The Army believes additional benefits are needed, particularly medical, if this is to be sufficiently attractive to solve the problems of involuntary separations.

It's possible that even more force cuts could be forthcoming with an even steeper slope starting in FY 1994. End strength figures could go to 500,000 (or less) for the active Army. If so, involuntary separations for both officer and enlisted personnel would increase. This would place the Army in a real bind and the problem of skill control would become even more critical. The impact could be eased by slippage through FY 1996 (or more), but every dollar used for manpower cannot be spent on something else.

#### IV. PERSONNEL POLICY ISSUES (General Thurman)

General Thurman introduced a series of personnel policy issues which are (or will be) of concern to the Army over the next few years. Most of these, while only indirectly related to drawing-down the Army, are factors which affect Army personnel management.

Some of the items were the issues of single parents, dual service marriages with children, women in combat units and concerns on minority (ethnic) mix. Also discussed were recruiting and retention, civilian reductions, health services and reserve strength management.

Time precluded in-depth discussion of the above, but ideas, options and opinions were surfaced without coming to specific conclusions.

Soldiers have to be deployable. Single parents can only enlist if there is provision for child custody. Desert Shield/Desert Storm placed a new focus on the problem of deployment of single parents, particularly those with very young children (less than six months).

Desert storm was a short war. While existing policies worked, there is a big question whether or not they would be adequate for an extended period. There is much sentiment that changes should be made. In fact, it's almost a certainty that Congress will include language which precludes the deployment of female soldiers with children younger than six months. This brings up the question of changing the enlistment or reenlistment eligibility of single parents with young dependents. It's unlikely that current enlistment/reenlistment policies would be reversed without strong evidence that they don't work as presently structured.

It was suggested that Army Research Institute (ARI) be tasked to do some studies on this and similar policy matters.

The next item discussed was the status of women in combat units. There is no law which precludes women serving in combat units in the Army, rather it's a matter of policy and regulation. There are statutory exclusions, however, for both the Air Force and the Navy. Language has been introduced in Congress to remove the exclusion which precludes women flying combat aircraft. In addition, the Senate Armed Services Committee has proposed a special commission to study the issue.

In the meantime, the Army is pretty much in a "wait and see" mode. As stated by the Army Chief of Staff, it plans to continue with the current policy of not assigning women to units with direct close combat missions. There is internal debate within the Army on women assigned to field artillery units, particularly MLRS. Final decision on this may wait for the results of the special commission.

The next discussion related to the minority content of the Army and how this affects the transition plan.

The black content of the Army is somewhat more than double its proportion in the population as a whole. It is even higher in grades of E5, 6, and 7 because of their propensity to reenlist. These soldiers have sought career opportunities. However, because of the specialties in which they are concentrated, they will be hit pretty hard on the draw-down. This is bound to become a sensitive issue unless attractive voluntary separation incentives are in place.

Criticism of the ethnic content of the Army surfaced before the ground combat phase of Desert Storm because of concern relating to potentially high casualties of minority personnel (expected to be proportional to content). This never materialized, however, because of very low combat casualties overall. It's apparent, though, that this can become an emotional issue.

The Army maintains a color blind policy with entry and promotion based on qualifications and merit. It has afforded opportunity for minority groups, but the high representation is going to also mean a similarly high percentage being released under the draw-down process. This needs to be clearly and adequately explained throughout the process.

With respect to future recruiting of women, the present Army content is about 11 percent. It is expected to remain about the same after draw-down. Since, on average, about ten percent are pregnant at any one time there is a question as to whether any policy changes should be made with respect to pregnancy? They become undeployable and, therefore, the individual is no longer a deployable for the unit to which assigned.

It is doubtful if any policy changes will be made in female content, but we can expect some guidelines on the deployability of those with small children.

The question was raised as to whether the same policies apply to RC personnel, particularly those who deploy early. The answer is essentially yes. For Desert Shield, there was a lot of substitution for those assumed to be ready to go.

Also discussed were a few issues relating to the Army medical system and health care. The FY 1991 law specifies that health professionals will not be reduced. This means that with mandated officer reductions the proportion of medical officers will increase. In fact, it will require the reduction of about 800 more line officers in the Army to protect the medical strength.

Congress wants to maintain health care without increasing CHAMPUS costs. While it's doubtful that this can be achieved, it does place the emphasis on using military medical facilities to the maximum extent possible.

There is a move being considered to consolidate all health services into a DOD Health Services Command. It could be a civilian agency or a Joint Command. The Army is opposed to the concept, primarily from the war fighting standpoint.

#### V. TRANSITION TO THE END-STATE ARMY (Lieutenant General Reno)

LTC Reno covered the process of building down the Army from its post Desert Storm status to the end-state force. He outlined the requirement, the plan, special considerations and some of the tools used to reach the objective goals. His presentation did not cover the RC since their projected cuts and programmed end strengths are completely up-in-the-air in the congressional authorization and budget processes.

The reduction strategy was a choice of (1) accession heavy -- cutting down more accessions than needed to support the FY 1995 force, thus creating internal imbalances, (2) heavy on forced losses -- with resultant involuntary separations, but controls the best balance, and (3) a balanced approach. The balanced approach best meets objectives within the guidelines and constraints established.

Planned enlisted reductions would cut the enlisted strength by 151,000 over the program years (from 603,000 in FY 1991 to 452,000 by the end of FY 1995). Enlisted accessions would be reduced to that permitted by allowable guidelines. The policy would be to retain the best and maintain a reasonable promotion flow. In addition to reducing input, the Army would tighten reenlistment criteria, provide liberal waiver of service obligations and pursue selective early retirement. The Army hopes to avoid involuntary losses but will need an attractive voluntary separation plan with adequate incentives to ensure this.

The officer reduction strategy is fairly similar. The planned reduction for active officer strength is 24,000 over the program year (from 103,000 to 79,000 by the end of FY 1995). Accessions will be reduced, provisions made for voluntary early-outs, and authority provided for colonels and lieutenant colonels to retire with less than 2 years time in grade. Use of selective early retirement will be expanded and some RIF actions will be necessary from FY 1992 through FY 1995.

A civilian reduction is also involved. In this case, the reductions are decentralized. Commanders will decide based on missions and funded workload and will manage to budget. The total reduction is estimated at 60,000 from FY 1991 through FY 1995. Of these, 20,000 come out of Europe. The major tools to make the reductions are a slowdown in hiring (or an outright hiring freeze); the release of temporary employees; voluntary early retirement; and RIF.

Getting back to military enlisted reduction, one of the first steps to implement will be the enhancement of standards. This will apply to such things as overweight, failure on physical fitness tests, alcohol abuse and drug abuse. Also, there is the concept of building-down to readiness, with the focus on soldier deployability.

Recruiting quality remains High. June 1991 statistics on new recruits show 97.8 percent HSDG, 75.3 percent in categories I to IIIA (upper half), and only 0.8 percent category IV.

The present program shows an Army end strength of 535,000 for the end of 1995, although the FY 91 Congressional Authorization Act specifies 520,000. Planned accessions for FY 1992 and after, therefore, will be based on the 520,000 number.

The procedure for officers will be to cut accessions as much as possible within the established guidelines and to retire those eligible. This must be done before the Secretary of the Defense can certify to Congress. If we don't use RIFs, the officer problems becomes immense. The officer plan, therefore, is to make use of RIF for the 14th year and earlier, but not to use RIF for the period of 15 to 20 years of service; after 20 years, the main tool will be selective early retirement. In the process, some branches will be hit more than others based on specific requirements.

Some mitigation of the RIF impact could be provided by approval of the OSD Voluntary Separation Incentive (VSI) plan recently forwarded to Congress for consideration. This would be available for those with 6 to 19 years of service, but includes no COLA provisions or other benefits. The Army favored its own Selective Early Annuity (SEA) version which included additional benefits, but it did not sell at OSD as the Deputy Secretary of Defense insisted on cost neutrality.

The officer five year reduction plan would be accomplished by a number of means. For each year, from FY 1992 to FY 1995, the Army would conduct a Selective early retirement board (SERB). Eligible individuals may be considered more than once over the period. Also, both a field grade RIF and a company grade RIF would be conducted each year. However, each separate year group would be considered only once during the period through FY 1995.

The enlisted five year reduction plan would also use multiple tools. Selective early retirement board action would be used for sergeants major. The RCP criteria for master sergeants and sergeants first class will probably be lowered to 24 and 22 years respectively. These categories are retirement eligible.

For lower grades, in addition to the curtailment of new accessions, the winnowing down of the enlisted force will be accomplished by voluntary separations and enhancement of standards. The basic tools after six years will be the tightening of RCP and QMP, both of which can be considered involuntary separations. The success of voluntary separations in helping to reach goals is dependent on the attractiveness of the incentives offered. There is no assurance that the VSI proposal recently sent to Congress will be accepted this year and, if passed, whether or not it will do the job. Voluntary separations, however, will not be automatic on request. Approval authority will remain with the services to protect critical skill needs.

The intent of congressional guidance must be clarified. A "no RIF" guidance is probably OK for enlisted personnel until the last year of the draw-down, and perhaps can be avoided altogether. RIF actions will be needed, however, to properly mold the officer reduction in a balanced fashion. Guidance of "no involuntary separation" (taken in the narrow sense of all those forced out with over six years service for enlisted and beyond minimum service commitment for officers by other than voluntary means) is virtually unworkable. This is the language used, however, in the House Appropriations Committee Report. The need is to continue to use the tools already in place -- RCP and QMP and SERB -- although the imposition of tighter standards inherent in this may become an issue.

#### VI. FOLLOW-ON DISCUSSION (Lieutenant General Reno's presentation)

The question was posed on the status of West Point. The language in the Senate FY 1991 Authorization Report would limit input to 1,000 per year. Efforts are underway to get the limit adjusted to a maximum of 4,000 cadets at any one time. Until FY 1992, the allocation for combat arms branches at the military academy was at least 80 percent of those commissioned in any year. The new policy is for 80 percent of male graduates to go into the combat arms. This will permit ROTC graduates to get about 54 percent combat arms billets.

If the House Appropriations Committee criteria (identified as the Murtha option) must be met in FY 1992, what would it do to the enlisted reduction plans? First, it would drive new accessions to less than 60,000; also, because the whole force would be somewhat more senior, the man-year costs would be higher; in addition, promotions would slow down from about 225,000 to 160,000. Structural and readiness arguments should be used to avoid this degree of variance from the desired balance.

Civilian reductions are different. They come under OPM rules. The control is decentralized and is essentially budget driven. Management of civilians, therefore, comes essentially from the management of program and functions. In the Army, many of the civilian cuts within the United States are related to Defense Management Review actions and base closure decisions.

With civilians, bumping and relocations are big problems. The Army would like to have more flexible tools to assist in managing the civilian cuts. Authority for early retirement needs to be given to the commands who otherwise must conduct a RIF. Ideally, some kind of civilian version of the SERB process should be provided. OSD would have to specifically authorize something like this. It would greatly reduce the bumping dilemma.

Cuts in Europe are another dimension to overall personnel management requirements. Targeted cuts for FY 1992 can be handled. There will probably be more cuts in FY 1993.

The projected OSD plan was to cut the Army RC from an authorized military end strength of almost 750,000 in FY 1991 to about 550,000 by the end of FY 1995. This has raised a storm of protest Congress is taking steps to negate most of the proposed cuts for FY 1992. How the future plays out on this issue is uncertain, but it will have a profound impact on RC structure along with serious budget implications.

The Army alone cannot solve the RC dilemma. It is following OSD guidance and will continue to program and budget on this basis. In the future, however, structure and end strength must be matched. It doesn't make much sense to have RC personnel strength that doesn't translate into needed future force structure, and budget limitations through FY 1995 will not permit carrying strength which is surplus to mission needs.

There is great concern in the field, particularly among officers of the captain and major level, that if they didn't go to the Persian Gulf and participate in Desert Storm (DS), they would be at a distinct competitive disadvantage. While this is without substance -- recent selection boards have shown no bias in favor of those with DS experience -- it is a pervasive anxiety for all ranks.

VII. SUMMARY NOTES

o The drawdown of the Army to meet objective force and strength goals by FY 1995 is without doubt the most difficult management challenge the Army faces.

o While overall guidelines are expressed in numbers, it is critically important that personnel requirements be firmly based on approved force structure. The draw-down should then be managed by Career Management Field and MOS with force effectiveness and readiness always in mind. The end state force must represent a proper balance of skills, grades and experience.

o Force readiness remains the number one priority. While there is considerable sentiment, particularly within Congress, to avoid involuntary separations by further decreasing accessions, the Army must resist an accession-heavy cut approach. This would cause imbalances that last for years and would drastically curtail promotions -- in all, a detriment to future Army quality and vigor.

o The controversy on Army RC strength is unresolved at this time with both strength levels and execution time lines at issue within Congress. Since total Army force structure is a composite of active and reserve forces, this leaves a lot in limbo. It forces planning on a year to year basis.

o Current and outyear funding limitations are driving factors. Time is money and there is great incentive for the Army to meet planned cuts on the programmed time line. Slippages mean additional (unbudgeted) money consumed for personnel that will not be available for something else.



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2 Enclosures