



PRESS RELEASE

House Armed Services Committee

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FOR IMMEDIATE RELEASE

November 18, 1999

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DEFENSE ACCOMPLISHMENTS OF THE 104TH, 105TH, AND 106TH CONGRESSES

Introduction

Rep. Floyd Spence

Chairman, House Armed Services Committee

Over the last five years, the Armed Services Committee has strived to increase public awareness of post-Cold War world threats to our national security and of resource and readiness problems confronting our nation's military. Despite these efforts, an unacceptably large percentage of the American public is still unaware of how dangerous the post-Cold War world is, and unaware that the military services are confronting their most serious quality of life, readiness and modernization shortfalls since the "hollow military" days of the late 1970s.

To help address some of the most critical shortfalls, Congress has added more than \$44 billion to the President's defense budgets over the past five years. Unfortunately, serious mismatches remain (and in some instances, are growing) between the requirements being imposed on the military services and the resources being budgeted to pay for them. In fact, the nation's military leaders testified just last month that almost \$9 billion in critical quality of life, readiness, and modernization shortfalls remain in fiscal year 2000 alone – and this does not take into account the billions of dollars not yet requested by the President to pay for currently unbudgeted Kosovo peacekeeping operations in the months ahead.

The attached document provides an overview of the problems confronting the nation's military and summarizes just some of the numerous initiatives undertaken by the 104th, 105th, and 106th Congresses to address them. We still have a lot of work to do. I pledge to continue to seek the solutions to these serious problems in the second session of the 106th Congress.

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Defense
Accomplishments of
the 104th, 105th, and
106th Congresses

Floyd D. Spence
Chairman, House Armed Services Committee
November 1999



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Defining the Challenges Confronting America's Military

Understanding the decline
of the United States military

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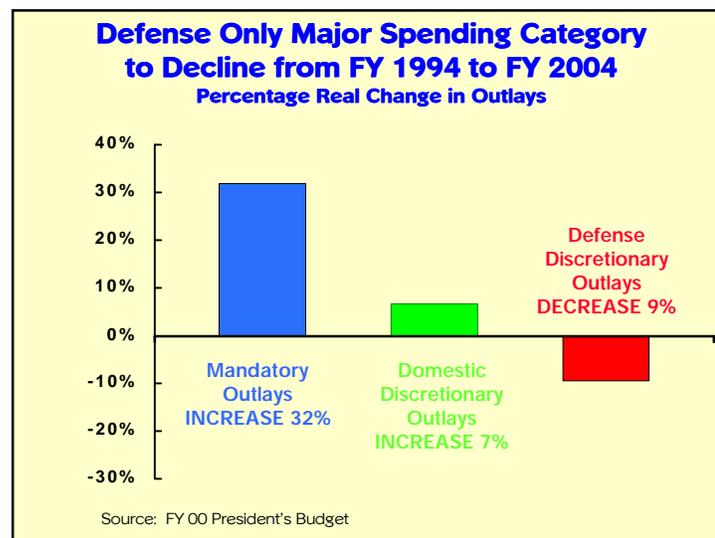
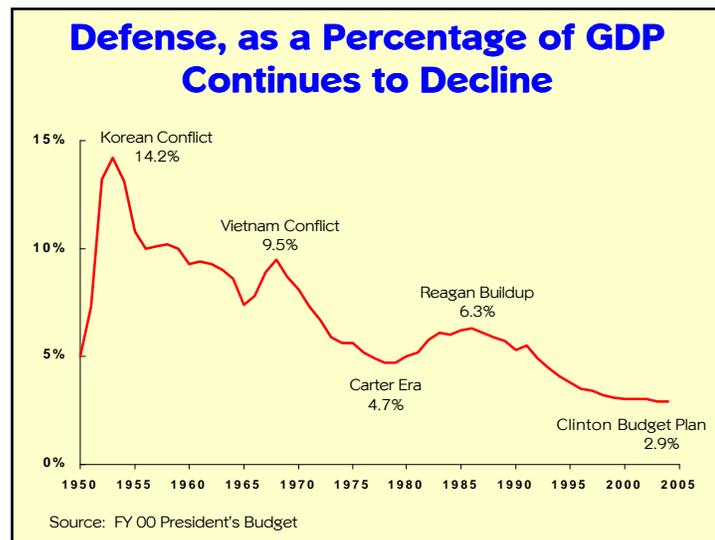
The U.S. Military

Despite the fact that the post Cold War world remains dangerous and poses numerous challenges and threats to U.S. national interests around the world, U.S. military preparedness has been eroded by the combination of declining defense budgets, shrinking forces, and an increased pace of operations.



Declining Defense Budgets

As a percentage of GDP, the U.S. defense budget is at its lowest level since before World War II, and is the only major category of federal spending to decline between fiscal years 1994 and 2004.

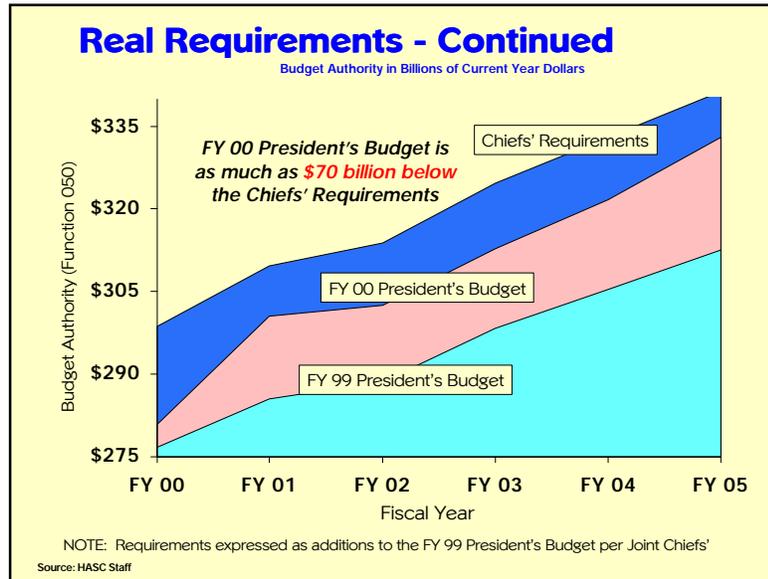




Continued

Defense Budget Shortfalls

The nation's military leaders have identified the need for as much as \$70 billion more than contained in the President's long-term defense plan in order to address critical unfunded requirements.



People Problems

The pressure of "doing more with less" is reflected by decreasing retention rates and increased difficulty in meeting recruiting goals.

Pay: Low pay levels and the persistent gap between civilian and military pay levels leave today's average service member with minimal disposable income, forcing thousands of personnel to "moonlight" at second jobs.

Deployments: Frequent deployments by an increasingly married force quickly erode service members' motivation to remain in the military.



Housing: Poor housing and working facilities diminish the quality of life for military personnel and their families.

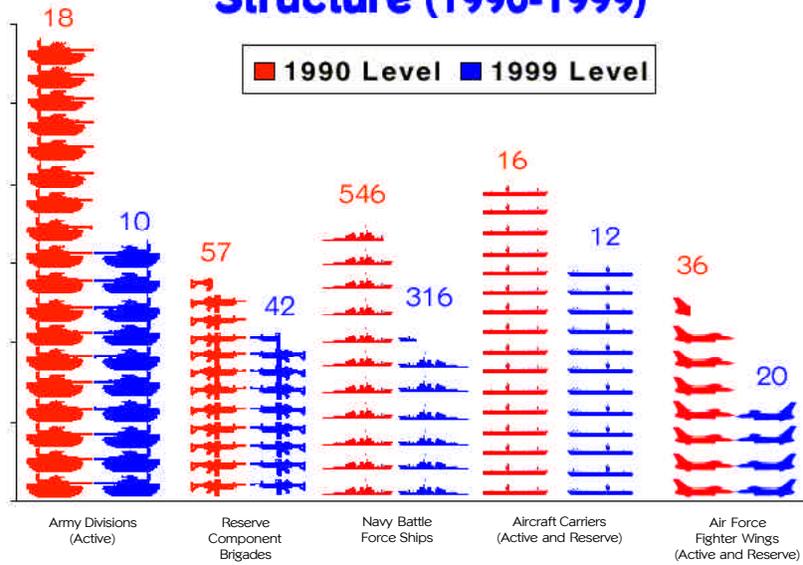
Recruiting/Retention: The Army and Navy missed their fiscal year 1998 recruiting goals while the Army, Air Force, Army Reserves, Navy Reserves, and Air Force Reserves all missed their fiscal year 1999 recruiting goals. Furthermore, each of the services has reported increasing difficulty retaining personnel in critical skill areas.



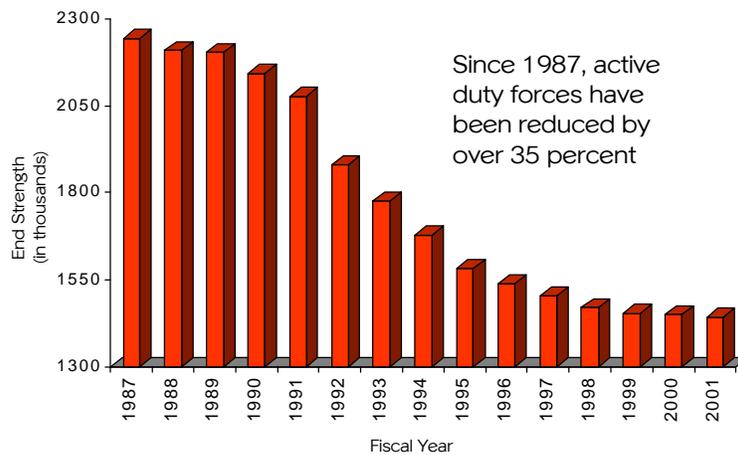
A Smaller U.S. Military Force

As defense budgets have declined, the military services' force structure and size have been dramatically reduced.

Changes in U.S. Military Force Structure (1990-1999)



DOD Active Duty Military Endstrength (including Full Time Guard and Reserve)



Since 1987, active duty forces have been reduced by over 35 percent



Increasing Pace of Operations

Army and Marine Corps

1982-1990: 17 Deployments

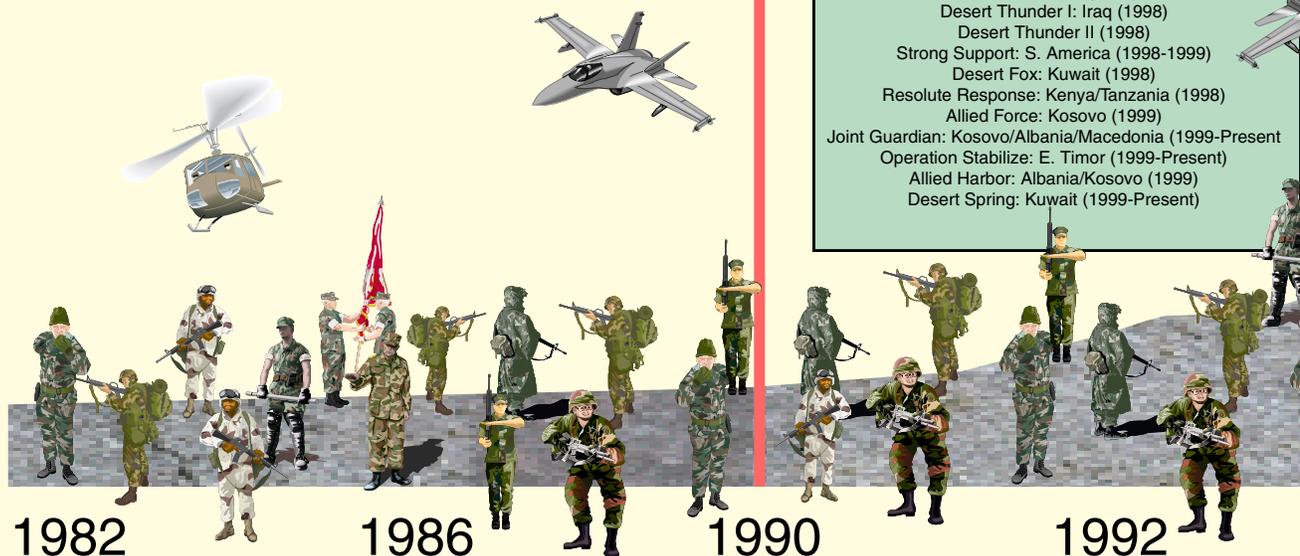
Army:
 Lebanon (1983)
 Granada (1983)
 Sinai MFO (1982-Present)
 JTF-Bravo: Honduras (1984-Present)
 Just Cause: Panama (Dec 1989-Jan. 1990)

USMC:
 Lebanon (1982-1984)
 Angola, LA (1983)
 Grenada (1983)
 Lebanon Withdrawal (1984)
 Libya (1986)
 Earnest Will: Persian Gulf (1987-1989)
 Preying Mantis: Persian Gulf (1988)
 Nimrod Dancer: Panama (1989)
 Hurricane Hugo (1989)
 San Francisco, CA (1989)
 JTF Philippines (1989)
 Just Cause: Panama (Dec 1989-Jan 1990)

1990-Today: 149 Deployments

Army:

- Desert Shield/Storm (1990-1991)
- Desert Falcon: Saudi Arabia (1991-Present)
- Northern Watch: Turkey (1991-Present)
- Sea Angel: Bangladesh (1991)
- Provide Comfort: N. Iraq (1991-1996)
- JTF Liberia (1992)
- Southern Watch: Saudi Arabia/Qatar (1992-Present)
- Provide Promise: Balkans (1992-1996)
- JTF Los Angeles (1992)
- Deny Flight: Bosnia (1992)
- Hurricane Andrew (1992)
- Typhoon Iniki (1992)
- Restore/Continued Hope: Somalia (1992-1993)
- Midwest Floods (1993)
- Patriot Deployments: SW Asia (1993-Present)
- Able Sentry: Macedonia (1993-1999)
- Sharp Guard (1993-1996)
- North Korean Alert (1994)
- Support Hope: Rwanda/ Zaire (1994)
- Western U.S. Fires (1994)
- Uphold Democracy: Haiti, Puerto Rico (1994-1995)
- Provide Hope IV: FSU (1994)
- Vigilant Warrior: Kuwait (1994)
- Able Vigil/Distant Haven: Suriname (1994-1995)
- Safe Passage: Panama/Cuba (1995)
- Safe Border: Peru/Ecuador (1995-1997)
- U.S. Support Group Haiti (1995-Present)
- Sea Signal: Cuba (1995-1996)
- Vigilant Sentinel: Kuwait (1995)
- Hurricane Marilyn (1995)
- Joint Endeavor/Guard/Forge: Bosnia (1995-Present)
- Assured Response: Liberia (1996)
- Taiwan Maneuver (1996)
- Desert Focus: Saudi Arabia/Kuwait (1996)
- Dakota Floods (1997)
- Desert Thunder I: Iraq (1998)
- Desert Thunder II (1998)
- Strong Support: S. America (1998-1999)
- Desert Fox: Kuwait (1998)
- Resolute Response: Kenya/Tanzania (1998)
- Allied Force: Kosovo (1999)
- Joint Guardian: Kosovo/Albania/Macedonia (1999-Present)
- Operation Stabilize: E. Timor (1999-Present)
- Allied Harbor: Albania/Kosovo (1999)
- Desert Spring: Kuwait (1999-Present)



1982

1986

1990

1992

Operations since 1982

Deployments

Despite declining defense budgets and shrinking forces, the U.S. military has been deployed around the world at an alarming rate.

USMC:

Top Kick: Columbia (1990)
 Sharp Edge: Liberia (1990-1991)
 Philippines Earthquake (1990)
 Mud Pack I/II: Philippines (1990)
 Desert Shield: Saudi Arabia (1990-1991)
 Desert Storm: Kuwait (1991)
 Eastern Exit: Somalia (1991)
 CTF Provide Comfort: Turkey/N. Iraq (1991)
 JTF Sea Angel: Bangladesh (1991)
 JTF Fiery Vigil: Philippines (1991)
 Safe Harbor: Cuba (1991-1993)
 Promote Liberty: Panama (1992)
 Hot Rock: Italy (1992)
 Water Pitcher: Chuuk Island (1992)
 Sharp Guard: Adriatic Sea (1992-1995)
 Decisive Enhancement: Adriatic Sea (1995-1996)
 Determined Guard: Adriatic Sea (1996-Present)
 Provide Promise: Bosnia (1992-1996)
 Southern Watch: S. Iraq (1992-Present)
 JTF Andrew: Florida (1992)
 JTF Marianas: Guam/Marianas (1992)
 JTF Provide Relief: Somalia (1992-1993)
 JTF Hawaii/Garden Sweep: Hawaii (1992)
 Restore Hope: Somalia (1992-1993)
 Able Manner: Haiti (1993-1994)
 California Flooding (1993)
 Deny Flight: Bosnia (1993-1995)
 Decisive Edge: Bosnia (1995-1996)
 Deliberate Guard: Bosnia (1996-1997)
 Continue Hope: Somalia (1993-1994)
 Tunisia Fires (1993)
 Nebraska Tornado (1993)
 Guam Earthquake (1993)
 Amtrak Derailment: Alabama (1993)
 Support Democracy: Haiti (1993-1994)
 JTF Somalia (1993-1994)

Los Angeles Earthquake (1994)
 Northridge Earthquake: California (1994)
 NJ Pipe Explosion (1994)
 Distant Runner: Rwanda (1994)
 Sea Signal: Cuba (1994-1996)
 Amber Value: Atlantic (1994)
 Georgia/Florida/Alabama Floods (1994)
 Support Hope: Rwanda/Uganda (1994)
 Able Vigil: Cuba (1994)
 Wildfire: Washington/Montana (1994)
 Uphold Democracy: Haiti (1994)
 Vigilant Warrior: SW Asia (1994)
 Maintain Democracy: Haiti (1994-1995)
 Safe Passage: Panama/Cuba (1995)
 Japan Relief (1995)
 United Shield: Somalia (1995)
 UN Haiti Mission (1995-1996)
 Vigilant Sentinel: SW Asia (1995-1996)
 Iris Gold: Kuwait (1996-1997)
 Deliberate Force: Bosnia (1995)
 Joint Endeavor: Bosnia (1995-1996)
 Joint Guard: Bosnia (1996-1998)
 Assured Response: Liberia (1996)
 Quick Response: Central Africa (1996)
 Haiti Assistance (1996-Present)
 Atlanta Olympics (1996)
 Bahrain Security (1996)
 Desert Focus: Saudi Arabia (1996-Present)
 Oregon Fires (1996)
 Pacific Haven: Guam (1996-Present)
 Laser Strike: SOUTHCOM (1996-1997)
 Marathon: Cuba (1996)
 California Flooding (1997)
 Present Haven: Cuba (1997)
 Silver Wake: Albania (1997)
 Guardian Retrieval: Zaire (1997)

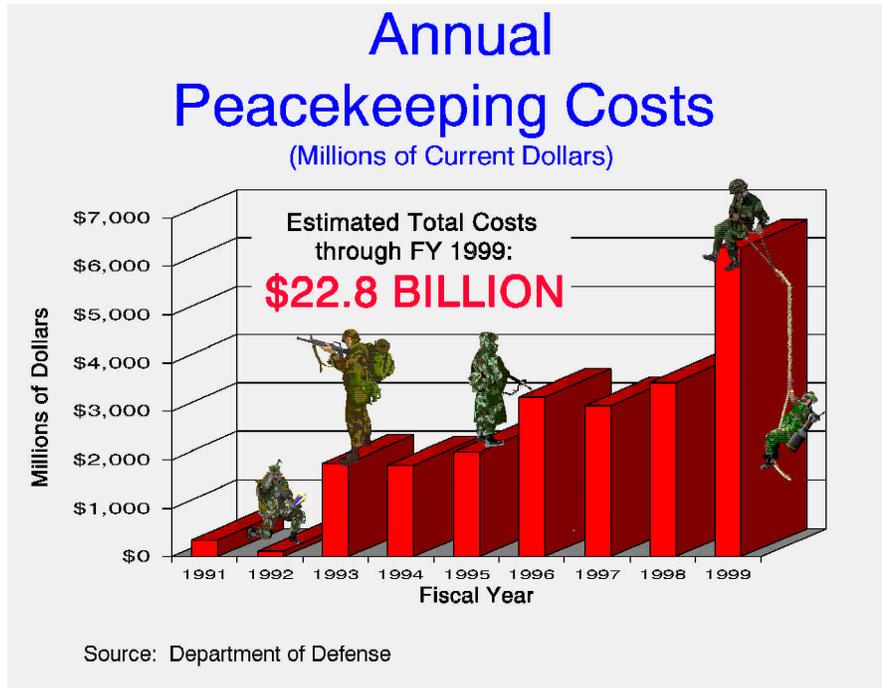
Noble Obelisk: Sierra Leone (1997)
 Northern Watch: Turkey (1997)
 JTF Bevel Edge: Thailand (1997)
 Silent Assurance: Qatar (1997)
 Desert Thunder: Kuwait (1998)
 Noble Response: Kenya (1998)
 Northern Watch: Turkey (1998)
 Auburn Endeavor: Georgia/UK (1998)
 Bevel Incline: Indonesia (1998)
 Safe Departure: Eritrea (1998)
 Joint Forge: Bosnia (1998-Present)
 Determined Forge: Adriatic Sea (1998-Present)
 Deliberate Forge: Bosnia (1998-Present)
 Determined Falcon: Albania (1998)
 Balkan Calm: Kosovo (1998-Present)
 Resolute Response: Kenya/Tanzania (1998)
 Autumn Shelter: Congo (1998)
 Southern Watch: Kuwait (1998)
 Fundamental Relief: Puerto Rico (1998)
 Desert Thunder: Kuwait (1998)
 Strong Support: Honduras/El Salvador/Guatemala (1998-1999)
 Eagle Eye: Macedonia (1998)
 Desert Fox: Kuwait (1998)
 Maritime Interdiction: Arabian Gulf (1999)
 Noble Anvil: FRoYugoslavia (1999)
 Shining Hope: Albania (1999)
 Joint Guardian: Kosovo (1999)
 Northern Watch: Turkey (1999)
 Avid Response: Turkey (1999)
 Warden: E Timor (1999)
 Faber: E Timor (1999)



5

Peacekeeping Operations

The U.S. military has been deployed with increasing frequency on peacekeeping and humanitarian operations, with a corresponding increase in cost.



6

Inadequate Modernization

The U.S. military's equipment is rapidly aging, making development and procurement of new systems critical to maintaining America's technical advantage on tomorrow's battlefields.

Procurement Spending:

Budgets for the procurement of weapons and equipment have declined nearly 60 percent since 1985.

Research Spending:

Research and development budgets have declined more than 25 percent since 1987.



Aging Systems:

An increasing number of military systems are reaching the end of their service lives. For example, the Air Force's B-52 bomber was first deployed 45 years ago and the Marine Corps' CH-46 helicopter design was first deployed 35 years ago.



Quality of Military Life

Improving the standard of living for service members and their families

Improving the Quality of Military Living

The quality of military life has steadily declined over the last decade. United States military personnel deserve a standard of living equivalent to that enjoyed by the American public they are sworn to protect, which is why the 104th, 105th, and 106th Congresses have made improving the quality of military life the highest priority.

Pay, Allowances, and Benefits

Improvements to pay, allowances, and benefits will significantly enhance the quality of life for American military personnel and their families.

- Congress approved military pay increases of **2.4%** in FY1996, **3%** in FY1997, **2.8%** in FY1998, **3.6%** (.5 percent more than the President's request) in FY1999, and **4.8%** (.4 percent more than the President's request) in FY2000.
- To further reduce the gap between private sector civilian pay and military pay, the 106th Congress mandated that military pay raises between FY2001 and FY2006 be calculated at one-half percent above the rate of inflation.
- The 106th Congress reformed the pay structure to boost pay for critical mid-level service members.
- The 106th Congress reformed and enhanced the military retirement system, and empowered military personnel to save for retirement through the Thrift Savings Plan — the federal government's version of a 401(k) plan.
- The 104th Congress added funding to reduce out-of-pocket housing expenses. The 105th Congress reformed the housing allowance system to ensure that service members are able to secure quality housing when forced to live in high cost areas. The 106th Congress accelerated implementation of this allowance to immediately reduce expenses for service members living in such high-cost housing areas.
- The 106th Congress directed the Secretary of Defense to establish an overseas supplemental food program similar to the Women, Infants, and Children program.
- The 105th Congress doubled the number of days per year that reservists may use commissary stores.



Quality personnel are the “heart and soul” of an all-volunteer U.S. military.

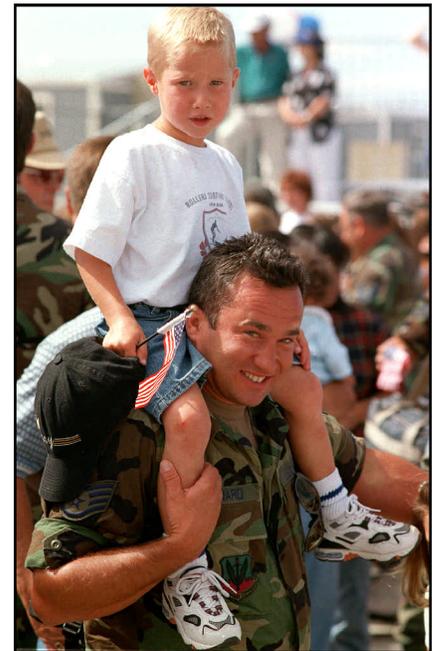
Pay, Allowances, and Benefits (cont.)

- The 104th Congress enhanced allowances for reimbursement of moving expenses in order to reduce out-of-pocket expenses for military families.
- The 104th Congress increased military life insurance program benefits in order to improve benefits for survivors of military members.
- The 106th Congress repealed laws that limit or reduce the amount of retirement pay that military retirees who work for the federal government may receive.

Education

Ensuring that the children of military families receive a quality education is essential to a decent quality of life.

- Over the past five years, Congress has provided **\$175 million** for DOD to support local school systems in areas with significant military populations, and over **\$6.6 billion** to support DOD Dependent schools around the world.
- The 105th Congress authorized DOD to provide an educational allowance to service members stationed in overseas areas that lack DOD operated schools so they have the ability to choose the schools that their children attend.
- The 105th Congress simplified the process under which home schooled and National Guard Youth Challenge students may join the military by establishing a program under which up to 6,250 home school diploma recipients and Youth Challenge Program students with GEDs may enlist annually in the military as if they had received high school diplomas.



Quality education for children of military personnel is important to quality of life.

Living Conditions

Modern and well-maintained facilities are important to ensuring a decent quality of life for military personnel and their families.

- Over the past five years, Congress has added **\$6.4 billion** to the President's military construction budgets to improve housing, quality of life, and working conditions.
- Over this same period, Congress has provided **\$4 billion for nearly 40,000** new and renovated family housing units and other improvements to living areas.

Living Conditions (cont.)

- The 104th, 105th, and 106th Congresses provided a total of **\$3.6 billion** to build over **270 barracks and dormitories**.
- Over this same period, Congress provided a total of **\$165 million** to construct **45 child development centers**.
- The 104th Congress established a five-year program to bring private sector expertise and efficiencies into the development and construction of military housing.

Health Care

Ensuring accessible, high-quality military health care remains critical to maintaining a decent quality of military life.

- The 104th, 105th, and 106th Congresses enhanced the TRICARE program to ensure that the program provides a quality, uniform benefit for all military beneficiaries.
- The 105th Congress established a three-year demonstration program to allow up to 66,000 Medicare-eligible retirees and their families to enroll in the Federal Employees Health Benefit Plan beginning January 1, 2000, under the same cost-sharing arrangements as other federal employees.
- The 105th Congress established a three-year Medicare subvention demonstration program to allow Medicare-eligible military retirees to receive comprehensive health care at military facilities which would then be reimbursed by Medicare.
- The 104th, 105th, and 106th Congresses enacted several initiatives to ensure that military members and veterans suffering from Gulf War illnesses receive proper treatment, and authorized additional funds for research on the causes and treatment of Gulf War-related illnesses.
- The 106th Congress made the TRICARE claims process more efficient, ensuring faster service and higher satisfaction for both service members and health care providers.
- The 105th and 106th Congresses directed reform of the military pharmacy system to ensure that all military TRICARE beneficiaries have access to a reliable and comprehensive pharmacy benefit.
- Over the past five years, Congress added approximately **\$655 million** to the chronically underfunded defense health program to maintain a high-quality level of health care.
- The 105th and 106th Congresses expanded DOD dental insurance benefits to include military retirees, their dependents and surviving spouses, and reservists.



Quality health care is critical to military personnel and their families.



Military Readiness

Improving the preparedness
of U.S. combat forces

Rebuilding Military Readiness

Forcing our military to “do more with less” over the past decade has led to a dramatic decline in combat readiness — resulting in service members going into harm’s way with less training, aging equipment and weapons, and a higher level of risk. The 104th, 105th, and 106th Congresses have taken a four-pronged approach to rebuilding readiness: identifying and exposing the extent of the readiness problem, adding funds to critical underfunded readiness accounts, increasing modernization budgets, and “shaping” our smaller military forces to be as cost-effective and efficient as possible.

Identifying and Exposing the Readiness Problem

The 104th, 105th, and 106th Congresses focused the Administration’s and the nation’s attention on the seriousness of the services’ readiness problems, resulting in legislation to improve the manner in which the Pentagon manages military readiness and to ensure that the nation has comprehensive and realistic assessments of U.S. military preparedness.

- The 104th and 105th Congresses required DOD to establish a more comprehensive readiness reporting system to ensure that reports on unit readiness are accurate, objective, and timely.
- The 105th Congress required DOD to standardize critical readiness measurements across the military services, thereby simplifying and clarifying otherwise complex readiness reporting.
- As a result of these improvements, the DOD has begun to provide more comprehensive and accurate assessments on the true state of military readiness, including the recent and disturbing classification of two Army divisions as being at the lowest possible readiness rating.



High quality training remains the key to a ready U.S. military.

Additional Funding

Critical maintenance, training, and operations funding has been routinely diverted to pay for peacekeeping and humanitarian operations and a growing number of non-military initiatives.

- The 104th, 105th, and 106th Congresses added more than **\$7.2 billion** to the President's budgets for day-to-day operations, training, equipment and facility maintenance, and spare parts.
- This total includes over **\$230 million** to maintain and modernize major training center facilities.
- The 105th and 106th Congresses blocked DOD from "raiding" key readiness accounts to pay for unbudgeted peacekeeping and humanitarian operations.
- Over the past five years Congress also added more than **\$1.6 billion** to the President's budgets for training- and readiness-related construction for the National Guard and Reserves.



Readiness requires quality people, training, and modern equipment.

Modernizing for the Future

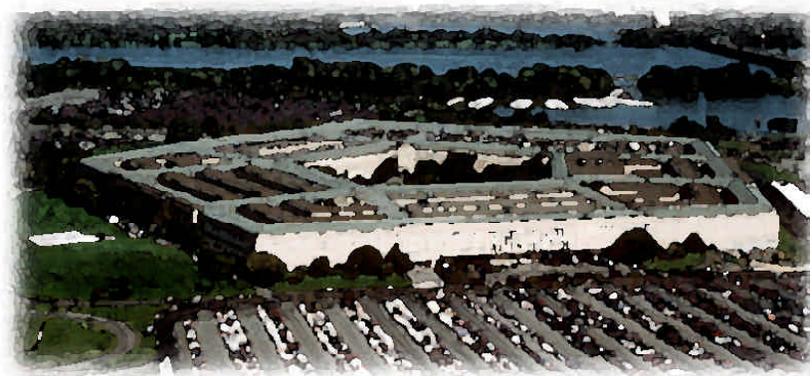
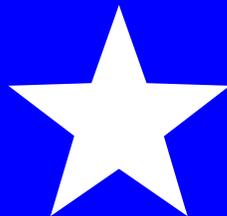
As military equipment ages, its effectiveness decreases and its maintenance costs increase. To ensure that tomorrow's military maintains its technological edge, the 104th, 105th, and 106th Congresses increased modernization budgets.

- The 104th, 105th, and 106th Congresses focused modernization efforts on key unfunded programs identified by the Joint Chiefs of Staff, to include readiness-related shortfalls in areas such as training equipment and ammunition, safety equipment, and transport and support aircraft, vehicles, and ships.
- Over this same period of time, Congress added almost **\$18 billion** to the President's budgets for purchasing weapons, equipment, and ammunition.
- The 104th, 105th, and 106th Congresses also added nearly **\$6 billion** to the President's research and development budgets.

Shaping the Force

As America's military shrinks, it is critical to carefully "shape" the smaller force in a manner that ensures it is capable of handling challenges around the globe.

- To limit the Administration's ability to continue the unwise downsizing of active duty military forces in order to generate "savings" with which to pay for unbudgeted and unfunded operations in the near-term, the 104th, 105th, and 106th Congresses maintained "floors" on military personnel levels.
- Over this same period, Congress added nearly **\$390 million** to the President's budgets for initiatives to improve recruiting efforts.
- The 105th Congress increased by 25 percent (from \$40,000 to \$50,000) the maximum amount that recruits may receive for college in order to further support service recruiting efforts.
- The 104th, 105th, and 106th Congresses increased or extended a wide range of pay incentives to encourage personnel with specialized skills to stay in the military.



Reform and Reorganization

Reforming the Pentagon
and the Department of
Energy

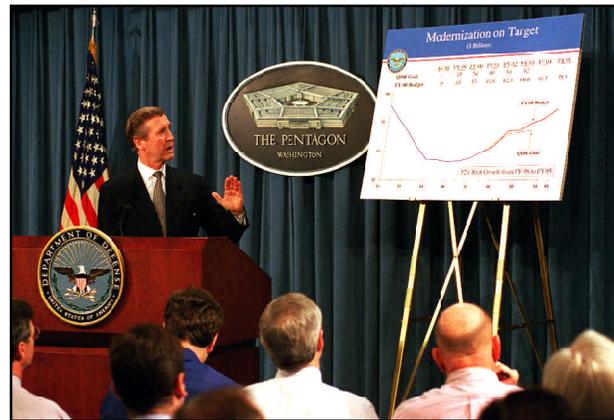
The Need for Reform and Reorganization

The reality of constrained budgets, coupled with the need for additional resources to address readiness, quality of life, and modernization shortfalls, demands a more cost efficient Pentagon. Reforming Pentagon business practices and downsizing an oversized DOD bureaucracy remains a priority in order to generate internal savings to reapply to more pressing quality of life, readiness, and modernization needs.

Pentagon Reforms

The 104th, 105th, and 106th Congresses have worked to downsize bureaucracy, reduce unnecessary staff, and compel change in the way the Department conducts many of its business operations,

- The 104th and 105th Congresses mandated significant reductions to DOD management headquarters and support staffs.
- The 104th, 105th, and 106th Congresses mandated cuts of over 100,000 positions from the Pentagon's oversized acquisition bureaucracy, reducing unnecessary costs and forcing DOD to utilize its personnel more cost-effectively.
- The 104th and 105th Congress trimmed the Pentagon's civilian bureaucracy by reducing the number of Assistant Secretary of Defense positions from 11 to nine.
- The 105th and 106th Congresses cut rapidly growing "consultant" budgets and imposed stringent controls on DOD procurement of consultant services.
- The 104th, 105, and 106th Congresses required DOD to privatize printing, payroll, travel administration functions, and base utility systems to take advantage of less expensive and more efficient private sector practices.
- The 104th, 105th, and 106th Congresses cut costs by allowing DOD to purchase more commercial products and services and by eliminating numerous statutory and regulatory barriers to such purchases.



Despite years of downsizing, the Pentagon remained a top-heavy, inefficient organization

Pentagon Reforms (cont.)

- Over the past five years, Congress has required DOD to adopt more efficient private industry inventory practices.
- The 105th Congress required DOD to increase use of “government purchase cards” when making small purchases, significantly reducing paperwork and consequent overhead costs.

Reorganizing the Department of Energy

Two recent investigations - one in late 1998 by the Cox Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China and one in June 1999 by the President's Foreign Intelligence Advisory Board chaired by former Senator Warren Rudman - strongly criticized the Department of Energy (DOE) for management problems and lax security at its weapons laboratories. Both reports concluded that these problems were integral to the loss of sensitive nuclear weapons secrets. In response, the 106th Congress enacted the most significant structural reforms to DOE in the agency's 22-year long history by streamlining management and strengthening mission focus, counter-intelligence, and security within the U.S. nuclear weapons complex. Following the recommendations of the President's own advisory board, these reforms:

- established the National Nuclear Security Administration (NNSA) as a semi-autonomous agency within DOE, and vested it with responsibility for nuclear weapons research and production;
- provided for unambiguous lines of authority and accountability within DOE to ensure that America's most vital nuclear secrets are properly managed and secured;
- established the necessary personnel authorities to create a cadre of highly qualified managers with the necessary training and qualifications to properly manage America's nuclear secrets;
- created stronger and more effective DOE counterintelligence and intelligence programs;
- ensured that DOE would remain in full compliance with all environmental, safety and health laws, regulations and requirements;
- required DOE to significantly improve its budgeting and financial management practices; and
- required NNSA to fully comply with federal acquisition policies and regulations.

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Facts and Quotes

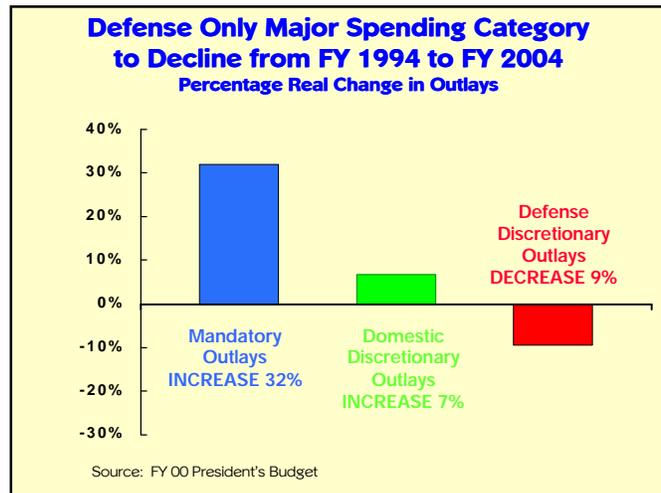
The Facts

Defense Budgets

Defense is the only major category of federal spending to decline from fiscal years 1994 to 2004.

Over the past five years, Congress has added over \$44 billion to the President's total defense spending requests (including supplemental appropriations budget requests):

- \$7.8 billion in fiscal year 1996
- \$14.1 billion in fiscal year 1997
- \$3.7 billion in fiscal year 1998
- \$11.7 billion in fiscal year 1999
- \$7.1 billion in fiscal year 2000



If one takes into account supplemental appropriations, fiscal year 1999 was the first year since fiscal year 1986 that defense spending increased in real terms.

According to testimony of the Joint Chiefs of Staff earlier this year, the President's six year defense plan falls as much as \$70 billion short of addressing critical shortfalls. Since this testimony, the service chiefs have indicated that problems and shortfalls are worsening.

Despite Congress's \$7 billion defense spending increase for fiscal year 2000, the Joint Chiefs of Staff testified in October 1999 that there still remained almost \$9 billion in critical unfunded quality of life, readiness, and modernization requirements in fiscal year 2000 alone, which does not even take into account the billions of dollars not yet requested by the President to pay for unbudgeted peacekeeping operations in Kosovo.

Shrinking Defense Forces

As defense spending has declined, the downsizing of U.S. military forces has been dramatic:

- Since 1987, the active duty military has been reduced by more than 800,000 personnel;
- Since 1990, the active duty Army has shrunk from 18 to 10 divisions;
- Since 1988, the Navy has reduced its ships from 565 to 316;
- Since 1990, the Air Force has reduced its fighter wings from 36 to 20 (active and reserve); and
- Since 1988, the U.S. military has closed more 900 facilities around the world and 97 major bases in the U.S.

Increasing Military Deployments

At the same time that U.S. military forces have been shrinking, operations around the world have been increasing at an alarming rate:

- As of March 31, 1999, approximately 260,000 U.S. service members were serving in over 130 foreign nations.
- While the Army conducted 11 “operational events” during the 40 year period of 1950-1989, it has conducted 45 “operational events” in just the last nine years.
- While the Marine Corps participated in 12 “contingency operations” during the seven year period of 1982 – 1989, it has conducted over 100 such “contingency operations” over the past decade.
- Two of the Army’s ten divisions are now tied up in the training and deployment cycle supporting peacekeeping operations in the Balkans. The strains of such operations recently caused the Army to declare these divisions unready for war by assigning them “C-4” readiness ratings — the lowest of four possible readiness grades that division commanders may assign to their units.

Peacekeeping and Humanitarian Costs

In total, peacekeeping and humanitarian assistance operations have resulted in *direct* costs of nearly \$23 billion since 1991, not including Kosovo costs which have not yet been determined or budgeted. *The indirect* costs of these operations have been significantly higher.

Operations in the former Yugoslavia alone account for nearly \$12.7 billion of this total, including over \$5 billion in fiscal year 1999.

Costs of operations in and around Southwest Asia since the Persian Gulf War have cost \$6.9 billion.

Several smaller operations, such as those conducted in Somalia and Rwanda, have accounted for \$1.9 billion since 1991.

Migrant-related operations in Haiti and Cuba have accounted for \$1.4 billion since 1991.

Peacekeeping costs in fiscal year 2000 could total nearly \$5 billion.



Peacekeeping and humanitarian costs continue to increase, consuming scarce resources from a smaller force.

Defense Quotes

Risk and the National Military Strategy

"As a global power with worldwide interests, it is imperative that the United States be able to deter and defeat nearly simultaneous, large-scale, cross-border aggression in two distant theaters in overlapping time frames, preferably in concert with regional allies...Lack of such a capability would signal to key allies our inability to help defend mutual interests, thus weakening our alliances and coalitions." *Clinton Administration's National Military Strategy, 1997*

"The risk is defined as 'the likelihood of failing to accomplish the theater strategic objectives in a prompt and decisive manner that meets the planned schedule for the phases of conflict.' ...Simply put, what this really means... [is] that our casualties to the U.S. would be higher. And so, to fight and win the two MTWs means that we'll be subjecting ourselves to more risk, high risk in the case of the second one, and that that will result in a greater length of time to accomplish the objective and that will cost us more casualties or terrain given up." *General Henry Shelton, Chairman, Joint Chiefs of Staff, 20 January 1999*

"We run unacceptable risks by going below 300 ships... the current level of shipbuilding is insufficient to preserve even that level of fleet in the coming decades." *Admiral Jay Johnson, Chief of Naval Operations, 22 January 1999*

Navy shortfalls translate into "high risk" for implementing the nation's military strategy. *Admiral Vernon Clark, Commander, U.S. Atlantic Fleet, 30 September 1999*

People Shortages

"To me, the real issue is manning...squads that normally have nine men in them, nine-man squads show up and they have six. So you will find platoons that have a squad zeroed out of them sometimes. You cannot do a number of the tasks that the organization was designed for when you don't have the people in it." *Brigadier General Samuel S. Thompson, III, Commanding General, Joint Readiness Training Center, 26 February 1999*

"The most glaring training weakness that we have is [that] our units are inevitably significantly undermanned when they come to us for training. It's like trying to train a basketball team with only four players. Without sufficient infantrymen or engineers or aviators to perform their roles, even the most daunting armored force loses some of its potency." *Brigadier General Rust Casey, Commanding General, 7th Army Training Command, 8 March 1999*

"The effect of too few forces is uncertainty and increased workload. Emerging personnel shortages are exacerbating the impact, further increasing the demand we place on our deployed crews." *Vice Admiral Daniel J. Murphy, Jr. Commander, Sixth Fleet, 8 March 1999*

Defense Quotes (cont.)

"The Atlantic Fleet currently lacks about 7600 Sailors in afloat billets. This shortage, if not corrected, has the potential to both cause and accelerate declines in readiness, retention, and quality of life in all phases of the deployment cycle."
Admiral J. Paul Reason, Commander, U.S. Atlantic Fleet, 22 March 1999

"If I had to identify the single area that has caused the greatest impact on the brigade's readiness, I would not hesitate to say that it has been the shortage of adequately qualified Sergeants." *Colonel Robert Williams, Commander, 2nd Brigade, 3rd Infantry Division (Mechanized), 22 March 1999*

Spare Parts Shortages and Maintenance Problems

"I am still very concerned about spare parts availability, particularly in regards to jet engines. I'm equally concerned about the aging fleet. Not just in the air, but on the ground. Because that aging fleet not only impacts readiness, but it impacts our people as they work harder to keep older equipment ready and at less capability than newer equipment would provide." *Brigadier General Daniel P. Leaf, USAF, Commander, 31st Fighter Wing, Aviano, Italy, 8 March 1999*

"...this week, we reported nine of 23 Hornets up, and 137 parts on order off station. This is an average of 10 parts per down airplane, as well as 15 what we call bare firewalls, 15 missing engines. So even if I had all the parts, without the engines, that is eight airplanes of 23 that we could not fly." *Rear Admiral Timothy Beard, Commander, Naval Strike and Air Warfare Center, 26 February 1999*

"Mission Capable (MC) rates for the C-5 currently stand at 61%, significantly below the AMC (Air Mobility Command) goal of 75%; maintenance 'cannibalization' rates for spare parts are up 33% since 1995, an increase of 20% since September 1998 alone. Readiness spares packages (RSP fill rates, and flying hour achievable rates have also fallen. The C-5's Total Not Mission Capable Rate due to Supply (TNMCS) rose from 11.6% to 13.1% last year." *General Charleston Robertson, Jr. CINC, United States Transportation Command, 22 March 1999*

"A 75% Mission Capable rate for our front line air superiority fighter, the F-15C, means that on average there are 16 aircraft sitting on the ramp at Langley Air Force Base that cannot fly. For our bombers, a 54% Mission Capable rate for the backbone of our conventional bomber fleet, the B-1B, means there are nine aircraft at Ellsworth AFB, a full half of their fleet, simply not available to carry out their world-wide mission." *General Richard Hawley, USAF, Commander, Air Combat Command, 22 March 1999*

"In just one week, I begin an eight week, \$1.5 million maintenance period, an allocation that is half of that originally envisioned by my port engineer as being necessary for the prudent long-term maintenance, repair and upkeep of the ship."
Captain Joe Kligseis, USN, Commanding Officer, USS Anzio, 22 March 1999

Pace of Operations

"We have the most potent Air Force in the world, but readiness is slipping - it's not just anecdotal, it's factual - because of a combination of effects of aging fleet, op tempo, and funding. Since 1996, we have experienced an overall 14 percent degradation in our operational readiness of our major operational units. This is especially true of stateside units who are prioritized lower than the overseas and engaged units. For instance, in Air Combat Command, their operational readiness has fallen 50 percent since 1996." *General Michael E. Ryan, Chief of Staff, United States Air Force, 20 January 1999*

"Increased Operations tempo (OPTEMPO) is wearing out essential equipment at an accelerated rate, and personnel tempo (PERSTEMPO) is causing retention problems in certain military specialties. Stateside units are "taxed" to fill billets in deployed forces." *Admiral Harold W. Gehman, Jr., CINC, United States Atlantic Command, 22 March 1999*

"In Desert Storm, 1991, I would guess that we had about 525 ships, 550 ships. Today we have about 200, 225 fewer...the Sixth Fleet at that time was fifty to seventy-five ships. On the 15th of March when the carrier battle group goes, I'll have a total of seven combatants." *Vice Admiral Daniel J. Murphy, Jr. Commander, Sixth Fleet, 8 March 1999*

"Opstempo, the amount of time Marines are in the field training or away on deployments, is a constant concern. It impacts on our readiness and the retention of the force. On any day in the Second Marine Division, five of the nine infantry battalions are either forward deployed or preparing to deploy...Today, the reality is that while commitments have increased in the past five years, they are now accomplished with two less infantry battalions that the Division had just prior to the Gulf War." *Colonel Robert B. Neller, Commanding Officer, Sixth Marine Regiment, 2nd Marine Division, 22 March 1999*