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United States General Accounting Office  
Washington, DC 20548

June 16, 2004

The Honorable Duncan Hunter  
Chairman  
Committee on Armed Services  
House of Representatives

Subject: General/Flag Officer Management

Dear Mr. Hunter:

This letter confirms our commitment to review DOD legislative proposals concerning the management of general and flag officers in response to a mandate in the Fiscal Year 2003 National Defense Authorization Act. In our May 10, 2004, letter to you, we outlined our approach to designing the study. Based on that design and as agreed with your staff and staff of the Senate Armed Services Committee, we will complete our work and issue a report to you by September 28, 2004. We have contacted committee staff concerning the key aspects of our study. Please see enclosure I for the list of cognizant committees with whom we will be coordinating. Enclosure II sets forth the understanding reached with your staff on the key aspects of the study.

We look forward to working with you and your staff on this assignment. Should you have any questions, please contact me on (202) 512-5559 or [stewartd@gao.gov](mailto:stewartd@gao.gov) or Brenda Farrell, Assistant Director, on (202) 512-3406 or [farrellb@gao.gov](mailto:farrellb@gao.gov).

Sincerely yours,

Derek B. Stewart  
Director, Defense Capabilities and Management

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cc: John D. Chapla, Michael R. Higgins

**LIST OF COGNIZANT COMMITTEES**

The Honorable John W. Warner  
Chairman  
Committee on Armed Services  
United States Senate  
(Staff Member: Richard D. Walsh)

The Honorable Carl Levin  
Ranking Minority Member  
Committee on Armed Services  
United States Senate  
(Staff Member: Gerald J. Leeling)

The Honorable Ike Skelton  
Ranking Minority Member  
Committee on Armed Services  
House of Representatives  
(Staff Members: Debra S. Wada)

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# Terms of the Work

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## Objectives/Key Questions

The National Defense Authorization Act for Fiscal Year 2003 directs GAO to evaluate a congressionally directed Department of Defense (DOD) study of general and flag officer issues, including legislation affecting the management of these officers. DOD subsequently submitted legislative proposals aimed at enhancing the department's flexibility in managing general and flag officers. The key questions for this review are (1) What is the career profile of general and flag officers? (2) Has DOD justified a need for the legislative changes it has proposed?

## Scope

The scope of the review covers DOD legislative proposals submitted for consideration as part of the National Defense Authorization Act for Fiscal Year 2005. These include proposals affecting general and flag officer career length as well as retirement compensation, proposals that would change restrictions on the term limits for officers holding specified senior positions and on the lateral reassignment of officers, and a proposal addressing the distribution of officers among general and flag officer pay grades.

## Methodology

We will conduct this work in accordance with Generally Accepted Government Auditing Standards (GAGAS). We will identify and collect relevant data and documentation from the Office of the Secretary of Defense, the Services, and the Defense Manpower Data Center. We will develop trend data on general and flag officer careers, to include data on the age, years of service, and time in grade of general and flag officers at retirement. We will examine the current general and flag officer management system and in particular the impact of the existing legislative framework. In this context, we will analyze the rationale and supporting evidence DOD has presented to justify the legislative proposals. To inform our analysis, we will draw upon the legislative history of existing provisions. We will also incorporate the views of officials responsible for managing general and flag officers as well as the views of retired general and flag officers and other knowledgeable officials with expertise in this area.

## Product Type

We will issue a report to Congress. We will obtain comments from DOD on a written draft of this product prior to issuance.

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Enclosure  
Terms of the Work

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### Product Delivery Date(s)

We will issue the report by September 28, 2004.

### Special Conditions

Because this work is based on a congressional mandate, the report cannot be restricted in any way.

### Reporting on Job Status

We will brief congressional staff as requested.