

Strategy Research Project

A Comparative Risk Assessment of Today's Post-War Army Drawdown

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Abstract

Following periods of major conflict, reductions to United States (U.S.) defense budgets and military forces are the norm as the nation reprioritizes resources from international to domestic concerns. The two most recent military drawdowns in U.S. history include the post-Cold War drawdown of the 1990s and the current drawdown that began in 2011. Driven by the contentious Budget Control Act of 2011, however, today's drawdown of Regular Army forces presents a greater risk to national security than the post-Cold War drawdown. While the current drawdown promises to be less significant in terms of total personnel reductions, it is also less consistent with stated U.S. foreign policy goals, it is hampered to a larger extent by domestic political disagreements, and it begins with more internal program risk. Accordingly, the Army should revise its current strategic messaging to better communicate the challenges of the current drawdown to both external and internal audiences.

A Comparative Risk Assessment of Today's Post-War Army Drawdown

Convinced time and again that a new era of tranquility is at hand, especially after major conflicts, presidents and congresses tend to believe they have a choice when it comes to the priority given to national security and, correspondingly, significantly reduce the resources provided to defense, the state department, and CIA.

—Robert M. Gates¹

Following the conclusion of large-scale ground combat in Iraq in 2011 and Afghanistan in 2014, with national debt in excess of \$18 trillion, the United States (U.S.) Army is presently engaged in a sizeable drawdown of forces due to significant reductions in defense spending mandated by the Budget Control Act (BCA) of 2011. The Regular Army is absorbing the brunt of the drawdown, reducing from a wartime high of approximately 570,000 soldiers down to 450,000 by the end of fiscal year (FY) 2018.² This will result in the smallest standing army since before World War II.³ Additionally, the sequestration provision of the BCA is forcing the Regular Army to plan further reductions to 420,000 soldiers by FY 2019.⁴ Senior Army leaders have publicly decried this force as too small to execute the current defense strategy requirements of defeating an adversary in one region while denying another adversary's objectives in a second region.

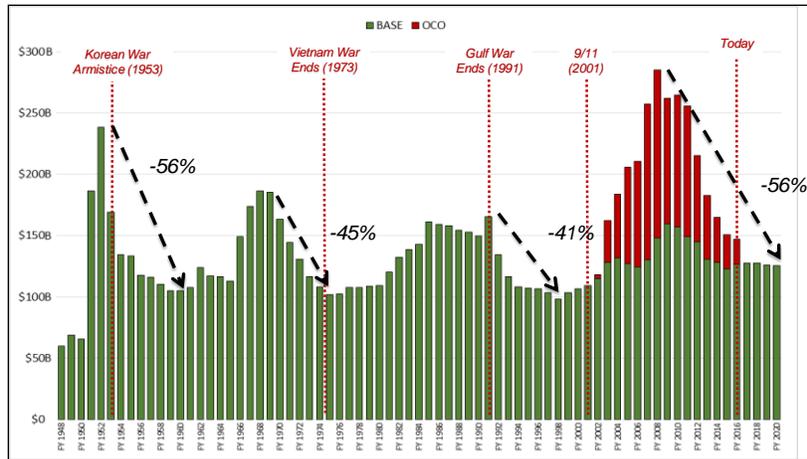


Figure 1. Total Army Funding from FY 1948-2020 (in Constant FY 2016 Dollars)⁵

As illustrated in Figure 1, this is not an unfamiliar position for the Army. The cyclical post-war drawdown has occurred after every major conflict in U.S. history. The last such drawdown took place after the Cold War came to a close in the late 1980s. With high interest rates, a weak economy, and a growing national debt approaching \$3 trillion, the American people desired a "peace dividend" during a presumed period of international tranquility following the demise of the Soviet Union.⁶ During the post-Cold War drawdown, the Regular Army shrank from 780,900 in FY 1988 to 480,000 in FY 1999.⁷

This research will explore the similarities and differences between the current and post-Cold War drawdowns of Regular Army forces (similar analysis of the Reserve Component is beyond the scope of this paper). They are the two most recent drawdowns in U.S. history, they are the only two involving armies consisting purely of volunteers, and they both began following an armed conflict. The 1991 Persian Gulf War was unrelated to the Cold War, but its overwhelming success seemingly validated the logic behind the already planned drawdown. These two periods therefore provide a historical comparison that is both analytically grounded and relevant to today's Army.

Historians and academics have extensively studied previous post-war drawdowns. Dr. Jamie Morin prophetically stated in his 2003 Yale University dissertation on the politics of the post-Cold War drawdown that, "Understanding the course of post-Cold War retrenchment may help us understand the next one--and there will be one."⁸ Ironically, Dr. Morin now serves as Director of Cost Assessment and Program Evaluation for the Secretary of Defense, a position in which he plays a central role in guiding the present drawdown. Given that some national security experts think that this drawdown will be even more challenging than previous ones, comparing the post-Cold War drawdown to the current drawdown can yield some valuable insights to help today's senior leaders guide the Army through this turbulent time.⁹

Ultimately, this research will answer the fundamental question--in comparison to the post-Cold War drawdown, does the current drawdown truly pose a greater risk to national security as some have proffered, or is it simply another chapter in the annals of Army history? The post-Cold War drawdown was unequivocally more dramatic than the current drawdown in terms of raw numbers. Apart from other impacts to readiness and modernization programs, the post-Cold War Regular Army decreased by roughly 300,000 soldiers (39 percent), whereas the current force under sequestration will decrease by 150,000 soldiers (26 percent). More important than the raw numbers, however, is the impact of those reductions on the national security of the United States. This analysis of the international environment, the domestic environment, and the overall state of the Army will illustrate that the current drawdown does indeed pose a unique set of challenges that dangerously imperils U.S. national security interests in 2016 and beyond. As summarized in Table 1, the current drawdown is less consistent

with stated U.S. foreign policy goals, enjoys less support from elected officials, and begins with more internal risk than the post-Cold War drawdown. Overcoming these challenges will require an unparalleled collaborative effort by the Army, the Department of Defense (DOD), and Congress.

Table 1. Key Differences between the Post-Cold War and Current Drawdowns¹⁰

	Post-Cold War Drawdown	Present Day Drawdown
International Environment	Broadly consistent with 1991 National Security Strategy (NSS) and National Military Strategy (NMS)	Inconsistent with ambitious 2015 NSS and NMS goals
Domestic Environment	Generally supported by Congress and the President	Hotly debated by an increasingly polarized electorate
State of the Army	Entered "procurement holiday" with relatively new major weapons platforms	Entering "procurement holiday" with aging platforms and unaffordable compensation costs

The International Environment

In retrospect, the post-Cold War period witnessed considerable international turbulence leading to U.S. military intervention in places such as Somalia, Haiti, Bosnia, and Kosovo. However, the prevailing view among national security professionals is that today's environment is more complex and volatile than ever before. In fact, General Martin Dempsey, Chairman of the Joint Chiefs of Staff (CJCS), stated in the 2015 National Military Strategy that, "Today's global security environment is the most unpredictable I have seen in 40 years of service."¹¹ Current U.S. military commitments in numerous countries including Afghanistan, Iraq, Syria, Ukraine, and Africa, coupled with increasing concerns over cyber warfare, attest to this statement.

Notwithstanding the importance of these general observations, a more meaningful analysis should focus on the degree to which the post-Cold War and present-day drawdowns, at the time they were undertaken, supported the U.S. vision for international order as articulated in national strategy documents. Both the 1991 and *2015 National Security Strategies* (NSS) are remarkably similar in emphasizing

preparedness to address a more diverse threat with a smaller, more agile military force. However, the 1991 NSS was much more muted than the 2015 NSS in identifying the most salient threats and prescribing specific ways to counter them.

The 1991 NSS, penned by President George H. W. Bush shortly after the declared end of the Cold War, spoke of building a "new world order" in which an economically strong United States would lead the international community in facing a more ambiguous set of regional threats with "minimum essential military forces."¹² It identified four key demands facing the United States: exercising strategic deterrence, exercising forward presence in key areas, responding effectively to crises, and retaining the capacity to reconstitute forces in the face of a resurgent Soviet or other conventional threat.¹³ This approach represented a marked shift in focus from global to regional conflicts with a reduced but still responsive forward presence. However, the 1991 NSS remained somewhat vague about the most pressing threats facing the world, naming the Soviets, North Korea, Iraq, Iran, Libya, and a few others, but providing no clear strategic vision for the future.

The *1992 National Military Strategy* (NMS) authored by CJCS General Colin Powell was similarly vague, articulating a shift from containment and deterrence to a more diverse, flexible, regionally oriented strategy that is capable of responding decisively. It identified North Korea, Iraq, and Iran as specific threats, but emphasized that the real threat is "the unknown, the uncertain."¹⁴ Last but not least, it declared that the post-Cold War drawdown was a prudent measure given the reduced Soviet threat and pressing domestic concerns, and the resulting military force would be capable of executing the NMS with acceptable risk. Through the lens of these documents, it is

clear that the United States in the early 1990s was a nation in transition, certain that a smaller military was needed but unsure where to reorient it.

The 2015 NSS is more sharply focused. In this document, President Barack Obama emphasizes the familiar theme of U.S. leadership through economic strength. He highlights moving past the ground wars in Iraq and Afghanistan, thereby allowing military forces to realign training, doctrine, and resources from counterinsurgency operations to a broader array of future threats. He also recognizes the diverse set of ongoing challenges to national security and, in contrast to national strategy documents of the early 1990s, is very specific about actions the United States will take to protect its interests abroad. On top of the Asia-Pacific rebalance due to concerns over China's military modernization, regional territorial disputes, and North Korean provocation, the 2015 NSS says the United States will: dismantle terrorist networks in the Middle East, degrade and ultimately defeat the Islamic State of Iraq and the Levant, continue to support Iraq against sectarian conflict and extremists, train and equip moderate Syrian opposition against the brutal Assad regime, and increase responsiveness through training and exercises to deter further Russian aggression.¹⁵ Notably, the first four of the five aforementioned goals involve the continued involvement of Regular Army and other forces in combat zones.

The President also states in the 2015 NSS that, "I will continue to insist on budgets that safeguard our strength and work with the Congress to end sequestration, which undercuts our national security."¹⁶ This statement, which subtly reveals the ongoing bitter debate over the future size of the military, also serves as a tacit acknowledgement that the current strategy is not supported by a sequestration-sized

military. In short, the 2015 NSS leaves little doubt about where military forces will be employed around the world in the years ahead, but whether they will have the requisite capacity remains to be seen.

CJCS General Martin Dempsey continues this theme in the 2015 National Military Strategy. He acknowledges an erosion of U.S. military competitive advantage in the face of an unprecedented increase in global disorder and an increasingly technologically challenging environment. He reinforces the need for military forces to be able to deal with the wide range of adversaries outlined in the 2015 NSS, but also points out that even more complex "hybrid threats" involving both state and non-state actors are on the rise.¹⁷ He emphasizes the need for investment in cyber capabilities to protect critical communication networks from the emergent threat of cyber attacks. Finally, he concludes by stating that an insufficiently resourced military will be unable to simultaneously defeat and deny regional adversaries if called upon to do so in the future, reinforcing the President's point that sequestration undercuts national security.¹⁸

In sum, both the post-Cold War Army of the 1990s and the present-day Army shared the difficult task of simultaneously downsizing the force, reorienting towards a broader array of threats, and trying to become more expeditionary. However, the similarities end there. First and foremost, unlike the post-Cold War Army, today's shrinking Army remains actively engaged in combat zones in train/advise/assist and counterterrorism missions throughout the Middle East. In addition, the post-Cold War drawdown and the present drawdown reflect different levels of consistency with stated U.S. national security goals. Despite a lack of clarity in the post-Cold War strategy itself, and without the benefit of hindsight of contingency operations that stretched the Army

thin, the post-Cold War drawdown was generally consistent with the reorientation of military forces as outlined in the 1991 NSS. To the contrary, the current drawdown under sequestration is incongruent with the ambitions outlined in the 2015 NSS.

The Domestic Environment

Domestic considerations, including the state of the economy, public opinion, and Congressional politics, also played a large part in the conduct of the post-Cold War and current drawdowns. The post-Cold War drawdown reflected the general consensus of the country that a smaller military force would free up valuable resources to improve economic conditions at home. There were some disagreements over the ultimate end state of the drawdown, but nothing approaching the political rancor of today's drawdown debate. Domestic politics hinder the current drawdown due to divergent views over its scope and scale, resulting in continuous legislative wrangling that leaves the military constantly lurching from one fiscal crisis to another.

The disintegration of the Soviet Union, followed by the overwhelming U.S. military capability demonstrated during the 1991 Persian Gulf, was clearly the impetus behind the post-Cold War drawdown. A significant increase in military spending during Ronald Reagan's presidency in the 1980s contributed to tripling the national debt from \$900 billion to a then alarming \$2.8 trillion.¹⁹ By the time President George H. W. Bush took office in 1989, the United States had entered into a recession. With pressing economic issues at home and a reduced threat abroad, Americans expected a "peace dividend." A 1990 Gallup poll showed that 50 percent of all Americans believed that the United States was spending too much on defense, and only nine percent believed that the United States was spending too little.²⁰

Recognizing that the environment had changed dramatically, CJCS General Colin Powell convinced the Bush Administration in 1990 to preemptively announce a 25 percent reduction in military forces in order to avoid more drastic cuts dictated by Congress.²¹ The resulting smaller force, termed the Base Force, was designed to be the minimum essential force required to implement a new strategy focused on regional threats and forward presence.²² The Base Force would include a more than 30 percent reduction of the Regular Army personnel from approximately 781,000 to 535,000 and a reduction of divisions from 18 to 12.²³ Not everyone agreed with the Base Force concept. Service chiefs including the Army Chief of Staff, General Carl Vuono, believed the reductions were premature and based more on budget considerations than a revised strategy.²⁴

The Base Force, however, proved to be a prudent measure. As the Joint Staff was developing it, Congressional deliberations over the FY 1991 federal budget threatened to trigger automatic cuts to discretionary spending, including both defense and non-defense programs, if the budget deficit exceeded a specified limit set by the Gramm-Rudman-Hollings Act of 1985.²⁵ This act, also known as the Balanced Budget and Emergency Deficit Control Act, represented the first use of sequestration as a legislative tool to force a balanced budget.²⁶ Congress avoided sequestration in FY 1991 and later amended the balanced budget target date to FY 1998 through various additional acts, but the message was clear.²⁷ Discretionary spending was on the decline, and the large Cold War Army was first in line to be cut.

However, the Base Force was not the end of military reductions. President Bill Clinton, upon assuming office in 1993, kept a campaign promise by ordering a Bottom

Up Review of the national security strategy that levied further reductions on the Regular Army from 535,000 personnel to 495,000 personnel by FY 1998, with a corresponding decrease in divisions from 12 to 10.²⁸ To no avail, General Powell and Army leaders argued that the additional cuts were inconsistent with the existing strategy requirement of fighting two regional contingencies.²⁹ The 1997 Quadrennial Defense Review led to a final post-Cold War reduction of Regular Army end strength to 480,000 by FY 1999.³⁰ As depicted in Figure 2, the post-Cold War Regular Army ultimately shrank 39% from 780,900 in FY 1988 to 480,000 in FY 1999.

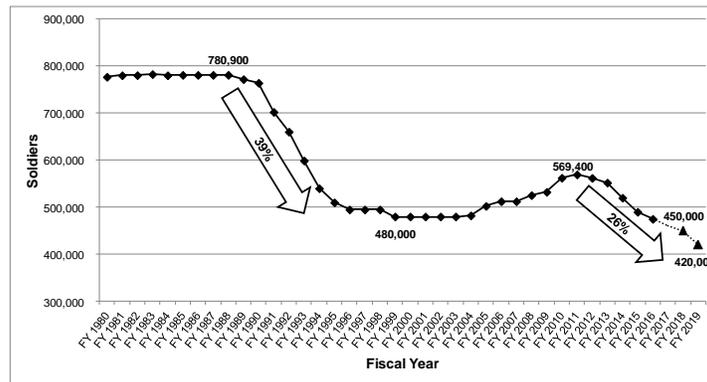


Figure 2. Regular Army End Strength, FY 1980-2019³¹

A key facet of the post-Cold War drawdown is that the Presidential Administration led it in coordination with DOD and, even more importantly, Congress generally supported the drawdown. Examples of crucial Congressional support include the authorization of early retirement and separation incentives to assist transitioning veterans and the authorization for several rounds of base realignment and closure to consolidate and eliminate excess facilities. While a 2003 study found that increased Congressional involvement in defense planning did tend to dampen some of the drawdown's objectives, such involvement was not a significant impediment to the

drawdown's overall success.³² In the end, it mainly served to create a slower, more manageable reduction in forces.³³

The present drawdown bears both similarities and differences to the post-Cold War drawdown. First, while analysts view the withdrawal of most U.S. forces from Iraq and Afghanistan as the main reason for the current drawdown, significant economic concerns are also paramount. U.S. national debt has almost tripled since the terrorist attacks of September 11, 2001 and now tops \$18 billion, putting enormous pressure on some legislators to stem or reverse the growth.³⁴ Polling data reflects this sentiment, as Americans over the past decade have been more likely to opine that defense spending is too high rather than too low. However, the margin of difference has not been nearly as high as it was after the Cold War. Furthermore, the most recent Gallup poll indicates that Americans today are evenly split on the issue--about 32 percent feel that defense spending is too high, 34 percent feel that it is too low, and 29 percent feel that it is about right.³⁵ Thus, while there is agreement that national debt is a problem, there is no consensus on how to address it. This difference of opinions is also reflected in an increasingly polarized Congress, where the topic of downsizing has been highly controversial over the past few years.

Military leaders knew that leaner budgets were on the horizon after Iraq and Afghanistan, but the Army optimistically hoped to return to a Regular Army end strength of 490,000 – 10,000 higher than the pre-war end strength of 480,000.³⁶ Few anticipated the steep downward trajectory that would ensue with passage of the BCA of 2011, a compromise agreement to raise the United States debt ceiling in order to avoid an international financial crisis. The BCA followed the same logic as the *Gramm-Rudman-*

Hollings Act of 1985--force lawmakers to make hard decisions by implementing budget caps that trigger automatic spending cuts if breached. The BCA raised the national debt ceiling by \$900 billion initially, in exchange for an equivalent amount of cuts in discretionary spending over a ten-year period from FY 2012-2021.³⁷ It mandated approximately \$487 billion of these cuts from defense programs.³⁸ The impact of these cuts to the Regular Army is a reduction of 120,000 soldiers from a wartime high of about 570,000 in FY 2011 to 450,000 in FY 2018. Former Army Chief of Staff General Raymond Odierno characterized this force as capable of meeting the current defense strategy, but with significant risk.³⁹

The BCA also provided for an additional \$1.2 to \$1.5 trillion increase to the debt ceiling, depending on the total amount of offsetting cuts levied on the federal budget by the bipartisan Joint Select Committee on Deficit Reduction.⁴⁰ When the committee failed to reach an agreement, the sequestration provision of the BCA triggered \$1.2 trillion in automatic additional cuts to discretionary spending from FY 2013-2021. Approximately \$495 billion of these additional cuts came from defense programs.⁴¹ Congress has subsequently passed a variety of acts amending the BCA by stretching the cuts out over a longer period, but its original provisions remain essentially intact from FY 2018 and beyond.⁴² If not repealed or modified, the BCA will force the Regular Army to shrink from 450,000 in FY 2018 to 420,000 in FY 2019. Senior DOD and Army leaders have publicly characterized this force as unacceptable to meet current defense strategy requirements.

Defense budgeting is generally more politicized during times of declining budgets, and the present drawdown is no exception.⁴³ However, the manner in which the BCA was conceived--as a controversial budget gimmick to force difficult decisions --

seems to have intensified and in many ways paralyzed the present drawdown. The President and DOD, along with many members of Congress, disagree with the arbitrary defense cuts imposed by the BCA. Accordingly, every year since FY 2014, the President's defense budget request to Congress has exceeded BCA caps, and every year Congress has slightly adjusted the BCA to ease the transition to lower funding levels. However, the BCA remains in effect, and the Army must continue to plan for an uncertain future.

In order to maintain a leaner program that is balanced among manpower, readiness, and modernization, the Army has asked for Congressional support in achieving predictable budgets, compensation reform to control increasing personnel costs, and base realignment and closure (BRAC) to eliminate unnecessary spending on excess facilities. To the contrary, recent budgets have been anything but predictable, support for even modest compensation reform measures has been lukewarm until very recently, and there is currently little appetite for another round of BRAC despite the Army's estimate of 18 percent excess capacity in FY 2015 and growing.⁴⁴ Decisive congressional support has not yet materialized.

Defense budgets have been especially unpredictable since the middle of 2013, the first year of sequestration, when automatic cuts of \$37 billion to defense spending resulted in degraded Army readiness by forcing cancellation of 7 of 14 planned combat training center rotations as well as multinational training exercises.⁴⁵ In addition, since that time, there has been one actual government shutdown, another planned shutdown, no on-time budgets (requiring continuing resolutions every year), and DOD has been forced to submit two budgets each year--one in compliance with the BCA and one

reflecting the President's desired level of funding.⁴⁶ This has harmed DOD's mission and resulted in countless hours of wasted time and taxpayer dollars.⁴⁷ Former Secretary of Defense Robert Gates told Congress in 2015 that its failure to pass timely and predictable defense budgets has weakened national security and broken faith with those in uniform.⁴⁸

Next to predictable budgets, compensation reform is arguably the most critical of these matters because it provides recurring savings over time. For several years now, with limited success, DOD has requested Congressional support for lowering pay raises, reducing housing allowances, reducing the subsidy paid to commissaries, consolidating the Tricare military health system, and reforming Tricare by increasing co-payments and requiring enrollment fees for retirees. DOD estimates that these initiatives will save \$1.7 billion in FY 2016 and \$25.4 billion from FY 2016-2020.⁴⁹ It is critical to note that these savings are already reallocated to other priorities in the budget, so they do not preclude the need for further downsizing if sequestration continues. In fact, Army leaders estimate that failure of these reforms will cost the Army alone approximately \$2-3 billion per year.⁵⁰ This will necessitate either a reallocation of existing funds from already strained readiness and modernization portfolios to the manpower program or further reductions in end strength. In addition to the DOD initiatives, the 2015 Military Retirement Modernization Commission recommended reforming the military retirement system, providing health care to military dependents and retirees through a system similar to the one provided to civilian government employees, and optimizing commissary and childcare programs.

Congress has been reluctant to embrace such initiatives without thoroughly considering the long term effects on recruiting and retention. However, as the fiscal outlook remains grim, the prospect of Congressional support is improving. For example, the *2016 National Defense Authorization Act* includes a historic reform of the military retirement system. It also supports DOD requests for a lower pay raise and reduced housing allowances. However, it only partially supports proposed Tricare reforms by modestly increasing pharmacy co-payments, and it directs further study on commissaries before taking definitive action. It also fails to address the problem of excess infrastructure by specifically prohibiting another round of BRAC.

In contrast to the post-Cold War era characterized by both popular and Congressional support for a responsible military drawdown, the sluggish pace of today's drawdown is indicative of an American people and their elected officials who are essentially deadlocked on the issue. The resulting lack of Congressional movement on key reform initiatives represents a significant obstacle to the Army's drive toward a balanced program that meets the country's national security needs. Compounding matters, the cost to maintain an Army has risen significantly since the Cold War era, making every failed reform even more significant.

State of the Army

Some skeptics have questioned why the Army cannot maintain a standing force of 450,000 on a sequestration-sized base budget that is still \$20 billion larger than it was in FY 2000 when the Congressionally-authorized end strength stood at 480,000. However, this question fails to recognize that generous personnel compensation packages and technological advancements in warfighting in the twenty-first century have made today's force simply more expensive to man and equip than the post-Cold

War Army. Also, the post-Cold War Army enjoyed the benefit of relatively new Reagan-era major weapon systems going into its drawdown, whereas budget constraints will force today's Army to continue to rely mainly on the same aging systems.

Defense budget experts have recognized affordability issues with military compensation for years. Growth in total military compensation is largely due to rising healthcare costs as well as Congressional efforts in the 2000s to rectify recruiting problems by closing the gap between military and civilian pay and eliminating out-of-pocket housing costs for servicemembers residing off post. These and similar initiatives had the unintended consequence of increasing the average cost per active servicemember by 76 percent from FY 1998, near the end of the post-Cold War drawdown, to FY 2014, near the beginning of the current drawdown.⁵¹ At this rate of growth, experts project that military personnel costs will consume the entire defense budget by 2039.⁵² This is particularly problematic for the Army, because the Army has more uniformed personnel than any other service. If growth in military compensation is left unchecked, it will eventually engulf any savings the Army achieves through personnel reductions.

In addition to higher personnel costs compared to the post-Cold War period, today's Army is more expensive to equip due to technological advancements that provide greater capability.⁵³ The Army's High Mobility Multipurpose Wheeled Vehicle (HMMWV), which first entered service in 1985, provides an excellent example.⁵⁴ Originally designed as an unarmored, multipurpose transport vehicle at a cost of approximately \$70,000 each, a current variant of the HMMWV costs at least \$160,000 due to the addition of armor, increased engine power to compensate for the added

weight, and Command, Control, Communications, and Computers, and Intelligence, Surveillance, and Reconnaissance (C4ISR) equipment.⁵⁵ In addition to procurement costs, the Army also has the added expense of regularly updating the software associated with the C4ISR equipment in order to maintain maximum effectiveness. In 2016, the Army will begin replacing some of the aging HMMWV fleet with Joint Light Tactical Vehicles at a total cost of approximately \$559,000 each including armor, weapons, and radios.⁵⁶ This is the price of a modern day Army.

In addition to cheaper manpower and lower equipment costs in comparison to today's Army, the post-Cold War Army also enjoyed the advantage of a relatively new equipment fleet heading into the "procurement holiday" of the 1990s. In the 1980s, the Army underwent the largest peacetime modernization program in history by fielding a vast array of new developments including the "Big Five": M1 Abrams main battle tank, M2/M3 Bradley Fighting Vehicle (BFV), AH-64 Apache attack helicopter, UH-60 utility helicopter, and Patriot air defense missile system.⁵⁷ Aside from the recently fielded Stryker vehicle and Mine Resistant Ambush Protected Vehicle (MRAP), today's Army is still using variants of the same "Big Five" with no planned new development of next generation platforms until fiscal conditions improve. The Army has canceled the Ground Combat Vehicle (GCV), the BFV replacement, as well as the Armed Aerial Scout and Unmanned Ground Vehicle programs due to budget constraints.⁵⁸ It is therefore critical that the Army continue to modernize legacy platforms in order to maintain technological superiority over potential adversaries. However, according to the 2015 Army Equipment Modernization Strategy, the Army plans to accept mid-term risk in modernization by only selectively upgrading existing equipment and formations.⁵⁹ The Army is attempting to

mitigate long-term risk by sustained investment in science and technology for more rapid development of new capabilities in the future.⁶⁰

Thus, today's Army entered its drawdown period with inherently more program risk than the post-Cold War Army. The Army can mitigate some of the compensation growth through DOD's compensation reform proposals, but it is completely dependent on Congress for approval of such measures. On the other hand, there is no clear remedy for stemming the growth in equipment costs if the Army wishes to maintain an equivalent or greater level of capability. More concerning, the Army's lack of new development will eventually reach a crisis point if current major platforms become obsolete in comparison to U.S. adversaries. In this regard, the current "procurement holiday" has the potential to be far more damaging than the "procurement holiday" of the 1990s.

Recommendations and Conclusion

Due to myriad challenges in the current drawdown, many of which are beyond the Army's direct control, the Army must be increasingly precise in its external and internal strategic messaging. For example, the Army cannot slow down the rate of change and rising complexity of the international environment, it cannot moderate the increasingly partisan domestic political environment, and it cannot fundamentally change the current state of the Army without Congressional support. However, using the post-Cold War drawdown as a basis of comparison, it can more clearly articulate the risks to national security of an undersized land force. At the same time, in order to improve internal alignment of effort, the Army can do a better job of educating its own personnel on existing plans for maintaining a balanced force through the drawdown.

Absent a more compelling and better-understood narrative, the capacity and capability of tomorrow's Army is increasingly likely to be compromised.

If history is any indication, there will be no "peace dividend" during the interwar years. Current strategic messaging against downsizing the Regular Army below 450,000, as reflected in the Army Posture Statement and senior leader testimony to Congress, focuses on growing demands on Army forces due to rising global instability. However, this messaging should also explicitly underscore some of the challenges in today's drawdown compared to the post-Cold War drawdown. Key points should highlight that the goals laid out in the 2015 NSS and NMS are more ambitious, the lack of Congressional unity is more damaging, and the Army itself is simply more expensive. Failure to articulate this direct comparison allows proponents of sequestration to continue believing that the current postwar drawdown is simply "business as usual."

In addition, the Army should elaborate on the 2015 Army Posture Statement testimony that "Any force reductions below 980,000 Soldiers will render our Army unable to meet all elements of the Defense Strategic Guidance (DSG), and we will not be able to meet the multiple challenges to U.S. national interests without incurring an imprudent level of risk to our Nation's security."⁶¹ In order for this message to resonate, the Army must explicitly identify elements of the DSG, operational missions, joint force roles, and executive agent responsibilities that will be degraded under sequestration. *Estimated Impacts of Sequestration-Level Funding*, published by DOD in April 2014, was the last public document that highlighted specific sequestration impacts, but even this report did not achieve the aforementioned level of specificity.

In this revised strategic narrative, the Army should give greater attention to its role in setting the theater for the Joint Force, to include specific impacts to other services under sequestration. According to joint doctrine, the theater army or Army service component command is the overarching theater-level headquarters that provides logistical support to Army forces as well as other services.⁶² This logistical support includes "joint over-the-shore and intra-theater transport of time-sensitive, mission-critical personnel and materiel."⁶³ This function is a critical link in the Joint Force's ability to conduct sustained operations, and its complexity will only increase if current trends in non-linear warfare and the battlefield proliferation of guided rockets, artillery, mortars, and missiles continue.⁶⁴ However, defense analysts often take this function for granted, measuring the capacity of the Army in terms of Brigade Combat Teams rather than Sustainment Brigades or other key enablers. The Army has allowed its vital role in setting the theater to play a less than prominent role in force sizing discussions to date – to ensure the continued readiness of the Joint Force, this must change.

Furthermore, the Army has not effectively communicated the true "state of the Army" and its corresponding drawdown vision to the force, as evidenced by several surveys that indicate growing concern about the future of the Army. A 2014 Military Times survey showed a sharp drop in troop morale from 2009 to 2014, with substantially declining opinions on quality of life, pay and allowances, and health care, and far fewer troops who believe that their senior leaders have their best interests at heart.⁶⁵ In another 2014 Military Times survey, 74% of respondents disagreed that retirement and other benefit changes are necessary to save money that can be

allocated to building a stronger military.⁶⁶ In the 2015 Blue Star Families Military Family Lifestyle Survey, for the second year in a row, respondents indicated that military pay/benefits and changes in retirement are the top two concerns for families, servicemembers, and veterans alike.⁶⁷ Finally, social media abounds with visceral reactions from the Army community about force reductions, pay and benefits reductions, and other reform proposals. Taken as a whole, this suggests that many do not understand the broader budget picture and are not fully vested in the Army's drawdown efforts. Shortcomings in Army messaging on this sensitive topic are exacerbated by powerful lobbying groups such as the Military Officers Association of America who imply that compensation reform efforts are akin to balancing the budget on the backs of servicemembers.⁶⁸

Accordingly, the Army must develop a plan to better educate soldiers and their families, retirees, and civilians that the Army is taking a comprehensive approach to control rising costs in the face of declining budgets. This approach includes reductions, reform, and increased risk in all three pillars of the Army budget: manpower, readiness, and modernization. As suggested in Figure 3, the Army should use a simple graphic to better communicate its approach to the current drawdown.

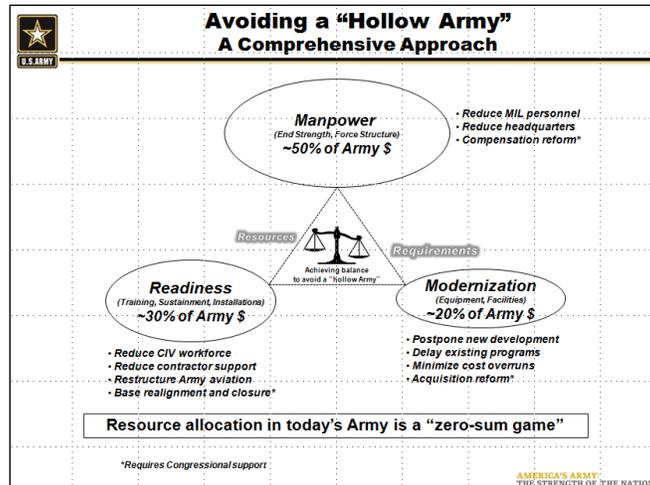


Figure 3. Proposed Illustration of the Army's Drawdown Strategy⁶⁹

Figure 3 conveys a number of important messages that are essential to understanding this very delicate, emotionally charged topic. First of all, almost half of all Army dollars are allocated to military manpower, hence the imperative to draw down the force under reduced budgets. The Army simply cannot absorb the budget reductions in readiness and modernization alone without creating a "hollow Army," a condition in which one or more of the three pillars of the Army budget has a much greater resource shortfall than the others. Second, Army personnel reductions are not targeted exclusively at military personnel--they also apply to the civilian workforce and contractors. Third, the Army's efforts to live under leaner budgets go far beyond the much publicized military personnel reductions and compensation reform--there are meaningful initiatives and increased risk in every pillar to reduce costs. Fourth, the Army is actively pursuing Congressional support of reform initiatives in all three pillars to achieve more efficient resource allocation.

The last key point is that the current budget situation is truly a "zero-sum game" in which every resource decision has strategic implications. Because the defense

budget is capped by the BCA, every failed reform effort will affect at least one of the three pillars and may ultimately result in additional personnel reductions. There are no painless choices, and there is little prospect of the bleak budget outlook changing anytime soon. Now more than ever, the Army needs a team effort from the entire Army community to support its efforts to remain a viable force in the future.

In conclusion, the current BCA-driven drawdown of the Regular Army truly represents a greater risk to national security than the post-Cold War drawdown. It represents a macro-level mismatch of ends (national security goals), ways (military element of national power), and means (capacity and capability of the Army). In comparison to the post-Cold War era, the current drawdown is facing a more ambitious national strategy to deal with an increasingly complex global environment, its execution is more hampered by domestic political squabbles, and today's Army is simply more expensive to maintain with smaller margins for error in resource allocation. While there are no simple solutions to these challenges, the Army must reinvigorate its efforts to articulate the risks of the drawdown, continue to implore Congress for support of reform initiatives, and better communicate its vision of change to the entire Army community. After fifteen years of protracted conflict and the next one surely on the horizon, Army soldiers, retirees, family members, and civilians deserve no less.

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