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AUSA CHALLENGES ARMY CUT PROPOSALS.

In Hill testimony, in correspondence with Association members and in a wide-ranging series of background papers, AUSA President Gen. Jack N. Merritt, USA Ret., has defined the major issues facing the Army in the wake of the "Bottom-Up Review" and DoD spending proposals for the next five years. AUSA questions Defense Secretary Les Aspin's recommendations concerning Army force structure, strength and modernization funding.

AUSA contends that an active Army of 10 divisions, as forecast by the review, is not a sufficient force to fight two almost simultaneous regional contingencies while performing peacekeeping operations and training reserve units for mobilization. **An Army of at least 12 divisions is necessary.**

Defense planning now calls for about 500,000 active soldiers and 575,000 Army National Guard and Army Reserve troops. **AUSA believes the minimum strength for the Army is about 560,000 active and 630,000 Guard/Reserve.**

Despite guidance that the Army maintain its technological superiority, the FY94 budget allocates only \$12 billion for Army research, development and acquisition. That's down from nearly \$23 billion in 1989 and is projected to drop to \$10 billion or less in the next five years. **The Army needs \$3 billion more per year for modernization if it is to retain a technologically superior force into the next century.**

Projected funding for the Army is simply not enough to meet mission requirements that are directed or implied by the "Bottom-Up Review." The \$60.7 billion FY94 Army budget is insufficient to preclude a return to the "hollow army" of the 1970s. **AUSA believes a budget of \$68 billion for FY95 and beyond is needed to support an active Army of 560,000 soldiers in 12 divisions with 630,000 Guard/Reserve.**

AT LAST, A DEFENSE BUDGET! President Clinton signed the \$240.5 billion FY94 DoD Appropriations Act on Veterans Day, Nov. 11. The bill includes all funding for DoD except \$10.1 billion dollars for military construction which passed earlier. This year's Defense spending bill was \$323 million short of the president's request. But the House-Senate conference had added \$1.11 billion to the House-passed version and \$1.71 billion to the Senate version.

Congress put its own stamp on defense appropriations by adding to the president's request \$1 billion for a 2.2 percent military pay raise and \$1.2 billion for equipment for the National Guard and the Reserve. The legislators paid for these and some other changes by cutting \$3.4 billion from the research and development requests; and \$528 million was realized from declining fuel prices and shrinking war reserve stockpiles.

Some highlights of the Army appropriations:

Budget Category	\$ Billions Appropriated	Change from Request
Personnel	21.296	+\$ 90 million
Opns & Maint	15.802	+ 836 million
Procurement	6.932	+ 118 million
RDT&E	5.427	+ 178 million

CONGRESS PUTS BRAKES ON TROOP CUTS.

The FY94 Defense Authorization Act precludes the Army from reducing its active forces below 555,000 unless the president can certify to Congress that the service can fight two nearly simultaneous major regional contingencies (MRCs) as directed by the "Bottom-Up Review." Should the force go below 555,000 and the president wish to commit to a new peacekeeping mission, he would be required to show Congress how the mission could be handled while maintaining the two-MRC capability. Current plans are to reduce active Army strength to 540,000 by the end of FY94.

ROLES-MISSIONS COMMISSION ORDERED.

Airing its dissatisfaction with the results of the latest JCS roles and missions study and the Pentagon's 1993 "Bottom-Up Review," Congress has decided to turn the job of reforming the military over to an independent panel of seven members appointed by the Secretary of Defense. This direction was spelled out in the 1994 Defense Authorization when it created the Commission on Roles and Missions of the Armed Forces. Once the Defense Secretary names the members of the commission, they will have three months to provide Congress with their plan of action and one year from then to render a complete report to Congress. That report is expected to contain recommendations concerning the functions for which each military department should organize, train and equip forces; the missions of combatant commands; and the roles that Congress should assign to the various military elements of DoD.

FOREIGN COMMAND OF U.S. TROOPS DEBATED.

The possibility of U.S. involvement in international peacekeeping operations carries with it concerns over who will command American troops. President Clinton has stated that he would disregard certain congressional restrictions, contained in the Defense Appropriations Bill, against allowing control of U.S. forces by foreign commanders.

While West Virginia Democrat Senator Robert C. Byrd's amendment to the legislation would block foreign control of U.S. troops unless Congress approved the deployment in advance, Senate Armed Services Committee Chairman Sam Nunn (D-GA) cautioned that such restrictions could make it more difficult for the United States to build Gulf War-style coalitions in the future. The Senate finally approved a nonbinding sense-of-Congress resolution that asks — but does not require — the president to consult with Congress before placing combat troops under foreign commanders outside of NATO.

FIRST OF EIGHT PREPO SHIPS LOADED.

The Army has finished loading about 500 pieces of heavy equipment aboard the first of eight ships that will serve as floating warehouses under the "Prepo Afloat" prepositioning program. The ships will carry enough heavy equipment and supplies to outfit a heavy brigade of two armored and two mechanized infantry battalions. They'll also hold support supplies and equipment needed to sustain the force for 15 days.

UP TO 650 CAPTAINS MAY FACE RIF. The Army says it will conduct a captains' reduction-in-force (RIF) board in FY94. The board will convene in early February to consider Army Competitive Category captains who have a date of rank between Feb. 2, 1989, and March 1, 1990, and who have less than 14 years' active federal service as of Sep. 30, 1994. Approximately 650 officers in this population must either voluntarily or involuntarily separate during FY 1994. The number of officers to be recommended for involuntary separation will not be final until shortly before the board convenes. The size of the RIF will be determined by the number who separate voluntarily beforehand.

Officers who apply and are approved for either the Voluntary Separation Incentive (VSI) or the Special Separation Bonus (SSB) prior to the convening of the board will be separated based on their voluntary request at a later date. Officers who do not submit a request under these provisions and who are selected and approved for involuntary separation may not subsequently request VSI or SSB.

COMANCHE FUNDING SHORTFALL COVERED.

What might have been a "war-stopper" in the Army's highest-priority development program seems to have been solved, as the Office of the Secretary of Defense has reportedly found \$354 million to help cover a projected research and development shortfall for the RAH-66 Comanche helicopter. Funds to cover near-term shortfalls — FY95 and FY96 — were freed up by the Army itself, which left the question of covering the FY97-FY99 shortages. Now, with OSD's help, the Army hopes to move forward with the development of the light attack/scout helicopter in a more streamlined manner by making greater use of simulation and eliminating some demonstration-only programs.

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COMMISSARY SURCHARGE HIKE PROPOSED.

A proposal contained in the DoD Comptroller's "Program Budget Decision (PBD 419)," drafted in November, introduces a dual pricing system for commissary patrons. It leaves the current five percent commissary surcharge unchanged for active duty personnel but **triples the surcharge for retirees by FY 1996.**

The proposal would have retirees pay \$125 million towards commissary appropriations in FY 1995, \$250 million in FY 1996, and \$250 million every year thereafter. The study proposes to do this by reducing retiree savings from an assumed 25 percent (actual savings are closer to 23.4 percent) to 21 percent in FY 1995 and 17 percent in FY 1996. To reach these figures, the retiree surcharge would have to increase to 10.7 percent in FY 1995 and 16.4 percent in FY 1996.

The Comptroller's interpretation of the commissary privilege eligibility excludes retirees, stating in part that the mission of the commissaries is to sell to "military members in full compensation status, i.e., to active military members." Assistant Secretary of Defense for Personnel and Readiness Edwin Dorn disagrees, stressing that the commissary benefit is provided to members of the armed forces as a nonpay benefit and that retirees are by statute members of the armed forces. He states in a draft memo to the Comptroller that dual pricing is a policy decision that is not a part of the budget process. Still, PBD 419 states that language will be provided to Congress with the FY 1995 President's Budget proposing this change.

AUSA has joined with other members of the Coalition to Preserve the Commissary System in opposing this new attack on military retirees' compensation package and is encouraging its members to express their feelings to the president and the Secretary of Defense.

RESERVE CALL-UP AUTHORITY STILL ON HOLD. Defense Secretary Les Aspin's request for authority to call up as many as 25,000 reserve component troops for up to 180 days was disallowed by the House-Senate conference committee on the FY94 defense authorization. Historically, only the president has authority to call up the reserves and that's how Congress left it—at least for now. The president's call-up authority was extended to 180 days for Operation Desert Storm, but the committee failed to extend that authority, so the 90-day limit remains the law of the land.

EFFORT TO CUT COLA DEFEATED. For the third time this year Congress very nearly forced military retirees to wait until old age before they would see their retired pay adjusted for inflation. It took an all-out effort by the president and nearly all his cabinet secretaries to defeat the \$90 billion Penny-Kasich budget-cutting plan that would have denied cost-of-living adjustments to military retirees before age 62.

That effort led to the measure being defeated in the House on Nov. 22 by a 219-213 vote. Among those opposing the defeated bill were Rep. Ike Skelton (D-MO), chairman of the House Armed Services subcommittee on military forces and personnel. He said the Penny-Kasich plan would reduce the purchasing power of enlisted retired pay by 65 percent by the time retirees reach age 62.

A Nov. 17 letter to Congress from Defense Secretary Les Aspin and Gen. John Shalikashvili, chairman of the Joint Chiefs of Staff, said: "These proposals would break faith with the men and women who have served in the military and seriously threaten the readiness of our forces. ... We do not believe the Congress is willing to allow our military forces to become the hollow shells that existed in the late 1970s." (NOTE: The narrow vote on this measure would indicate that this is not the end of attempts to reduce military retired pay, under attack by administration and/or congressional budget cutters since 1981.)

TRANSITION BENEFITS EXTENDED. Drawdown-induced benefits for separating personnel, scheduled for termination in FY 1995, have been continued through 1999. The FY 1994 Defense Authorization Bill permits continuation of existing early retirement, voluntary separation pays and bonuses, special travel and transportation allowances and other benefits designed to ease the pain of the drawdown.

Extending these programs will allow the services to continue using congressionally mandated drawdown formulas, i.e., reduced recruiting, retirements and more restrictive reenlistment standards, to reach drawdown goals before separating service members involuntarily. The extended incentives, including enrollment in the Montgomery GI Bill and attendance in DoD schools beyond separation, will continue to affect eligibles in both the active and reserve components.

WEST, REEDER CONFIRMED AND SWORN IN.

Togo West Jr. was unanimously confirmed Nov. 20 by the Senate to be the 16th Secretary of the Army and was sworn in during a private ceremony in the Pentagon two days later. The oath of office was administered by Milton Hamilton, administrative assistant to the Secretary of the Army. On Nov. 24, in another private ceremony, Secretary West swore in Joseph Reeder as Under Secretary of the Army.

"I am honored to serve the men and women of our Army," said West. "I promise to ensure that the Army of tomorrow is a trained and ready force, able to continue its outstanding tradition of service to this nation." Earlier, during a Nov. 18 confirmation hearing, West had expressed concern that cuts in spending for Army weapons threatened readiness. At the time, he stated: "I believe there is much truth to the accusation that Army modernization has been the bill-payer for other concerns."

PERSONNEL/READINESS POST CREATED.

A new top-level post within OSD, the Under Secretary of Defense for Personnel and Readiness, created by Congress in the FY94 defense authorization conference report, will be responsible for military readiness, total force management, military training and civilian personnel requirements, military and civilian personnel training and family matters, exchange/commissary and non-appropriated fund activities, personnel requirements for weapons support, National Guard and Reserve components, and health affairs. It is expected that Edwin Dorn, currently responsible for personnel and readiness issues within DoD, will be elevated to the new position.

GUARD, RESERVE STRENGTHS SET.

Army Vice Chief of Staff Gen. J.H. Binford Peay has approved a preliminary plan for dividing the 575,000 projected National Guard and Army Reserve FY99 end strength. National Guard troops would total 367,000, supporting 37 combat brigades — 15 of which would be "enhanced readiness" brigades. Army Reserve end strength would be 208,000.

In the meantime, the House and Senate both approved the president's FY94 request for 410,000 Army National Guard and 260,000 Army Reserve troops in the FY94 Defense Authorization Bill.

LTG MCCAFFREY NAMED TO SOUTHCOM.

President Clinton has nominated LTG Barry McCaffrey, presently Director for Strategic Plans and Policy with the Joint Chiefs of Staff, to be commander in chief of the U.S. Southern Command and for promotion to the rank of general. When confirmed by the Senate — which has adjourned until January 25, 1994 — Gen. McCaffrey will succeed Gen. George Joulwan, the newly appointed Supreme Allied Commander in Europe and Commander in Chief USEUCOM.

RECRUIT QUALITY SLIPS ONLY SLIGHTLY.

In announcing recruiting results for FY93, Secretary of Defense Les Aspin said, "We want well educated, highly professional, highly motivated teams, and we're getting them." DoD enlisted 206,927 recruits in FY93, with all four services meeting or exceeding recruiting goals. While recruit quality was down only slightly from the previous year, it far surpassed quality patterns of the late 1980s.

Overall, 95 percent of the new recruits brought in during FY93 were high school graduates, compared with 99 percent one year ago. Army's graduate rate was 95 percent compared to 100 percent in the previous year. The percentage of Army recruits scoring in the upper half of the enlistment test was 70 percent compared to 78 percent a year ago.

"**AMERICA'S ARMY**" starts the new year with a look at the technology that will shape the battlefield of the early 21st century. Peter Hackes' guests for the 30-minute television program will be MG Jay M. Garner, the Army's Assistant Deputy Chief of Staff for Operations and Plans (Force Development); George T. Singley III, Deputy Assistant Secretary of the Army for Research and Technology; and Caleb Baker of the consulting firm Cambridge International.

"America's Army: The Battlefield of the Future" will air in the Washington metropolitan area on Thursday, January 20, at 7:00 p.m. on WNVT-TV.

AUSA's "America's Army" series is available via satellite to public TV stations across the country. Check local listings for broadcast schedules outside the Washington area. Tapes of the programs are also available through AUSA. For more information, call 1-800-336-4570, extension 317.