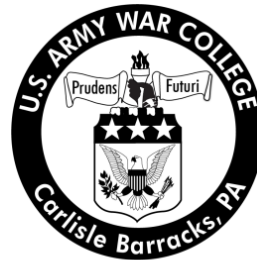


U.S. Economic Debt Crisis Solutions: Adjusting Army Manpower

by

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United States Army War College
Class of 2012

DISTRIBUTION STATEMENT: A

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REPORT DOCUMENTATION PAGE*Form Approved*
OMB No. 0704-0188

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing this collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Department of Defense, Washington Headquarters Services, Directorate for Information Operations and Reports (0704-0188), 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to any penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number. **PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.**

1. REPORT DATE (DD-MM-YYYY) 27-02-2012			2. REPORT TYPE Strategy Research Project		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE U.S. Economic Debt Crisis Solutions: Adjusting Army Manpower					5a. CONTRACT NUMBER	
					5b. GRANT NUMBER	
					5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Colonel David Fleckenstein					5d. PROJECT NUMBER	
					5e. TASK NUMBER	
					5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Dr. Clayton Chun Chairman, Department of Distance Education					8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING / MONITORING AGENCY NAME(S) AND ADDRESS(ES) U.S. Army War College 122 Forbes Avenue Carlisle, PA 17013					10. SPONSOR/MONITOR'S ACRONYM(S)	
					11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION / AVAILABILITY STATEMENT Distribution A: Unlimited.						
13. SUPPLEMENTARY NOTES						
14. ABSTRACT In response to the United States government's debt, which exceeded \$14 trillion, by the third quarter 2011, Congress agreed to a plan to reduce government spending. This two-part plan raised the debt ceiling by \$2 trillion through 2012, but included a caveat of \$2.5 trillion in future reductions. Prior to the July 2011 Congressional agreement, the Defense Department had identified savings totaling \$450 billion, but additional military spending cuts are expected as part of the overall deficit reduction plan and continuing pressure on the budget. At the forefront of U.S. military cuts are personnel, which account for "the single biggest part of the defense budget" according to Dov Zakheim, former Pentagon Chief Financial Officer. This statement was reinforced by an August 2011 Defense Business Board study, which found the current military retirement system "unaffordable". Thus, it is likely that senior military leaders in coordination with policy makers will recommend adjustments to military manning levels. Any adjustments to military manning must be carefully considered in order to guard the national interests and strategies of the United States while retaining its current place as the world's only military superpower.						
15. SUBJECT TERMS Deficit Reduction, Defense Budget Reductions, Military Manning, National Military Strategy						
16. SECURITY CLASSIFICATION OF:				17. LIMITATION OF ABSTRACT	18. NUMBER OF PAGES	19a. NAME OF RESPONSIBLE PERSON
a. REPORT UNCLASSIFIED	b. ABSTRACT UNCLASSIFIED	c. THIS PAGE UNCLASSIFIED	19b. TELEPHONE NUMBER (include area code)			
				UNLIMITED	30	

USAWC STRATEGY RESEARCH PROJECT

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ABSTRACT

AUTHOR: Colonel David Fleckenstein
TITLE: U.S. Economic Debt Crisis Solutions: Adjusting Army Manpower
FORMAT: Strategy Research Project
DATE: 27 February 2012 WORD COUNT: 7,216 PAGES: 30
KEY TERMS: Deficit Reduction, Defense Budget Reductions, Military Manning, National Military Strategy
CLASSIFICATION: Unclassified

In response to the United States government's debt, which exceeded \$14 trillion, by the third quarter 2011, Congress agreed to a plan to reduce government spending. This two-part plan raised the debt ceiling by \$2 trillion through 2012, but included a caveat of \$2.5 trillion in future reductions. Prior to the July 2011 Congressional agreement, the Defense Department had identified savings totaling \$450 billion, but additional military spending cuts are expected as part of the overall deficit reduction plan and continuing pressure on the budget. At the forefront of U.S. military cuts are personnel, which account for "the single biggest part of the defense budget" according to Dov Zakheim, former Pentagon Chief Financial Officer.¹ This statement was reinforced by an August 2011 Defense Business Board study, which found the current military retirement system "unaffordable".² Thus, it is likely that senior military leaders in coordination with policy makers will recommend adjustments to military manning levels. Any adjustments to military manning must be carefully considered in order to guard the national interests and strategies of the United States while retaining its current place as the world's only military superpower.

U.S. ECONOMIC DEBT CRISIS SOLUTIONS: ADJUSTING ARMY MANPOWER

To be prepared for war is one of the most effective means of preserving peace.³

—George Washington
First Annual Address, to both Houses of Congress (January 8, 1790)

Background

By September 2011, the national debt of the United States grew to an unprecedented level of over \$14.7 trillion. The combination of a soured economy, unemployment above 9 percent, growing entitlement programs, and the ongoing military campaigns in Iraq and Afghanistan left policymakers with fewer alternatives in terms of future borrowing, taxation, and spending. Congress and the President attempted but were unable to solve the growing debt issues. Consequently, as doubts arose about our ability to finance future debt through foreign governments and investors, Standard and Poor's downgraded the U.S. credit rating, for the first time, in early August 2011 from a AAA to a AA+ credit rating. The writing on the wall was becoming quite clear.⁴ Everyone working in governmental agencies needed to prepare for deep spending cuts.

Just prior to Standard and Poor's downgrade, Congress was forced to raise the debt ceiling as part of the Budget Control Act by \$2 trillion to avoid a default to its lenders. It was viewed simply as a "no fail mission." The United States would not and could not default on its loans. If the world's only remaining superpower failed to repay its debts, how could any other country in the world under similar circumstances be expected to do the same. Additionally, no one knew for certain what ramifications might result from failing to make a debt payment. Thus, when an agreement was reached to

raise the debt ceiling, a parallel agreement was struck to cut \$2.5 trillion from the federal budget over 10 years as part of the first real attempt to stem the rising deficit.⁵

Unrecognized by the broader public, is the expenditure of \$1.3 trillion for war funding since 9/11 in the \$14.7 trillion dollar national debt.⁶ Since Congress widely used supplemental budget appropriations to pay for combat operations and other expenses, they are not included in the national budget. Coupled with the fact that no measures were taken to finance the war through other historic means such as selling war bonds or in tax increases, the war was and continues to be prosecuted with general obligations debt. Hence, as of fall 2011, unfunded supplemental spending authorizations were utilized to pay for greater than \$400 billion in spending in Afghanistan and over \$800 billion spent in Iraq.⁷

In order to fully understand why government leaders chose to borrow the majority of funding for the wars in Iraq and Afghanistan, it is important to look at the conditions of the U.S. economy at the time the decisions were made. With the outlook for future surpluses favorable in the year 2000, President Bush, sought after and signed into law the Economic Growth and Tax Relief Reconciliation Act of 2001 and later the Jobs and Growth Tax Relief Reconciliation Act of 2003. Regrettably, the unforeseen wars in Afghanistan and Iraq following 9/11, the bursting of the housing bubble, the collapse of large financial institutions, the fall of the stock market and the subsequent bailouts of numerous U.S. corporations on the verge of financial collapse, the use of monetary stimulus spending and the recession among global markets all led to a condition of continuous deficit spending within the United States. When combined with the Bush era tax cuts, the government was left with little choice but to borrow the money required to

finance the cost of the war efforts as well as other services and programs provided by the government. In retrospect, the Congressional Research Service estimates that the government lost \$3.5 trillion in revenue between 2001 and 2010 as a result of the tax cuts. Subsequently, efforts to change the tax rates back to something similar to pre-2001 rates have been stifled due to the continued slow recovery of the economy and the inability of Congress to reach a bipartisan solution.⁸

As Department of Defense (DoD) funding issues continue, the competing interests from Medicare/Medicaid, Social Security, security and non-security discretionary spending, education, and the net interest on the public debt only complicate the problem of how to allocate funding.⁹ Many politicians as well as a great number of their constituents consider these programs off limits when it comes to budget cuts. This is clearly evident since Congress has failed to make substantial adjustments to Social Security and Medicare. Military programs however, have historically been targets for budget cuts following prolonged periods of conflict. Once the conflict or war ends, the need for certain military assets quickly subsides. Thus, the DoD, despite ongoing operations, remains a target as our deficit continues to grow and deep spending cuts are considered.

Realizing that military spending was growing too large in the backdrop of the mounting debt, former Secretary of Defense Robert Gates, in April of 2011, ordered the military service chiefs to find \$100 billion in savings. Secretary Gates elaborated by saying that the military needed to consider: increasing service member costs in regards to health care, reductions to staff and support contractors, trimming the size of the defense work force, the necessity of high dollar acquisitions such as the Expeditionary

Fighting Vehicle or the number of F-35 Joint Strike Fighters required and elimination, or reductions in grade to General/Flag Officer and senior executive positions.¹⁰ President Barrack Obama subsequently added to the task by asking the Department of Defense to find another \$400 billion in savings by 2023.

While the DoD struggled to look for additional savings, the Joint Select Committee on Deficit Reduction, also known as the Super Committee, as established as part of the Budget Control Act, was simultaneously tackling the task of developing a \$1.2 trillion savings plan prior to November 23, 2011. Ultimately, the Super Committee failed to reach an agreement, forcing the Office of Management and Budget, by law, to reduce spending by \$1.2 trillion between fiscal years 2013-2021.¹¹ This course of action is particularly dangerous to our military, as it requires nearly half of the reductions to come from DoD budgets with the implementation of the Budget Control Act (BCA) sequestration through automatic cuts. Thus, military leaders must plan for and also advise policy makers of the impacts and risks associated with the reductions as a result of sequestration. For the purposes of this paper, only the impacts of reductions to uniformed military personnel strength are discussed. It should be noted that the large civilian work force, government and contract, found within DoD is subject to reductions as well.

History of Raising and Reducing Military Manpower

Historically, Congress has sought to adjust military manpower through legislation. The emphasis behind these adjustments is deeply rooted in the Constitution of the United States and culture where the precedent for not sustaining a large army was formalized. The Constitution clearly shows that our forefathers, given their inhibitions, never intended for the country to maintain a large standing army. Article I, Section 8 of

the Constitution states that the Congress shall have the power “to raise and support Armies, but no Appropriation of Money to that Use shall be for a longer Term than two Years.”¹² Conversely, the Constitution clearly advocates maintaining a navy while raising an army as necessary, primarily through the use of militias. In today’s quickly evolving society, however, can we afford a smaller active Army, than the 570,000 Soldiers of today that might be forced to react with ample numbers in more than one location over short periods of time? Do technological advances offset the time required to train Soldiers and increase the size of the force, or are longer blocks of time required to train new Soldiers on high tech military equipment? As evidenced by the current world events of the Arab Spring, belligerent groups have emerged and massed their own military forces in a matter of days, largely coordinated through the use of electronic media and spreading discontent due to autocrats in the region. Hence, as the speed in which the world operates continues to expand, U.S. forces must be able to respond in time. The founders of the Constitution could not have conceived of the idea that the United States would assume enduring roles as a superpower across the globe requiring a standing army that is both trained on and capable of using high tech military equipment. Thus, we continue to search for middle ground that is affordable and able to meet the interests of the nation and the world. When it comes to manning the Army, large cuts to military spending, which again, typically follow a major conflict or economic downturn, force adjustments to military equipping, manpower, and strategy.

In discussing Army manpower levels, it is important to understand both the nation’s history behind training and raising an army as well as how we have drawn down to a smaller force following major conflicts. The Morrill Act of 1862 brought about

the first real introduction of teaching military tactics across college campuses as a part of the land grant college system and the historical introduction of the Reserve Officer Training Corps (ROTC). President Lincoln understood the utility of the legislation in teaching military tactics as a way to grow Union forces during the American Civil War. Additionally, both the Confederacy in 1862 and the Union through the Enrollment Act of 1863 utilized the draft after the initial enthusiasm for volunteering in state militias tapered off. As a prelude to WWI, the Selective Service Act of 1917 used state quotas in which civilians, as opposed to the military in the Civil War, were placed in charge of selection, enrollment and deferments. The act further outlawed the practice of hiring substitutes and payments for bounties. Following WWI, policy makers saw no need to continue any form of compulsory service, thus the program ended with the war. Unique to a peacetime environment, the Selective Training and Service Act of 1940, came into being as a result of rising tensions between the U.S. and Japan and the state of Europe. Amounting to the largest federal induction system ever created, over 10 million men were drafted into the services. The process behind the Act continued until 1973, but as the manpower requirements dwindled following WWII, the frequency of deferments escalated along with the widening public discontent as to who could be exempt. As Vietnam, in turn, increased the manpower requirements, deferments and exemptions created a situation in which many of the draftees came from either the ranks of the poor or the African-American population. When Presidents Lyndon Johnson and Richard Nixon's administration returned to a lottery system in an attempt to combat the inequalities of the draft system, the number of war protests correspondingly increased.

Finally, in 1973 Nixon ended the draft, but continued the Selective Service System. In order to offset the loss of the draft, military pay and job training were expanded to assist with recruiting efforts. Recruiting numbers and the overall quality of the armed forces, however, continued to wane. In response to the training and recruiting challenges facing active and reserve components, President Jimmy Carter reintroduced the compulsory draft registration for eighteen year-old males in 1980. President Ronald Reagan reinforced the program by successfully tying registration to federal education benefits as well as prosecuting those who failed to register.¹³

All told, these programs, over the history of the American military, have met the intent of the founding fathers by raising an army as necessary while negating the requirements for a larger than necessary standing force. By design, the programs also allowed for the use of the National Guard and the Reserves to fill requirements during times of war which has proven all too successful over the course of the past decade. Today, the success of the all volunteer force is arguably due to the increases in pay commensurate with the civilian work force, highly regarded entitlements, and the growth of the professional work environment. The successes garnered during the Gulf War and the respect and admiration earned from Operations Iraqi Freedom and Operations Enduring Freedom further muted any discussions concerning a return of the draft. Many in the military believe that a partial draft is a necessary tool in bringing the general population back in touch with the military. Thus, it is important for policy makers to understand the history, nature, and composition of today's force as both personnel reductions and adjustments to pay and entitlements are considered.

There is historical precedence for ground force reductions following large-scale military engagements. In the aftermath of WWII, Korea, Vietnam, the Cold War, the Gulf War and now Operation New Dawn, significant reductions to Army personnel have occurred. This historical precedence of reducing military manpower following large-scale military engagements serves to reinforce the basis for reductions facing today's Army. The minimum impact of the present call for force reductions is the loss of the equivalent of at least two divisions worth of Soldiers at a time when there is unrest in many areas around the globe.

Following WWII, between 1945 and 1950, total Army personnel numbers fell from 8 million Soldiers to 591,000; following the Korean War, between 1952 and 1961, personnel numbers fell from 1,596,419 Soldiers to 858,622; after the conclusion of the Vietnam War, between 1968 and 1979, personnel numbers dropped from 1,570,343 Soldiers to 758,852; and finally, following the Cold War and subsequently, the Gulf War, from 1991 to 2001, the Army went from 710,821 active Army Soldiers down to 478,918 (a reduction of 32 percent in active duty strength).¹⁴ Arguably, the current forecasted reductions were not entirely unexpected given our nation's past history of reducing the size of the Army following major combat operations. However, with operations just coming to a close in Iraq, yet still ongoing in Afghanistan, we are faced with reductions of military personnel when significant numbers are still required to continue operations in Afghanistan as well as sustaining contingency requirements, homeland security, and a military presence to act as a deterrent in multiple locations abroad. Adding to the complexity of providing deterrence and responding to contingencies abroad is the fact that many of our alliance partners in organizations such as the North Atlantic Treaty

Organization (NATO) now face deficit issues equal to or in many cases worse than that of the United States. Additionally, given current world affairs, which are impacted by everything from globalization to terrorism to changes in the earth's atmosphere, it is of crucial importance that changes to our military continue to enable the security of our nation and its people while protecting our vital interests abroad.

The Problem of Adjusting Military Manpower

When funding and expenditure layers are scrutinized, it is evident that today's military manpower expenses are a large drain on current and future spending. This is especially true for manpower intensive services like the Army and Marine Corps. For 2012, 45 percent of the base defense budget was allocated to personnel related expenses. By 2017, those expenses are projected to climb to greater than 50 percent of the defense budget and are further expected to continue to climb higher under the current system.¹⁵ The problem lies with unaffordable entitlements associated with retiree medical and retirement pay expenses. Most large U.S. corporations recognized the fact that historic retirement programs were not sustainable and were forced to convert from defined annuities to 401k type savings programs for their employees. As personnel expenses climb without subsequent increases in military funding, resources must be shifted from other programs to fund current military manpower programs, mainly retirement pay and medical expenses. Consequently, as time passes, more and more resources will need to be diverted from other Department of Defense programs such as modernization of weapons systems, operations, and research and development in order to pay for military manpower. There are no easy solutions. Arguably, adjustments to military manning must be carefully considered in order to guard the national interests and strategies of the United States while retaining its current place as

the world's only military superpower. The actions policy makers take may impact not only the future of the United States but many of our allies as well. Additionally, equal in importance to giving consideration to adjustments in military manpower are the corresponding changes in strategy driven by any large reductions to troop strengths.

Changes to military manpower are some of the most difficult adjustments for military leaders to tackle. After all, manpower lies at the heart of what our military accomplishes around the globe on a daily basis. Once we begin reducing the size of our forces, military and civilian, in significant numbers, which is currently focused primarily on the Army and Marines, our ability to perform certain functions and react to world situations obviously changes. Most importantly, we must consider the lessons of the past. We cannot afford to allow a rapid reduction in manpower to set the conditions for the creation of a "hollow Army" similar to those created after WWII, just prior to the Korea War, and subsequently, following Vietnam.

Options for Adjusting Army Manpower

For our strategic leaders, there are several courses of action to consider in recommending and implementing these pending changes. For the purposes of this paper, I will concentrate on possible adjustments to Army military manpower followed by corresponding ideas on changes to our national security strategy. First, at the forefront of the manpower options, is to simply do nothing or maintain the status quo in terms of Army personnel numbers while finding other ways to reduce defense spending. Second, military leaders might decide to reduce the overall size of the active Army (this option is already in motion and will be discussed later). Third, the ratio between the Active Army, National Guard, and Reserves can be adjusted. Fourth, leaders may decide to concentrate on reducing the size of the support force in terms of contractors and DoD

civilian employees. Fifth, and probably most likely, is a combination of all of the above with the exception of the first.

Given the failure of the Super Committee, it is now very unlikely that maintaining the status quo is a viable option. General Ray Odierno, Chief of Staff of the Army, told reporters in late 2011 that budget cuts will more than likely cause the Army to shrink down below 520,000 from its current level of 569,000. This number includes 22,000 Soldiers that were temporarily added to force numbers as part of the Iraq surge (temporary surge numbers are due to expire in 2014).¹⁶ What is unclear at this point is how far civilian and military leaders are willing to argue for and maintain that number as the end objective. If the loss of approximately 50,000 Soldiers comes to fruition, the loss, as mentioned earlier, will be the equivalent of two divisions worth of Soldiers. Spread across the Army, the impact is less significant, but current operations have proven that the Army, both Active and Reserve Components, was stretched dangerously thin while operating simultaneously at near full capacity in both Afghanistan and Iraq. With the advent of sequestration, a report by the Quadrennial Defense Review independent panel suggested that active duty end strength may drop to as low as 426,000. In a written response to Senator John McCain, Ranking Committee Member on the Armed Services Committee, Secretary of Defense Leon Panetta stated that under maximum sequestration, the cuts to the defense department would be devastating, eventually leading to the smallest ground force since 1940 following the called for decade of reductions to military spending.¹⁷

If military leaders in conjunction with policy makers decide to continue to reduce the overall size of the active Army, an accompanying change to United States military

strategies is another foregone conclusion. While it might seem overly simplistic, a significant reduction in the size of the active Army will need to be accompanied by a shift in requirements away from the active Army and into the hands of the National Guard or Reserves, to the other military services, or into the arena of another element of national power such as increased diplomatic efforts. The strategic risks associated with drastically reducing the size of the active Army, arguably, rise as the numbers increase. The ability to fight our nation's wars or major conflicts by ground in more than one location at any given time becomes degraded. Additionally, the time required to generate additional trained, equipped, and mission ready capable Army personnel must be considered, as there are, again, strategic implications.

Adjusting the ratio between the National Guard, Reserves and active Army is a likely course of action. It is also logical to conclude that as numbers are reduced within the active force, the National Guard and Reserves will assume some of the responsibilities that once belonged to the active component, assuming the Army National Guard and Army Reserve will not be cut. It is also possible that an increase in National Guard and Reserve personnel numbers will be required to ensure required capabilities are not lost, albeit at a slower response time. Given the lower cost of maintaining a part time force as opposed to an active force, there are still significant savings captured in decrementing active numbers while increasing the size of the National Guard and Reserves. The risk associated with decrementing the active force and consequently supplementing the National Guard and Reserves primarily involves the time involved to recruit, mobilize, complete training requirements, and integrate the assets into ongoing operations.

The fourth option, which currently affects several organizations across the Army to include the Army War College, is aimed at reducing the size of the Army's support force in terms of contractors and Army civilian employees. This option has merit when considering the expansion of the civilian labor force that occurred as result of the Iraq and Afghanistan conflicts. Offices were not only created to support the war effort, but in many cases a contractor or Army civilian replaced positions occupied by Soldiers in order to keep ample numbers of Soldiers eligible to deploy overseas or to freely move outside the confines of the forward operating bases (FOBs). If, however, Soldiers are required to once again work in positions that were occupied by contractor or Army civilians, there will certainly be an associated re-learning curve as new Soldiers might be entirely unfamiliar with the required tasks of those positions. For example, Army aviation was supplemented with a large number of contracted maintainers to complete phase maintenance on a majority of the Army's deployed aircraft in order to maintain high readiness rates. Phase maintenance is a perishable skill and will take time to build back up if and when contract maintenance subsides.

More than likely, policy makers in conjunction with military leaders will decide on a combination of these options in reducing military manpower. Thus, it will involve the active and reserve components as well as military contractors and Army civilians. This course of action may be the toughest of all, as it requires the input and agreement from numerous active and reserve military and Army civilian leaders as well as policy makers and Congress. Compounding the problem is that the Department of Defense (followed by Walmart) is the largest single employer within the United States.¹⁸ Severe personnel reductions may serve to make a dire economic situation worse by adding to the current

unemployment numbers. Additionally, indirect employment of people and organizations supporting post operations from suppliers, privatized housing, maintenance contracts, etc is also affected from lay-offs of “direct” employment (the Soldiers, Army civilians, etc). Thus, there is a second and third order affect to consider with large lay-offs to Army military manpower, such as future base realignment and closure actions.

Changing Strategy as a Result of Army Manpower Reductions

The decisions facing our leaders as the nation grapples with the realities of reductions in government spending require the utmost in strategic leadership. It requires leaders to not only look at the world as it is now, but how they think the world will be decades into the future coupled with the threats to our nation that will emanate from the world situation. These leaders will need to build and leverage the right teams to tackle and later assist in implementing Army manpower changes. These same groups in turn will need to fully understand and visualize the joint operating environment of the future and the impacts on the developing cultures around the world. Given the forecasted reductions to Army manpower, an inherent responsibility of these groups must involve the coordination, discussion and agreement with sister services and policy makers in regards to changes to our military strategy. Senior leaders, in turn, must lead and direct the changes to our military strategy, once decided upon, across the Army in order for it to be incorporated into our doctrine and subsequently into our formations. As a result of reductions in defense spending and probable manpower reductions, our leaders must lower the reliance on Army manpower in responding to global issues while working to refocus the diplomatic, informational and economic elements of national power in order to offset any lost capability. I believe the following options are viable and realistic given

the environment of reduced military spending and pending reductions to Army manpower.

Options for Strategy Changes

The National Security Strategy (NSS) endorsed by President Obama in May 2010 aims to insure near term security of the nation by maintaining military superiority while leveraging both diplomacy and American citizens working abroad to strengthen global relationships in order to acquire long term security. Additionally, this strategy calls for refocusing our military forces toward the Asia Pacific region, which suggests a larger roll for the Navy, Air Force and Marines. Consequently, there is less of a need in the near term to maintain a large number of Army units in the region.

OPTION I (Combined Service Response). Utilize a combination of U.S. military assets to include Air Force, Navy and quick entry regionally aligned Army Brigades to hold non-permissive areas until such time that sufficient Army and Marine ground forces can deploy to the area in adequate numbers. Adjust Reserve Components to capture any round out requirements on the part of the Active Army. The concept of proof for Regionally Aligned Brigades (RABs) began in earnest in October of 2011 when the Army announced that the first RAB would be assigned to AFRICOM supporting military cooperation missions on the continent of Africa. The Army plans to have one RAB assigned to each combatant command, thus, providing the Combatant Commander with not only brigade level expertise within the region but also personal ties between U.S. Military and the foreign partners in the region. ¹⁹

OPTION II (Coalition Partnerships). Request United Nations, NATO or other nations with interests in the area of concern to provide adequate forces required (given a reasonable amount of time allows). Utilizing this methodology, the U.S., when

necessary, contributes the appropriate share of ground forces. It also assumes U.S. Command and Control of operations in no more than one major engagement at any given time. President Obama reinforced this premise in January of 2012 at a press conference in the Pentagon in which the President spoke about a leaner military due to fiscal constraints. During the brief, he said that the reductions in military spending will “mean that the military will depend more on coalitions with allies and avoid the large-scale counterinsurgency and nation-building operations.”²⁰ By following the strategy outlined by the President, the U.S. not only has an avenue to share expenses incurred by a coalition, but it also serves to lend legitimacy to the operation when regional partners are included in the coalition.

OPTION III (Adjust the DIME). Apply greater leverage to the diplomatic and informational elements of national power. As we shrink the size of the military, we need to bolster the policy of leading with diplomacy by increasing the number of State Department personnel in areas of priority according to U.S. National interests. Leading with diplomacy not only removes the military face, that is often frowned upon in other areas of the world, but it is also more cost effective as opposed to the large footprints associated with U.S. military bases across the globe. Additionally, State Department personnel are better capable of pursuing economic interests, which is of particular importance to the United States. It is also possible to reinforce the diplomatic efforts by synching those efforts with strategic communications or messaging. As Internet connectivity and cell phone use continues to spread into developing countries, we must leverage those capabilities to communicate our intentions to partner with nations sharing like interests. Finally, we need to continue to utilize economic measures where

they are in the best interest of the nation and are deemed affordable given the returns on the investment. Economic measures should be thoughtfully planned so that they are not only good for the U.S. but also for the nations requesting or in need of assistance. In pursuing the other aspects of the DIME, we must remain vigilant in backing up policies with military intervention when appropriate, but only where other elements face pending failure, have failed, or in times of immediate crises.

OPTION IV (Leverage Corporations). Further leverage the willing large U.S. corporations working outside of the continental U.S. with the guidance and advise of the Department of State to assist in promoting U.S. interests abroad. U.S. corporations benefit greatly from stability across the globe, and the opening of new markets to the U.S. They are also, in many cases, the face of what it means to be American. Thus, it only makes sense to make them a larger part in the process of building U.S. partnerships and strengthening relationships. By synchronizing our regional interests with diplomacy, informational messaging, and corporate efforts, there is a much greater potential for reaching more people in any given area of the world.

OPTION V (Withdrawal): Reduce the size of the U.S. military footprint and involvement outside of the continental U.S. (including Alaska and Hawaii). The idea of isolationism, non-interventionism or strongly suppressed commitments is nothing new to the U.S. Between World War I and II, there was a great belief within the U.S. that our efforts were better spent on acknowledging and dealing with our own problems as opposed to other nations. Today, there are similar feelings among the American public and the Congress given the state of the economy and the strains associated with over a decade of war fighting. The significant savings recouped from not projecting as much

military power in forward bases can in turn be utilized in any number of ways within the United States. Upgrades to military equipment, strengthening or rebuilding U.S. infrastructure, paying down the national debt, job creation, energy exploration, expanding mass transit systems etc. are just some of the ways that money redirected from overseas military operations can be put to further good use at home. During President Obama's 2012 State of the Union Address, he expressed a similar sentiment in which he recommended utilizing the money saved from ending the war in Iraq and the reduction of U.S. Military forces in Afghanistan to both pay down the debt and create new jobs.²¹

Feasibility, Acceptability, Suitability and Risk Associated with Strategy Changes

In analyzing each of the four options as to their feasibility, suitability, acceptability, and risk, the current environment within our government must be taken into consideration. First, each option is certainly feasible as they are dependent on institutions already in existence and are not reliant on technological advances that could take years in the making.

Second, much of the groundwork has been laid down to make the options acceptable. The Army is downsizing considerably, thus, it is only logical that the sister services will pick up some of the burden of the workload. Correspondingly, many of our individual Army brigades as a part of a division are already regionally aligned across the globe and are partnering with other nations' militaries as they participate in joint exercises. Operations in Libya also proved that coalition partnerships with the U.S. military participating in a supporting role can and does work. Diplomatically, President Obama, as well as many former Presidents, saw the utility and correspondingly endorsed the need to lead with diplomatic efforts in confronting global issues and

strengthening our ties with other nations. Perhaps, the most promising and virtually untapped resource pertains to U.S. corporations working abroad. While 2.9 million jobs were lost in the U.S. during the 2000s, 2.4 million jobs relating to U.S. businesses were moved overseas.²² This has created a vast and expanding network of U.S. businessmen and women traveling to and from the U.S. and working abroad. Inside the National Security Strategy of May 2010, President Obama repeatedly points out that the private sector is part of the key to strengthening relationships outside of the U.S. Like the military, U.S. citizens working abroad are often the face of our country for other nations. While soliciting the assistance of U.S. corporate personnel working abroad may sound counter intuitive to the goals of keeping jobs associated with U.S. businesses within the U.S., the same principles are also applicable to U.S. firms based within the continental U.S. who conduct business in overseas markets. If we can lure U.S. companies with factories abroad back to U.S. soil, that is great. If not, a vast untapped potential remains at home and abroad. This potential behind our businessmen and women to act as pseudo diplomats is enormous and the rewards gained are beneficial not only to our national interests but to the businesses themselves in expanding their markets. The only caveat to this approach is that the State Department would have to selectively utilize some companies over others. Not all U.S. companies share the same interests with the U.S. Government, such as those who sell sensitive equipment to countries with which we have no formal relations or those developing energy sources with despotic nations.

Third, each one of the options is a suitable response to the forthcoming reductions in Army manpower. The only option that may be seen as counterintuitive to

the environment of reductions is the recommended expansion of State Department personnel. While there is agreeably an up front cost to any expansion of the State Department, it is largely offset by the cost that is required to train, equip, pay, and deploy Soldiers over the long run. Additionally, the expansion of the State Department can be useful in hiring back some of the service members rifted as a result of the reduction as opposed to simply adding numbers to the national unemployment figures within the U.S. (9 percent unemployment as of November 4, 2011).²³ Furthermore, Operations in Iraq and Afghanistan inherently involved the use of Soldiers taking on diplomatic type roles on a daily basis in dealing with the numerous groups and factions within both countries. This type of experience, coupled with military training would prove invaluable to an expansion of the State Department.

Finally, the risk involved in pursuing these options may be thought of in a number of different ways. Primarily, the risk associated with doing nothing or adopting a wait and see approach as the Army reduces in size is not prudent planning, nor does it take advantage of the opportunity to implement change as previously discussed. As stated earlier, should situations change requiring reentry into Iraq, an increased troop presence in Afghanistan or another unforeseen major response requirement in another part of the world, the Army may not be prepared to fulfill the need in short order. There is also risk associated with not fully implementing any given option as they are meant to offset the losses created from the force reductions. Option I (Combined Service Response) for example, requires not only a combination of U.S. military assets but also an adjustment to the Army Reserve Components. If adjustments to the Army Reserve Components are allowed to lag behind or are not implemented at all, there is a

corresponding increase in risk due to a lost capability on the part of the reduction in forces and the time required to generate that capability. The last key risk to the options presented lies within the recommendation itself. The recommendation calls for the systemic implementation of all of the options in order to counter or offset the reductions in Army manpower. This is especially important given the DIME. Since the diplomatic, informational, military and economic elements of national power are often seen as a balancing act in addressing global issues, any reduction or addition to one element requires consideration of a corresponding change to other elements. In this case, the reduction of the military element, mainly the Army, should force a review of the other elements in order to maintain the utility derived from the combination of all of the elements. Diplomacy, thus, is a key factor in meeting the demand created by a reduction in U.S. military manpower.

Recommendation

My recommendation is to systematically work to prioritize and phase in options I-IV while giving consideration to option V in terms of what bases or footprints for the United States could be consolidated, closed or scaled down. Implementing these options will ensure that adequate military assets are readily available to meet global challenges, given the reductions to U.S. Army manpower, and that the intent of the President's National Security Strategy and perceived future security goals are met.

In the National Security Strategy of May 2010, President Obama stated that we must look beyond our current wars and "pursue a strategy of national renewal and global leadership." In doing so, he also said that while we will maintain our military superiority in facing worldwide threats, our long term security is based upon strengthening relationships around the world, not by instilling fear, but through building

respect through our military, diplomats, businessmen and women, nongovernmental organizations, and our citizens in general.²⁴ Thus, the objectives or end state for the U.S. Army as well as DoD should be nested with those of the President, while taking into consideration the current state of the U.S. economy. The options presented above are nested with the President's thoughts as described in the current National Security Strategy. By doing so, there is likely to be less ambiguity created among military leaders and policy makers, which will lead to a continuity of effort as the nation works through the forthcoming changes to our military.

Furthermore, the current debt situation of the United States, presents a window of opportunity for change. Not unlike other historic periods, crises often provide the emphasis for, and again, opportunities to change the ways in which the military and our government operate. The options discussed in this document are reflective of such a time, given the pending crisis concerning the debt.

Conclusion

In summary, it is important to keep in mind that further reductions in military spending are imminent, prudent planning calls for accompanying military as well as national strategy changes, and that a window of opportunity exists to facilitate change because of the looming debt issues within the U.S. While some of the options and overall corresponding recommendations go beyond the immediate scope and responsibilities of senior military leaders, it is the challenge and suggestion of new ideas among military, governmental and private sector organizations that will result in what is best for the nation and its people.

It is a forgone conclusion that military spending cuts, which have already begun, will continue to occur in some form or fashion for the foreseeable future.

Correspondingly, with U.S. military operations in Iraq ending and a proposed early troop withdrawal in Afghanistan, there is little chance that the United States military will not share a large burden of lightening the load of the national debt. The failure of the Super Committee on November 23, 2011 marked a point as to whether or not deep non-negotiable cuts to military spending would occur, as part of the deficit reduction triggers, equating to \$1.2 trillion. Thus, our military leaders and policy makers must consider the strategic implications as well as the second and third order effects prior to changing or adjusting the Army's force structure. The security of the nation and protection of our national interests must weigh heaviest in the decision making process. However, key to all of the changes that will take place is a clear and concise strategic communication plan that is understood at the lowest levels across the Department of Defense.

Whatever our formations may look like in the years that follow, we must understand our rolls and the expectations if we are to be prepared to fight our nation's future wars. In the past, the mantra "we cannot afford to get this wrong" is very applicable today.

As this paper was being finalized, President Obama announced a new military strategy from the Pentagon on January 5, 2012. In his speech, President Obama specified that the changes in strategy are based upon the financial crisis facing the country, the draw down of U.S. troops in Afghanistan and Iraq and the growing threat associated with China's global influence. This new strategy would eliminate the premise of fighting two wars simultaneously. Instead, the military would be expected to fight one war while denying an opponent his objective in another region. The military would execute tasks and win the nation's wars through the utilization of a leaner more agile force, which is more reliant on special operations forces, "high-tech" weaponry and

improved intelligence and reconnaissance to include an increase in unmanned systems. More attention would be paid to cyberspace and China's expanding military capability. Most importantly while the force slowly downsizes, the military would retain the ability to reverse directions and grow again as necessary.²⁵ This newly announced strategy partially falls in line with what this paper expected as a result of the budget deficit.

Ironically, this post war change in military strategy harkens back to post Korean War years. Our military and government leaders supplemented manpower with nuclear weapons as a deterrent to a Soviet attack in Western Europe. Europe was not capable of defending itself against a full-scale military attack from the Soviet Union in 1953, and the economics required to build a sufficient conventional defense force in Western Europe was not existent, nor affordable at the time.²⁶ The policy of nuclear deterrence subsequently created an environment and force structure that continues to affect world affairs even today. Many of our weapon systems, aircraft, support structures and training facilities were built to facilitate the era of nuclear deterrence. While the outcome of the Cold War, which was built upon the strategy of nuclear deterrence, can be viewed as a victory for the United States, it came at a great cost in both blood and treasure prior to the fall of the Berlin Wall. Additionally, the Vietnam War uncovered numerous deficiencies in our conventional capabilities directly attributed to an emphasis on nuclear deterrence. Thus, as we seek to once again reduce the size of our military and watch with angst China's rise to prominence, we must remember the ill effects of certain decisions made during the Cold War. We must remain open to suggestions such as those offered in this paper. If we get this wrong, those of the next generation will pay the price.

Endnotes

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