Crucial Times For The Army
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**Overview:** Explains the constraints placed upon the Army in meeting the goals of the Bottom-Up Review under present budget estimates and the impact on Army modernization efforts.

**Speech:** Offers ideas for a twenty-minute presentation on status of today's and tomorrow's Army that can be tailored for a variety of audiences. Charts to emphasize points are included.

**General Merritt's Testimony:** States the position of the Association of the United States Army on size, structure and budget the Army needs to meet current and future missions. The president of AUSA presented his remarks to the House Armed Services Committee, Military Forces and Personnel Subcommittee on October 27, 1993. One chart is included.

**Background Papers:** Defines major issues facing the Army in wake of Bottom-Up Review and Defense Department spending plans for the next five years. A chart or charts are included with each paper.

- Possible impact of Bottom-Up Review on Army posts in the United States
- Army strength requirements
- Peacekeeping mission demands
- Army modernization
- Army funding requirements for FY 94 and beyond
- Army force structure
OVERVIEW

ARMY MISSIONS

The Army of the 1990s has three major missions: deterrence, power projection and conducting operations other than war. These last operations are as different as keeping the peace in the Sinai and helping flood victims in the Midwest. The challenge right now and for the rest of this century is to ensure the Army has the resources to do all three.

The Defense Department projects to meet those missions the active-duty Army will consist of:

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Structure</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>500,000</td>
<td>10 divisions</td>
<td>$60 Billion</td>
</tr>
</tbody>
</table>

DETERRENCE

In order for the Army to be a credible deterrent to our potential enemies, it must have sufficient forces to provide the necessary forward presence, meet our peacekeeping obligations, have a rapid reinforcement capability and, at the same time, be clearly capable of expanding during a mobilization. Before both World War II and Korea, the Army suffered through periods of retrenchment created by pressures similar to those we face today. In both cases, soldiers paid in blood while we rebuilt our forces.

Today, the Army has forward-deployed troops to protect the Panama Canal, honor the United States' commitment to the North Atlantic Treaty Organization and help defend South Korea.

<table>
<thead>
<tr>
<th>Panama</th>
<th>Europe</th>
<th>Korea</th>
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</thead>
<tbody>
<tr>
<td>7,000</td>
<td>89,200</td>
<td>26,500</td>
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POWER PROJECTION

To project power, the Army must have both an adequate force structure and a combination of sea and air lift to move soldiers rapidly to a crisis. A minimum contingency force would be a five-division corps that has an appropriate mix of heavy and light forces, combat support and combat service support units. A minimum reserve for this contingency force would be a corps consisting of three divisions with appropriate combat support and combat service support units.

The Bottom-Up Review -- the blueprint of Defense Department priorities for the rest of this century -- falls drastically short of providing the means for the United States to project power in the next seven years. For
example, adequate sea lift will not be achieved until after the year 2000 and how air lift will be improved is an open question.

OPERATIONS OTHER THAN WAR

The Bottom-Up Review mistakenly downplays the impact of continuing peacekeeping missions, in particular, on personnel, structure and management capability to respond to other fast-moving international events. With the projected force structure envisioned in the review and end-strength numbers that would make that structure work, operational flexibility becomes severely restricted. We cannot just walk quickly and easily away from these requirements should these troops be needed elsewhere.

In addition, many of these missions have little or no relevance to individual combat skills and wartime unit roles. Without constant honing, these skills can deteriorate. This translates into precious time needed to retrain these soldiers and units in what they must do in combat. For prolonged peacekeeping missions, the Army must also build a pipeline for replacements. What this means is: if 50,000 soldiers are committed to a mission, the Army is, in effect, using 150,000 soldiers to meet the requirements of that mission.

Here's how that works:

<table>
<thead>
<tr>
<th>Replacements</th>
<th>Force on Mission</th>
<th>Retraining</th>
</tr>
</thead>
<tbody>
<tr>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
</tbody>
</table>

BOTTOM-UP REVIEW

We agree that the strategic requirement used as the basis for the Bottom-Up Review is correct: The United States must have sufficient military forces to fight two major regional contingencies almost simultaneously. A ten-division active Army with an end-strength of 500,000 and a reserve component of 575,000 cannot realistically meet that requirement.

The review makes two high-risk assumptions even when presuming the United States has adequate lift to move its forces rapidly to a crisis.

*All ten divisions are deployable.
*Potential enemies will act the same way as Saddam Hussein did when he let the coalition have unrestricted access to ports and airfields.

These are unacceptable risks to run for the nation and the men and women who must go in harm's way to fight and win the nation's wars.

Using the United States Army Reserve and the National Guard to flesh out the force structure and reduce the personnel strain on the active duty component can only go so far. Reservists and Guardsmen support their families by working in the civilian sector. There is a limit to the amount of time they can devote to active military duty. There is also a limit to their employers' tolerance of their absences. Already the Army is seeking
volunteers from the Reserve component to serve on a rotational basis for soldiers on peacekeeping duty in the Sinai. For the Reserve component, this means that there must be a redundancy of units and a rise in end strength.

<table>
<thead>
<tr>
<th>Projected Reserve/Guard End Strength</th>
<th>Desired End Strength</th>
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</thead>
<tbody>
<tr>
<td>575,000</td>
<td>630,000</td>
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</table>

MODERNIZATION

Nothing says more about the state of tomorrow's Army than the precarious position of the service's modernization efforts. One of the guiding principles of the Bottom-Up Review was to maintain technological superiority to minimize risk to our soldiers.

The money authorized and appropriated for Army research, development and procurement is already down more than 50 percent, in real terms, in fiscal year 1994 from fiscal 1984.

<table>
<thead>
<tr>
<th>FY 1994 (Constant FY94 Dollars)</th>
<th>FY 1989 (Constant FY94 Dollars)</th>
<th>FY 1987 (Constant FY94 Dollars)</th>
<th>FY 1985 (Constant FY94 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$12.1 Billion</td>
<td>$22.8 Billion</td>
<td>$24.5 Billion</td>
<td>$31.3 Billion</td>
</tr>
</tbody>
</table>

The story gets worse as future budget cycles begin. More than 60 major Army modernization projects have either been killed or stretched out so far into the future as to make them meaningless for use by American soldiers in this century. The projected spending on research, development and acquisition is forecast to drop an additional $2 billion in the near future to meet budget caps. This isn't robbing Peter to pay Paul; it's robbing the cradle for steady advances in technology that not only saves lives on the battlefield but can save also lives in developing such things as a vaccine for the prevention of malaria.

Dozens of unstable Third World nations, in addition to Iran, Iraq and North Korea, are buying the latest in missiles, warheads, artillery, armor, satellite communications, sensors and computers. Chemical, biological and nuclear weapons are metastasizing like cancers.

We are not crying wolf about these deadly possibilities.

The long war between Iran-Iraq in the 1980s might be seen as a preview of the future: Indiscriminate firing of ballistic missiles on cities and towns, use of chemical weapons against military forces and unarmed civilians.

The past is prologue.

We firmly believe the Army is the service of choice for demonstration of true resolve. Gunboat diplomacy has lost its relevancy. Ground forces or the threat of ground forces provide the real signal that the United States is involved in a credible way. Sophisticated and powerful, high-tech systems, by themselves are less persuasive than in the past.

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Likewise if the purpose is to discriminate and to destroy only what you want to destroy, the focus must remain on Army ground forces. We say all this without prejudice to the important and necessary contributions of the other services.

We are absolutely convinced that if the present trends continue and the recommendations of the recently completed Bottom-Up Review are implemented, our country's national security will be endangered by the risk of breaking the land warfare capability of the United States Army.

We are also convinced that the drawdown of the Army since our victory in the Persian Gulf has brought us to a position where it is unlikely that we could execute Desert Storm today. And it would be impossible to accomplish with the force recommended in the review.

**CHALLENGE**

We must stabilize the size and shape of the Army to meet the diversified missions of today. We must maintain the high quality of our individual soldiers. We must continually modernize the force.

The Army is not a budget-buster, nor should the finest fighting force in the world today be broken on the wheel of balancing the budget. For America's Army, there is no Chapter 11 bankruptcy; there is only the mission to fight and win the nation's wars. That is why the Army must remain:

<table>
<thead>
<tr>
<th>Size</th>
<th>Structure</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>560,000 active component</td>
<td>12 divisions</td>
<td>$68 Billion</td>
</tr>
<tr>
<td>630,000 reserve component</td>
<td>37 brigades</td>
<td>(Includes $15 Billion for modernization)</td>
</tr>
<tr>
<td></td>
<td>(15 enhanced)</td>
<td></td>
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</table>

The essential question is, will we repeat our history and pay for the current Army at the expense of tomorrow's Army? We must maintain a force of sufficient quantity and quality, then pay for it. If we don't some day in the future, we will go to war -- and the quality force needed to fight and win won't be there.

Where will the money come from?

It is possible, but not likely that Congress could approve an overall increase in the Defense Department budget.

A more likely source would be to shift funds within DoD. Some funds could be shifted from accounts covering nuclear forces. This also means closely examining research and development spending in the Air Force and the Navy. In recent years, for example, Air Force research and development spending has exceeded Army research, development and acquisition spending.

This is not a recent phenomenon.

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1985 RDA SPENDING BY SERVICE

<table>
<thead>
<tr>
<th>Army</th>
<th>Air Force</th>
<th>Navy</th>
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<tbody>
<tr>
<td>$25 Billion</td>
<td>$60 Billion</td>
<td>$45 Billion</td>
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While arguments over equity carry relatively little weight in Washington, the facts are already clear:

*Army modernization is on hold.
*Technological edge is in danger of being lost.

WHAT TO DO

The Bottom-Up Review is only a blueprint, but the hard choices -- deciding how the dollar and cents that federal government spends -- are being made right now in Congress.

The time has come to say to your representative and senators: "Enough is enough. The Army has no more to give."

If the projected cuts for fiscal 1995 become law, then the slide into the "Hollow Force" will have begun. It took years to repair the wrecking crew approach to cutting defense spending that followed the Vietnam War. Remember "Desert One."

While the disaster at Kasserine Pass in North Africa during World War II and "Task Force Smith's" pummeling in Korea are fading from memory, they and "Desert One" provide lessons for today and tomorrow.

Cuts can go too deep.

This message cannot go only to members of the armed services' committees or the appropriating committees. It means each of the 435 members of the House and the 100 members of the Senate needs to hear from you and others like you.

Write them, call their offices in the home district, attend their town meetings and get to know the representative's and senator's staffers who handle military affairs. Express your feelings on the future of the Army.

Writing makes an important impression on an elected official because it shows the person took the time to think out their thoughts and commit them to paper.

Best of all is personal contact -- not a random phone call or fax transmission, but a face-to-face discussion on the issues.

Lastly, the message must get out that the fate of the Army, indeed the nation's defense, is at stake. Volunteers have to spread the word in their communities as well as the halls of Congress. This means alerting editors of editorial pages and general managers of television stations -- the men and women who shape community opinion -- must also be contacted.

The Army has given its full measure.

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THE FUTURE ARMY IN THE BOTTOM-UP REVIEW ENVIRONMENT

Attached is a proposed presentation on the subject covering Army missions, a critique of the Bottom-Up Review, Army force issues, and the Army's current budget dilemma and future requirements.

While the paper is suitable for presentation as written, it is expected that most users will tailor it to suit their own needs.

Simplified charts have been included for those who want to make and use VGTs. The script is designed, however, to be complete without the use of charts.

If you have any questions, contact the Institute of Land Warfare, AUSA.
THE FUTURE ARMY IN THE BOTTOM-UP REVIEW ENVIRONMENT

I am here today to talk about our Army and its role in the future security of our nation. I will also discuss some proposed actions and policies that could endanger the U. S. Army's legitimate claim as the world's finest ground fighting force.

In his recent Bottom-Up Review, Secretary of Defense Les Aspin spelled out his view of our future national security requirements. He also enumerated the basic military structure needed to fill those requirements.

While acknowledging missions short of war, Mr. Aspin's Review emphasized that the primary conventional threats to our security would be based largely on regional instabilities. The size of our forces would be based on the possibility of fighting two nearly simultaneous major regional contingencies, such as in Southwest Asia and Northeast Asia.

At the same time, budget guidance coming out of the Department of Defense is based on a very rigid predetermined top line. The result for the Army is a force too small to effectively accomplish the missions visualized in the Bottom-Up Review. In addition, the budgets envisioned are inadequate to accomplish requirements over the next ten years. Finally, the money available will undoubtedly make maintaining high levels of readiness extremely difficult, if not impossible.

The Army currently has three definable missions: deterrence, power projection and operations other than war (such as peacekeeping). All these require serious consideration in assessing the adequacy of planned Army forces and the projected budgets to support those forces.

(Chart #1: Army Missions)

DETERRENCE

Ground forces are more important than ever. Gunboat diplomacy—even sending carrier battle groups—has lost much of its clout. Ground forces, or the threat of ground forces, provide the real signal that the United States is serious and involved in a credible way. Sophisticated systems which lack the capability of on-the-ground involvement are less persuasive than in the past. Forward presence forces, such as those we maintain in Europe and Korea, along with a credible projection force capability, send a powerful deterrent message to any Third World opportunist.

POWER PROJECTION

Power projection is the essence of being able to to handle two nearly simultaneous major regional contingencies. This was the primary criteria for the Review's proposed ten active Army divisions and 37 National Guard combat brigades. While Army strength figures were not part of the report itself, it is understood that current budget planning is based on an active end strength of 500,000 (or even a little less). Reserve Component end strength (Army National Guard and Army Reserve) has been publicly announced by Secretary Aspin at 575,000 by 1999.

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Here the impact of the very rigid budget restrictions emerges. While the structure and end strengths as now projected may be able to meet contingency requirements, they are based on assumptions that everything goes as planned and that the entire force is available for contingency missions on call.

The real world does not meet these tests. Assumptions as to force enhancements will not be realized for five to ten years or more. Further, the review did not recognize the magnitude of force requirements for missions short of war, yet such missions are actually increasing. This means a high risk gap until enhancements are achieved.

**OPERATIONS SHORT OF WAR**

Today, the Army's ability to conduct peacetime operations should be a major consideration in calculating its force structure. But, it appears that such matters were given limited attention in determining Army needs. The number of such Army missions has been growing and there seems little likelihood that they will diminish.

On any given day, the Army has 20 to 25 thousand soldiers actively deployed on world-wide missions. I'm speaking of such areas as Somalia, the Sinai and Macedonia. The possibility of deployment to places like Bosnia, Golan Heights or Haiti could easily drive these numbers up another 50,000. This is in addition to more than 125,000 stationed in Europe, Korea, Japan and Panama.

Despite some of the assumptions in the Bottom-Up Review, these forces cannot be readily withdrawn or redeployed in a short period of time. Also, the total force commitment for these missions is much larger -- more on the order of three-to-one. This is based on the need for pre-training for these special missions, rotation of troops during protracted missions, and retraining for their primary combat missions upon withdrawal.

That 3-to-1 rule is a pretty solid planning function. But it does not include the high-level attention at division and higher levels needed to manage these missions. Increasing the Army commitment for such missions to about 150,000 soldiers, by including Bosnia or the Golan Heights -- or both, means that more than 25 percent of the active Army strength would be thus engaged. Those divisions with forces deployed -- over which they have management and support responsibilities -- can hardly be considered as readily deployable contingency forces.

That is a major flaw in the assumptions made in the Bottom-Up Review for determining the size of the force.

**CRITIQUE OF THE BOTTOM-UP REVIEW**

The Aspin review set forth the basic strategic concepts upon which the size and mix of forces would be determined. Theoretically, it also established the basis for determining future program and budget requirements. Actually, the big budget numbers had already been fixed through Fiscal Year 1999, as part of the President's budget projections and the budget resolution passed by Congress. The force requirements of the

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Bottom-Up Review collided head-on with the President's budget cap, requiring major compromises and forced fits between program and dollars.

The resulting funding shortfalls force agonizing decisions in the Department of Defense for the FY95 budget and the Future Years Defense Program (which runs through FY99). Unless some major changes are made, the Army will not be allotted adequate force structure or dollar resources to carry out its missions.

The review did produce some positive planning criteria. The two regional conflicts scenario makes sense as a pattern for force sizing, so long as all missions are properly weighted and value is given to unanticipated situations. The review properly states readiness as an imperative; it strongly supports airlift and sealift as essentials for force projection; and it accepts the premise that U.S. forces must maintain their technological superiority. It also acknowledges peacekeeping missions, but loses sight of the burden such missions place on total force needs.

The resulting ten active divisions and 37 National Guard brigades (15 of which are to be high priority units) are a risky solution to future contingencies. A number of unrealistic assumptions were made. They include:

{Chart #2: High-Risk Assumptions}

* It assumes all air and sealift to be available as planned. Actually, this won't be the case until after the year 2000.

* It assumes that the 15 Reserve Component enhanced brigades are all fully trained, properly equipped and ready for deployment in 90 days. The time when this could become reality is undetermined.

* It assumes all ten active divisions are deployable and available for contingency employment on call. This ignores the heavy burden of peacekeeping activities. Clearly some of the forward deployed forces and other forces committed to peacekeeping would not be readily available for use on other missions.

* It assumes prepositioning of materiel in the right places.

* It assumes potential enemies will not block our use of ports and airfields. If any lessons were learned from the Gulf War by our potential enemies, this has to be the first one.

* It assumes early access to needed Reserve Component elements in adequate numbers and for the necessary amount of time to complete the mission. This will require a number of statutory changes.

* It assumes that equipment and weapons being developed to ensure technical superiority into the next century will be funded, developed, procured and issued to the force. We're talking future, and the Army's prospect for adequate funding support for its modernization programs is dismal at the moment. Even on an optimistic time line the Army does not expect to have the first digitized division before 1999 -- and major new weapons cannot be fielded until the early 2000s.

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We conclude that the Bottom-Up Review was based on an ideal set of circumstances assuming all enhancements in place and all plans executed in frictionless fashion. It does not seem smart, however, to accept the premise of smaller forces being able to win overwhelmingly with fewer casualties based on the promises of future enhancements. In fact, we must be concerned that Army forces may be permanently reduced before many of the promised enhancements are in place or proven valid. That would create a gap in our warfighting capabilities that could prove disastrous.

While the review visualizes the right kind of scenario, the underlying question is, "Do we have enough to pull it off?" When you add operations-other-than-war to the requirements for supporting two overlapping regional contingencies, the numbers just don't add up!

The Army has a clear need for 50 to 60 thousand more soldiers in the active force than currently proposed. In addition, Army readiness and modernization are both jeopardized by a budget which underfunds operations and support and squeezes procurement and R&D funding to the point where it must eliminate or cut back on a large number of developmental projects.

The plan seems to ignore rotation requirements and the ability to reconstitute forces if things do not go as planned; and in real life, they seldom do! Under the scenario, once committed to two major contingencies at the same time, the President loses flexibility to react to almost anything else.

MODERNIZATION

The concept for the Army of the future is a smaller total force but one that is fully trained and ready, with the best equipment and weapons in the world. This requires continuous development to retain the technological lead and demands adequate resources to maintain a vigorous program of research development and acquisition, or RDA.

(Chart #3: Army RDA Funding Profile)

Army funding for RDA has dropped steadily in recent years, from a total of $29.8 billion in FY85 to just over $12 billion in the 1994 budget. In real buying power (adjusted for inflation) this represents a drop of 60 percent over 10 years, and almost 50 percent since FY 1985.

Despite administration assurances that U.S. forces will maintain their technical superiority against any possible adversary, the Army finds itself in dire straits with its modernization program. That's because of increasingly restricted budget levels. Based on current projections, the Army's research, development and acquisition budget levels will diminish further to about $10 billion a year through FY99. That's far short of what is needed. On this basis, the Army could be faced with the possible need to terminate close to 60 R&D or procurement line items and curtail a large number of others.

Why is this so important? Didn't the Army's equipment perform well in the Gulf War? Well, that was then... The lessons of the Gulf War were not lost on others. Sure, our soldiers enjoyed a great advantage in areas of night vision and global positioning. But that technology is now available

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on the world market. By its very nature, ground combat technology tends to be easily transferable. We also know that an increasing number of Third World countries are developing missiles capable of delivering weapons of mass destruction. Aggressive action to counter these capabilities must be part of our RDA program.

The Army knows where it must go and has laid down a well-conceived modernization program -- one that focuses on the concept of the digitized battlefield. The emphasis is on integration of the battlefield with the ability to detect, react, communicate, shoot and destroy before the enemy can react or escape. The Army doctrine, even with its smaller forces, remains that of applying overwhelming force to achieve decisive victory while sustaining minimum casualties. But this requires a reasonable and continuing level of funding for modernization.

Even with such support, the big advances in battlefield capabilities will not be achieved until the end of the century or beyond. The first digitized division could be a reality by about 1999. The two major Army weapon systems under development--the Commanche Scout Helicopter and the Advanced Field Artillery System--both important elements of the future integrated battlefield, will not be fielded until after the turn of the century. The same is true of new precision warheads, such as the brilliant anti-armor sub-munition, or BAT. The latter is one of the battle enhancements cited in the Bottom-Up Review that will permit us to get by with smaller forces in the future.

With the increased threat of tactical missiles against ground forces, the Army badly needs the new Corps Surface-to-Air Missile, but its fate is now questionable because of limited Army RDA funding.

The bottom line here is that the Army is bleeding for resources to proceed with its modernization efforts. The $12 billion in the 1994 budget is totally inadequate. Current projections are even more discouraging. The Army badly needs about $3 billion more a year for this purpose, or a total of about $15 billion a year. In the meantime, the Army is doing its best to keep its development programs in some semblance of balance. The real problem is one of insufficient budget resources.

**ARMY STRENGTH LEVELS**

The Bottom-Up Review is also flawed in terms of what is needed to carry out its strategic scenario. It seriously underestimates the forces required to conduct two nearly simultaneous regional contingencies while at the same time performing a variety of other missions. Peacekeeping requirements, for example, require major commitments of people and resources. It will not be an easy task to suddenly disengage from such commitments and to refocus the effort to a dissimilar mission. Also, the need for replacements, rotations and reconstitution has not been seriously addressed. The review is also flawed to the degree that it assumes forces can be streamlined and reduced far ahead of the enhancements on which the reductions are justified. Again, this is a high risk approach. Let's be sure we have the enhancements before we furl the colors and close the bases.

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AUSA contends the projected force is not enough to do the job --
certainly not until the high priority Reserve Component units are trained
and ready. And certainly not before the other enhancements have been
proven and are in place. This Association estimates that to carry out the
Army missions as specified and implied in the Bottom-Up Review, the Army
should have:

* 560,000 active Army end strength
* 12 active divisions
* A Reserve Component aggregate strength of about 630,000.

The designation of 15 enhanced Reserve Component combat brigades, to
be trained and ready for contingency employment, raises further questions
concerning the validity of the Review's conclusions. For certain,
attention must be given to the association of these brigades with active
divisions for training and receptors for these brigades for actual
employment. These are major reasons for retaining 12 active division
headquarters. Ten division headquarters will hardly hack it when we
consider support of forces engaged in peacekeeping, associated
relationships with the high priority Reserve Component brigades, and
commitment to two major contingencies. It just doesn't fit.

THE ARMY'S BUDGET DILEMMA

From a 1991 perspective, the projected program would have provided the
Army with a budget of more than $90 billion for FY 1994. The actual budget
is $60.4 billion with further downward projections. The Army budget was
thus decreased by 35 percent in real terms between fiscal years 1989 and
1994.

{Chart #4: Budget Trends}
{Chart #5: Strength Trends}

A major drawdown in Army forces accompanied the budget cuts as
follows:

* Active duty strength was reduced from 770,000 in 1989 to 540,000 in
FY 1994. It is projected to drop to 500,000 or less by the late 1990s. At
the same time, the number of active divisions were reduced in steps from 16
in 1989, to 14, then 12, and now a projected drop to 10 by 1999.

* Likewise, Reserve component strength decreased from 776,000 in 1989
to 670,000 in FY94. The projection is for 575,000 by 1999.

What is not apparent is that the Army had to absorb major transition
costs within its operating budgets as well as bearing an inordinate share
of peacetime operating costs. Some selected trends from FY89 to FY94 are
revealing:

{Chart #6: Operations & Maintenance Funding Trends}

* Overall Budget Authority per individual is down 14 percent. Costs
for facilities maintenance and repair per individual are down 34 percent.

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* Maintenance and supply per division is down 22 percent and depot maintenance per division is down 38 percent.

These are grim statistics and show the Army is living off itself. Even then, the effort to maintain readiness and training has been achieved by underfinancing investment.

One unacknowledged problem is the fact that the Army is being eroded as the "lender of choice" for global contingencies related to peacekeeping and operations short of war. To date, over $500 million in incremental costs have been funded by the Army using operations and maintenance and military personnel dollars to support such operations as Somalia and Southwest Asia. Continued use of Army forces for such missions is probable with no assurance of budget protection.

I have already described the serious problem the Army has with funding research development and acquisition. Approximately $3 billion more a year is needed to support Army modernization. More funds are also needed in operations and maintenance accounts to support training and preclude further erosion to Army readiness.

The Army is simply not funded to conduct all the kinds of operations it is now performing. When the forces are used for unprogrammed purposes, it runs the costs up. When the Army does more, it's assumed that funding would follow, but this assumption is not valid.

Some would say that if portions of the Army budget are deficient, we should simply move the blocks around a bit. But this is not possible. The Army finds itself underfunded in all categories.

AUSA's best estimate to correct these deficiencies is an Army budget that totals about $68 billion per year. That would support an Army that can accomplish the designated missions and provide a reasonable level for modernization. There is little likelihood that total defense budget resources will increase in the months and years ahead. But there is a real need for a hard look at the allocation of the budget from the Secretary of Defense level in recognition of these deficiencies.

{Chart #7: Future Funding Requirements}

### SUMMARY

In summary, the whole question is: How much security is enough and how much can the nation afford?

AUSA believes we must have a strong security base. We must be able to hedge against unexpected and unknown events and we must provide the President a margin for flexibility.

Forces are needed for both peacetime operations as well as no-notice deployments. These forces must be capable of the rapid and decisive defeat of any regional challenge.

Committed forces must have an adequate rotation and support base. Presently, we see no warfighting enhancements that would compensate for the
lack of strength and structure. The estimate of forces emerging from the Bottom-Up Review cuts corners and rationalizes reductions prematurely.

The resource levels I have outlined are those AUSA believes are necessary for the Army.

This whole subject needs public understanding and public debate in terms of real security needs and the risks involved. It is not fair to the Army, to its soldiers, or to the American public to tout a national security vision that is based on untested assumptions and then not provide the means to accomplish its objectives.

Congress is an important player. The Constitution says that Congress is responsible to provide for the common defense and to raise armies. Be sure your representatives and senators understand your concerns and are fully informed of the risk of again fielding a "hollow force."

END
ARMY MISSIONS

- DETERRENCE
- POWER PROJECTION
- OPERATIONS OTHER THAN WAR
BOTTOM-UP REVIEW
THE HIGH RISK ASSUMPTIONS

• ALL 10 DIVISIONS ARE DEPLOYABLE 
  IGNORES DEMANDS OF PEACETIME OPNS

• PLANNED AIR & SEA LIFT IS AVAILABLE

• PREPOSITIONED STOCKS IN RIGHT PLACES

• MODERNIZATION PROGRAMS COMPLETE
ARMY RDA FUNDING PROFILE - 1989-1999
(Constant '94 Dollars)
FY93 CONSTANT $B

Chart #4

January, 1994
ARMY FUNDING DECLINE
FY 89-94

- TOTAL OBLIGATION AUTHORITY PER SOLDIER STRENGTH - 14%
- FACILITIES REPAIR & MAINTENANCE PER SOLDIER STRENGTH - 33%
- BASE SUPPORT OPERATIONS PER DIVISION - 14%
- MAINTENANCE AND SUPPLY PER DIVISION - 22%
- DEPOT MAINTENANCE PER DIVISION - 38%

BASED ON AVERAGE FY 89-94
## ARMY FUNDING REQUIREMENTS

### FY 1994 AND BEYOND

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<td><strong>TOTAL</strong></td>
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</table>
Statement of

General Jack N. Merritt, USA Ret.
President

Association of the U.S. Army

Before the

House Armed Services Committee
Military Forces & Personnel Subcommittee

January, 1994
Introduction:

Thank you Mr. Chairman. Let me begin by saying I strongly endorse what General Vuono has included in his written statement today. What I would like to do is simply to expand upon his comments in a couple of areas.

I firmly believe the Army is the service of choice for demonstration of true resolve. Gunboat diplomacy has lost its relevancy. Ground forces or the threat of ground forces provide the real signal that the United States is involved in a credible way. Sophisticated and powerful, high-tech systems, by themselves are less persuasive than in the past. Likewise, if the purpose is to discriminate and to destroy only what you want to destroy, the focus must remain on Army ground forces. I say all this without prejudice to the important and necessary contributions of the other services.

I am absolutely convinced that if the present trends continue and the recommendations of the recently completed Bottom-Up Review are implemented, our country's national security will be endangered by the risk of breaking the land warfare capability of the United States Army.

I am also convinced that the drawdown of the Army since our victory in the Persian Gulf has brought us to a position where it is unlikely that we could execute Desert Storm today. And, it would be impossible to accomplish with the force recommended in the Bottom-Up Review.

Army Missions:

In this new post Cold War world, the United States Army has three major missions -- deterrence, power projection, and, for lack of a better term, conducting operations other than war. The challenge is to maintain adequate and necessary Army forces to accomplish all three.

The demands of operations other than war were not fully considered in the Bottom-Up Review. We cannot just walk away from these requirements should we need these troops elsewhere. While we may wish it were so, this is not a frictionless world and we can't remove troops from operational deployments quickly and easily. Somalia is an excellent example.

Time spent training for these operations and retraining for combat operations must also be considered. Many of these missions simply have little or no relevance to individual combat skills and wartime unit roles, which means units will require training before assuming the mission and retraining after completing the mission. Thus, the calculus that it takes, 150,000 to keep 50,000 deployed.

Moreover, we do not know the impact of these short-notice peacetime missions upon recruiting and retention, or the effects on military families. As an example, as soldiers from the 10th Mountain Division return again to Somalia, there are signs of distress and dissatisfaction from some of the families at Fort Drum.
We also hear a lot of talk about greater use of the reserve components to flesh out the force structure and reduce the personnel strain on the active components. I must remind you that reserve component soldiers make their living and support their families by employment in civilian careers and professions. There is a limit to the amount of time they can devote to active military duty; there is also a limit on their employers' tolerance of their absences. While there may be opportunities to use more reserve component units on a rotational basis in peacetime engagement operations, this will surely create a greater need for redundancy of units and far more extensive prior planning for their use. A result could be increased cost over time. However, I do not imply in any way that we should reduce the revenues to remedy the needs of the active duty force.

Accessibility of reserve component units in numbers far exceeding the currently authorized 25,000 will be needed without even considering the need during a major contingency commitment. Obviously in a major contingency operation the period of the call-up will have to be extended. It should be at least 180 days with an option for further extension.

**Deterrence:**

In order for the Army to be a credible deterrent to our potential enemies it must consist of sufficient forces to provide the necessary forward presence, meet our peacekeeping obligations, have a rapid reinforcement capability, and at the same time, be clearly capable of expanding during a mobilization. Prior to both World War II and Korea, the Army suffered through periods of retrenchment created by pressures similar to those we face today. In both cases, soldiers paid in blood while we rebuilt our forces.

**Bottom-Up Review**

I agree that the strategic requirement used as basis for the Bottom-Up Review is correct, i.e. the need for military forces capable of fighting two MRC's. However, I strongly disagree with the resource allocation for the Army, which must bear most of the burden. Simply stated, the Army is not given sufficient dollars to meet the implicit mission requirements. As a result, the Army is short the people and force structure and lacks adequate modernization funds.

There are two high risk assumptions in the review: (1) All ten divisions are deployable and, (2) that potential enemies did not learn any lessons from the Gulf War and will permit us unrestricted access to ports and airfields in the objective area. These assumptions are further complicated by the fact that the force cannot be transported because the lift assets will not be available until after the turn of the century. Consequently, I believe that the lack of flexibility inherent in the recommended ten division structure will increase the risk of higher casualties.

As stated, the Bottom-Up Review cannot have fully considered the impact of peacekeeping missions on the combat force structure.
Peacekeeping will involve continuing and ongoing operations which create major demands on personnel, structure and over-all management capability. There is a need for both increased force structure and end strength to provide maximum operational flexibility.

The Army probably needs about 60,000 more people in 1995 and beyond. Why do I say this?

1. An adequate lift capability will not be achieved until after the year 2000.

2. The Bottom-Up Review depends upon ready access to the Reserve Components.

3. The 10 active divisions proposed in the Bottom-Up Review are based on ready availability of ports and airfields along with the lift capability. We may not have access to appropriate ports and airfields.

4. As stated above the 500,000 end strength implied in the Bottom-Up Review ignores the friction of other than war deployments.

Modernization:

The concept of the Army of the future is a smaller total force, fully trained and ready, and with the best equipment and weapons in the world. With the pace of technological change, this requires continuous development and adequate resources to ensure that the Army has and retains the technological edge.

One of the guiding principles of the Bottom-Up Review is to maintain technological superiority and thereby minimize risks. The lack of research, development, and acquisition resources, as envisioned in the Bottom-Up Review, will make this all but impossible for the Army unless more resources are devoted to R&D and procurement. The total of these two appropriations for FY 1994 was about $12 billion, only 50 percent in real terms of its FY 1989 level. Future projections suggest this could go down even further to a level of about 10 billion a year to meet budget caps.

One more thought on the continuing need to modernize Army technology. By its very nature ground combat technology tends to be more transferable. Even very small countries have armies and those with the dollars to spend eagerly seek to purchase the very latest in army weapons and equipment which are readily available in markets around the world. Only a few countries can build sophisticated aircraft engines and we know who they are and we can follow their development, but this is not the case with enhancement of ground combat technology.

Failure to provide for adequate modernization not only calls into question the assumptions in the Bottom-Up Review it also raises the specter of increased casualties in battle. Some analyses indicates that failure to fund a program of $15-17 Billion a year, RD&A could triple the number of U.S. casualties. (See chart).

January, 1994
The Army badly needs about $3 billion more a year for modernization if it is, in fact, to move into the next century with a technically superior force, second to none.

The Army is taking the dollars to fund current operations from its modernization account. This is our future trained and ready force. Concept to production to fielding cycle takes 12-15 years, more in some cases. We're robbing the Army of the year 2010 right now.

Summary:

In closing, let me say, I do not believe the Bottom-Up Review adequately gauged the force requirements for peacetime contingencies. This is already a heavy drain on manpower and budget resources, and indications are that these demands will grow rather than diminish.

We must stabilize the size and shape of the Army in order to meet the diversified missions of today; we must maintain the high quality of our individual soldiers; and we must continually modernize the force. The Army is not a budget-buster, nor should the finest fighting force in the world today be broken on the wheel of balancing the budget. For America's Army, there is no Chapter 11 bankruptcy; there is only the mission to fight and win the nation's wars. That is why the Army must remain at 12 active divisions with 560,000 active soldiers and a reserve component strength of approximately 630,000. This requires a funding level of some $68 Billion a year over the near future.

The essential question is, will we repeat our history and consume the current Army at the expense of tomorrow's Army. We must maintain a force of sufficient quantity and quality, then fund it. For if we don't, at some day in the future we will go to war--and the quality force needed to fight and win won't be there.
IMPORTANCE OF RDA FUNDING
-- REDUCES CASUALTIES AND THE EFFECTS OF UNCERTAINTY --

- Increase in RDA funding to $17.1B reduces US casualties by at least 60% - - largest reduction occurs with increase from $15B to $17B
- These data imply that reductions from $17.1B to the current $10B RDA level would result in a threefold increase in US casualties
- Increase in RDA funding to the $15B - $17B region dramatically reduces the risk associated with future uncertainties -- e.g., a 20% increase in threat size
BACKGROUND PAPER

IMPACT OF BOTTOM-UP REVIEW
ON ARMY POSTS IN THE UNITED STATES

The Bottom-Up Review recommends an Army force structure of ten divisions and an active personnel strength of less than 500,000. This would be the lowest level of active Army strength since just before World War II. If these recommendations are implemented, there could be far-reaching consequences on the future number of active Army division-size posts in the United States.

Since the end of the Gulf War, the Army has undergone substantial reductions in force structure. One corps and four divisions have already been inactivated. Two more divisions are scheduled for inactivation during Fiscal Year 1994; and if the Bottom-Up Review recommendations are carried through, an additional two divisions will be deactivated by 1997.

There is certainly an indication that the next scheduled Base Realignment and Closure Commission, which meets in 1995, would consider major division-size posts for closure. If our overseas commitments remain the same -- Europe and Korea, as many as three major posts could have only brigade-sized elements assigned and would be obvious candidates for closure.

The attached chart shows posts that could be affected. Posts such as Forts Carson, Lewis and Riley could all be at risk, and Fort Hood could be reduced to a one-division post. Loss of such posts could have a serious impact on the ability of the Army to mobilize in the event of a future national emergency.

The consensus is that if any division-size posts are closed, it will be a permanent closure.

This background paper was prepared by the Institute of Land Warfare.

January, 1994
# Bottom-Up Review

## 10 Division Army

<table>
<thead>
<tr>
<th>Division Posts</th>
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<td>Contingency Corps</td>
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<td>FT Campbell</td>
<td>101st Air Aslt</td>
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<td>Contingency Corps</td>
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<td>FT Carson</td>
<td>4th Mech</td>
<td>2</td>
<td>At Risk, Could Be Deactivated</td>
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<td>FT Drum</td>
<td>10th Mnt</td>
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<td>Jnt Trng Cntr, At Risk</td>
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### Possible Impact of Division Deactivations

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January, 1994
BACKGROUND PAPER

ARMY STRENGTH REQUIREMENTS

The Bottom-Up Review recommends reducing the active Army to ten divisions and less than 500,000 personnel and the Army National Guard and Reserve to 37 brigades (about five divisions) and approximately 575,000 personnel. The Army is already at its lowest strength level since before World War II.

Before both World War II and Korea, the Army suffered through periods of retrenchment created by some of the same pressures we face today. In both cases, our soldiers paid in blood while we rebuilt our forces. The attached table, which depicts Army personnel strength and force structure at critical points since 1940, shows the difference between the Bottom-Up Review proposal and the Army in 1990 just before the Gulf War.

For the Army to provide a credible deterrent, it must have sufficient forces to provide forward presence, a rapid reinforcement capability and be clearly capable of expanding to a larger force in the event of a national emergency. The review's proposed force cannot meet all these requirements without an unacceptable risk.

The Association of the United States Army believes that the minimum acceptable strengths for the Army and its Reserve components are approximately 560,000 and 630,000, respectively. This is similar to the Base Force proposed in 1992. The attached chart shows the number of personnel allocated to combat and combat support forces at the end of fiscal year 1994 and compares this to the Bottom-Up Review proposal and the required strength supported by AUSA.

This background paper was prepared by the Institute of Land Warfare.

January, 1994
## END STRENGTH

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# ARMY STRENGTHS

## A HISTORICAL COMPARISON

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1999 NUMBERS RECOMMENDED BY BOTTOM-UP REVIEW
The demands of peacekeeping operations were not fully considered in the Bottom-Up Review. Specifically, the impact of long-term, continuing operations on the force structure and the involvement of major headquarters in the management and support of forces involved was clearly overlooked.

The Army is already heavily committed in peacetime operations requiring substantial deployments of personnel and units to locations throughout the world. The chart, Your Army Today, shows the approximate scope of Army overseas commitments as of October 18, 1993.

The real impact of these deployments is the need to maintain a rotational and training base. The Army, as do the Navy and Marines, uses a 3:1 factor in calculating sustainment requirements. That means that it takes two soldiers or units for each one deployed in order to provide the necessary rotational base.

The chart, Army Peacetime Deployments Tomorrow, provides an indication of the overall impact on the Army if we must provide forces for operations in Bosnia and on the Golan Heights. As the chart shows, almost 30 percent of the Army's strength, as recommended in the Bottom-Up Review, is required to support peacetime operational commitments.

This background paper was prepared by the Institute of Land Warfare.
## ARMY PEACETIME DEPLOYMENTS TOMORROW

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BACKGROUND PAPER

ARMY MODERNIZATION

The current budget resources for research, development and acquisition are inadequate to assure Army technological superiority in the next century.

Ground combat technology, by its nature, tends to be more easily transferrable to potential adversaries. As a result, many small countries are able to acquire the latest developments in this technology. The weapons superiority that we enjoy today will almost certainly erode over time if this budget continues to decline.

The fiscal year 1994 budget appropriation allocates $12 Billion for Army research, development and acquisition. This represents approximately 14.5 percent of the Department of Defense's budget for these categories. Spending for research, development and acquisition is projected to decrease even further, to $10 Billion over the next four years. Since 1989, Army appropriations in these categories have declined by 50 percent in real terms.

Compounding the problem is the fact that the Army has been forced to use money from its modernization accounts to fund the multitude of current operations it is supporting. In effect, we are robbing the Army of the year 2010, in order to fund today's missions.

The Army needs $3 Billion more in its modernization accounts, if it is to retain a technologically superior force in the next century.

The attached chart depicts Army research, development and acquisition (RDA) funding for fiscal year 1989 through 1994 and the projected amount through 1999. As the chart shows, modernization funding has dropped steeply since 1989 and will decline to less than 50 percent of the 1989 amount.

This background paper was prepared by the Institute of Land Warfare.
ARMY RDA FUNDING PROFILE - 1989-1999
(Conversion '94 Dollars)
Projected Army funding for Fiscal Year 1994 and beyond is simply not enough for the service to meet the mission requirements that are directed and implied in the Bottom-Up Review and at the same time, proceed with a reasonable modernization program to maintain our technological superiority through the next decade.

The Army is already experiencing funding difficulties because of the demands of current peacetime operations. Funding for unprogrammed contingency operations is being diverted from operations and maintenance accounts. As unreimbursed expenditures mount, there will obviously be reductions in training, modernization, base operations and facility support.

The Association of the United States Army believes that a budget of approximately $68 Billion for fiscal year 1995 and beyond is needed to support an active personnel strength of 560,000, a 12-division force and a comparable Guard and Reserve strength of 630,000.

The attached chart is a comparison of the recommended increases for FY 95 and beyond and the current figures for FY 94. The recommended increases are primarily in operations and support costs -- to preclude a return to the "hollow army" of the late 1970s and adequate research, development and acquisition funding to continue the present Army modernization plan.

This background paper was prepared by the Institute of Land Warfare.

January, 1994
## ARMY FUNDING REQUIREMENTS
### FY 1994 AND BEYOND

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<td>RESERVES</td>
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<td>$8.5</td>
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<tr>
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<td><strong>$60.7</strong></td>
<td><strong>$68.0</strong></td>
</tr>
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$ IN BILLIONS
BACKGROUND PAPER

ARMY FORCE STRUCTURE

The Bottom-Up Review proposes an active Army force structure of ten divisions and a reserve component force structure of 37 brigades or about five-plus divisions and 15 "enhanced readiness" brigades to meet our national security requirements of the future.

AUSA believes that an active Army of ten divisions is not a sufficient force to fight two almost simultaneous regional contingencies, perform peacekeeping operations and provide the resources to train-up reserve units during a mobilization. In fact, the Army would be hard pressed to fight a single Desert Storm today. The ability to provide peacetime training and mobilization train-up for reserve component combat units would be seriously limited by a ten-division structure. Based on the Gulf War experience, it would probably be feasible to train-up only two combat brigades at a time.

A ten-division force has very little structural flexibility. Maintaining sufficient heavy units for a Southwest Asia contingency, limits the number of light infantry units. As a result, peacekeeping missions, which to date have been people intensive, place continuing demands on a limited number of units.

The active Army currently has 14 divisions, some of which are rounded out with Army National Guard brigades, five separate brigades and two armored cavalry regiments. The Army National Guard is comprised of ten divisions, 18 armored/infantry brigades and two armored cavalry regiments. The Army Reserve has three infantry brigades. In Fiscal Year 1994, the Army already plans to reduce the active division force to 12. The Army National Guard is consolidating three divisions on the East Coast and will have only eight divisions by the end of FY94. The attached chart shows force structure changes since 1990 and the Bottom-Up Review proposal for 1999.

AUSA supports an active Army strength of 560,000, which would permit the retention of at least 12 divisions, and a reserve component strength of 630,000, with the appropriate division and brigade force structure for the Army National Guard.

This background paper was prepared by the Institute of Land Warfare.

January, 1994
## ARMY FORCE STRUCTURE CHANGES

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<th></th>
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*BOTTOM—UP REVIEW PROPOSED FORCE*