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REP. ASPIN WOULD DOUBLE PRESIDENT'S DEFENSE CUT. House Armed Services Committee chairman Les Aspin outlined in a Feb. 25 paper four future force options, which he identified as *Defense 1997 Alternatives*. The Aspin plan would reduce forces below the Base Force plan. Measured against the current baseline, the estimated dollar impacts (in budget authority) through FY 1997 would range from -\$208 billion for Option A down to -\$15 billion for Option D.

The House Budget Committee apparently accepted Aspin's Option C, which proposed a \$15 billion cut in FY 1993 below last year's baseline. This reduction is \$7.6 billion more than proposed by the president in his revised FY 1993 defense budget. Approved by House vote on March 5, this plan would project out to a reduction of about \$91 billion below the baseline through FY 1997.

Comparison of Aspin's Option C with the Base Force proposed by the president follows:

	<u>Base Force</u>	<u>Option C</u>
ARMY		
Active Divisions	12	9
Reserve Divisions	6	6
Cadre Divisions	2	0
MARINE CORPS		
Active Divisions	2-1/3	2
Reserve Divisions	1	1
AIR FORCE		
Active Wings	15	10
Reserve Wings	11	8
NAVY		
Ships (total)	450	340
Carriers	13	12
SSNs	80	40
Assault Ships	50	50
SEALIFT		
Fast Sealift Ships	8	24
Afloat Prepositioning	8	24

In the meantime, Sam Nunn, chairman of the Senate Armed Services Committee, surfaced his own projections for FY 1993 and beyond. He has indicated that the president's proposed cut of \$7.4 billion below baseline for FY 1993 is about right, but would visualize a cut of about \$85 billion over the five year period through FY 1997. This could well be the basis for a Senate budget position.

CHIEF OF STAFF URGES CAUTION in reducing the size of the Army. Gen. Gordon R. Sullivan, presenting his first Army Posture Statement as chief of staff, told Congress that the Base Force is the minimum needed to achieve decisive victory on the battlefield. He cautioned the House and Senate Armed Services and Appropriations committees that further cuts in the FY93 budget would "have a direct and immediate impact on training, readiness, and personnel." He added: "Further cuts will reduce the effectiveness of the Army, place our ability to deliver decisive victory in doubt, and create unacceptable risk to America's interests." (NOTE: ILW will make copies of both Gen. Sullivan's and Secretary Stone's statements available to AUSA members on request; call extension 308.)

FORCED RETIREMENTS for 1,738 Army officers were initiated March 18 as the result of Selective Early Retirement Boards held in January. The boards, which were allowed to select up to 30 percent of those considered, screened about 40 percent of all colonels and 60 percent of all lieutenant colonels, as well as some majors and captains with prior enlisted service who would soon be eligible for retirement. Those selected for retirement include 356 colonels, 1,192 lieutenant colonels, 182 majors and eight captains. Officers selected are allowed to retire at their current grade, regardless of length of service at that grade.

TRANSITION ASSISTANCE PROGRAM GROWING as the military drawdown progresses. The Labor Department's three-day job-counseling courses for people leaving the military drew 22,000 people in all of 1991; more than 10,500 attended the courses in the first two months of 1992 alone. At least 40 percent of those leaving the service are expected to be interested in attending the courses, but the administration proposal to give the Labor Department only \$2 million of the estimated \$9 million cost of running the program in 1993 will make it difficult to expand the program to all major installations by next year. The House Veterans' Affairs Committee has recommended a \$6.8 million funding increase and other committees are expected to support the effort to find more money for this program, which plays a key role in DoD's transition plan.

SURVIVOR BENEFIT CHANGES to take effect April 1 are getting mixed reviews. The revamped Survivor Benefit Plan (SBP) will offer lower premiums (a maximum of 6.5 percent) for basic coverage. An open enrollment season, which ends March 31, 1993, will allow retirees who declined to participate in SBP at the time of retirement one more opportunity to enroll and retirees who already participate to increase their level of basic coverage; an additional premium will be charged for late enrollment.

The new Supplemental Survivor Benefit Plan — designed to reduce or eliminate the automatic cut in SBP payments (from 55 percent to 35 percent of retired pay) when the survivor reaches age 62 — is being offered at considerable cost to the retiree. Premiums for the supplement are based on the extent of coverage desired and the age of the retiree at enrollment; some older retirees could forfeit as much as 40 percent of their retired pay to ensure that their survivors continue to receive 55 percent of that pay after age 62.

Critics suggest that the supplemental coverage may not be cost-effective for many retirees; others characterize the unsubsidized plan (which costs military retirees 16.88 percent of retired pay to provide survivors half of that pay for life) as blatantly unfair when compared to the government-subsidized federal civilian retirement plan (which costs civilian retirees 10 percent of retired pay for the same level of protection).

GI BILL CHANGES IN WORKS, with the White House proposing a \$204 increase to the \$1,200 contribution a service member must make to qualify for education benefits under the Montgomery GI Bill. The program, which would provide a maximum of \$350 a month for 36 months, is opposed by the congressional committees overseeing veterans' benefits. One alternative under consideration by the committees would deny the administration's proposed increase in contributions and raise basic benefits to about \$450 per month for service members with at least three years' active duty. At the same time the American Legion is proposing a GI Bill which would require no individual contribution and would provide up to 45 months of benefits at \$792 to \$1,025 per month, depending on the size of the veteran's family. This plan, similar to the World War II-style GI Bill, will likely be viewed as too expensive.

The House has earmarked \$1 billion for 1993 for defense-related economic assistance to help reduce the impact of decreased military spending on military members, defense workers and local communities. Some observers recommend making a GI Bill increase part of that package.

15-YEAR RETIREMENT NOT NEEDED, says Christopher Jehn, Assistant Secretary of Defense for Force Management and Personnel. Senate Armed Services Committee chairman Sam Nunn has proposed creating a temporary program to reduce the number of people who might stay on only long enough to qualify for retired pay. While not directly addressing the Nunn proposal, Jehn said a 15-year concept would detract from present drawdown programs and would not be necessary. AUSA has taken the stand that a 15-year retirement should be allowed, but only if needed to avoid a reduction-in-force and only as a one-time program.

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COLA UNDER ATTACK—AGAIN! The president's FY93 budget proposes to subject retired military and federal civilian cost-of-living adjustments to automatic cuts (known as sequestration) whenever government spending exceeds the deficit reduction target. "It was this same procedure," says Col. Erik Johnson, USA Ret., AUSA's director of Legislative Affairs, "that resulted in a loss of a 3.1 percent COLA in 1985."

AUSA has joined with fellow members of The Military Coalition (a 26-member organization representing military-oriented groups) to help counter this threat. The coalition is urging association members to contact their senators and representatives and encourage them to oppose any effort by the administration to remove military and federal civilian COLAs from the statutory protection against sequestration that now exists.

CHAMPUS TEST PROGRAMS TO BE DROPPED despite their popularity with beneficiaries. CHAMPUS Prime and CHAMPUS Extra, which offer discounted health care to 788,000 military retirees and family members in California and Hawaii and were expected to be made available to more than 400,000 in Virginia, will come to a congressionally-mandated end in July 1993. The plans will be replaced by a coordinated care program administered by hospital commanders, who will develop health-care networks providing both better access to medical care for retirees and family members and better cost efficiency for DoD.

The Coordinated Care Program (CCP) imposes penalties for those eligibles who fail to enroll rather than providing inducements to attract enrollees. Possible penalties would include barring patients who do not enroll from military hospitals except in emergencies or to fill prescriptions, raising their shares of medical costs and raising their copayments.

Col. Erik Johnson, USA Ret., AUSA's director of Legislative Affairs, testified March 12 before a House Appropriations defense subcommittee on AUSA's misgivings about CCP and recommended that CHAMPUS Prime and Extra be continued in those areas already approved while the CCP concept is tested in other areas of the country. At the end of a specified period the two systems could be compared and the best of both programs selected for general use.

HONORARIA BAN RULED UNCONSTITUTIONAL by U.S. District Judge Thomas Penfield Jackson. The March 19 decision calls the controversial law (which prohibits federal employees and military officers from receiving payment for non-job related articles and speeches delivered while off duty) a violation of the right to free speech. But the ban remains in effect for another 60 days while the Bush administration decides whether to appeal Jackson's ruling. Legislation to relax the ban has been bogged down in the Senate for months; if the court ruling stands, Congress may avoid having to rewrite the ethics laws. In the meantime, those affected by the ban still have only three legal ways to deal with it until the issue is resolved: (1) speak or write off-duty without compensation; (2) ask for payment to be delayed; or (3) arrange to have payment placed in escrow.

AUSA TESTIFIES ON TWO TAX ISSUES that affect military personnel. Col. Erik Johnson (USA Ret.), AUSA's director of Legislative Affairs, recently testified in support of legislation which would raise combat pay exclusion for commissioned officers serving in a combat zone from \$500 to \$2,000 per month. If the bill, H.R. 3166, passes it would allow the first increase since 1966. Johnson also gave AUSA support to H.R. 1677, which would extend the earned income tax credit (EITC) to eligible service members stationed in overseas areas with their families. (Under current law, only those members residing stateside with their families and those whose families remain stateside during an overseas tour of duty are entitled to the EITC.) Both the Defense and Treasury Departments endorse wider application of the EITC.

AUSA GIVES INDUSTRIAL BASE VIEWS in a statement to a panel of the House Armed Services Committee. Gen. Jack N. Merritt, USA Ret., AUSA's president, addressed the association's concerns for the long-term viability of the defense industrial base in the face of budget cuts that will have reduced spending on defense procurement by 50 percent between 1985 and 1996. Merritt's testimony was the result of a series of AUSA-sponsored conferences during which government and industry officials exchanged views on the economic viability of the various sectors of the defense industrial base. (Copies of the statement are available from ILW; call extension 308.)

GAO GIVES HIGH MARKS TO ABRAMS, BRADLEY in a Desert Storm performance assessment recently released. According to the General Accounting Office, both the Abrams main battle tank and the Bradley Infantry Fighting Vehicle maintained operational readiness rates better than 90 percent. Crews of both systems reported lethality and survivability rates as good as or better than expected despite problems with sand ingestion, rapid fuel consumption and a shortage of spare parts. The report also stated that mobility in the desert was so great that support vehicles were often unable to keep up with the pace of the offensive. Another area identified as needing improvement was the discrepancy between the systems' range of fire and the crews' ability to see and identify targets.

2D ARMORED CAVALRY REGIMENT will be withdrawn from bases in Germany beginning in April and will be reactivated at Fort Lewis, WA, where it will replace the 199th Separate Infantry Brigade (Motorized). Sometime in FY 1993, the 2d Armored Cavalry Regiment (Light) will move from Fort Lewis to Fort Polk, LA, where it will serve as the light armored cavalry regiment for the XVIII Airborne Corps and as Opposing Forces at the Joint Readiness Training Center. Personnel and equipment of the existing 2d ACR will be reassigned within Europe and the United States as needed and the unit colors of the 199th Brigade will be cased for possible future use.

PROGRESS TOWARD A THEATER MISSILE DEFENSE system was marked by the Army Strategic Defense Command's release of a long-awaited request for proposal on the Theater High Altitude Area Defense (THAAD). THAAD is planned to be an important part of the Army's theater missile defense system with an interceptor that will provide considerably more area coverage (about ten-fold) and higher altitudes than the Patriot system. The THAAD interceptor aims to kill incoming missiles by direct hit rather than by fragmentation from an explosive warhead, as with the Patriot.

MINUTEMAN/MIDGETMAN CORRECTION: On page 1, column 1, paragraph 2 of the February 1992 *Washington Update*, the listing of Minuteman III ICBM as terminated is in error. The entry should read "Midgetman small ICBM (terminate)."

U.S. PANAMA FORCES HAVE 8 YEARS TO GO, says Defense Secretary Dick Cheney. During a recent visit to Panama, Cheney reaffirmed U.S. intentions to honor the terms of the 1978 Panama Canal treaty by withdrawing all American forces and transferring control of the canal by the year 2000. Some 10,000 U.S. military personnel are stationed in Panama, headquarters of the U.S. Southern Command. An announcement about the transfer of Southern Command headquarters to the United States is expected shortly.

AUSA JOB FAIRS, which offer job-search help to soldiers leaving the Army, have been scheduled at five locations:

- April 16-17, Fort Hood, TX;
- April 24-25, Fort Campbell, KY;
- May 15-16, Fort Riley, KS;
- June 19, Presidio of San Francisco;
- August 7-8, Fort Sill, OK.

The job fairs, which will give participants an opportunity to talk with representatives of various companies around the country, are free and do not require AUSA membership.

ILW'S MOST RECENT EDUCATIONAL PUBLICATIONS include four Background Briefs:

- *The U.S. Army Between World Wars I and II* (No. 38) is an extract from official U.S. Army history addressing the steady decline in Army readiness after WWI;
- *The Early Stages of World War II* (No. 39) discusses the consequences of many years of decline in defense preparedness;
- *The U.S. Army Between World War II and the Korean War* (No. 40) traces the diminution of landpower in U.S. strategic thinking;
- *Korean War - The First Days of the Ground War* (No. 41) documents the early successes of North Korea and the lack of preparedness of an underresourced U.S. Army.

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