

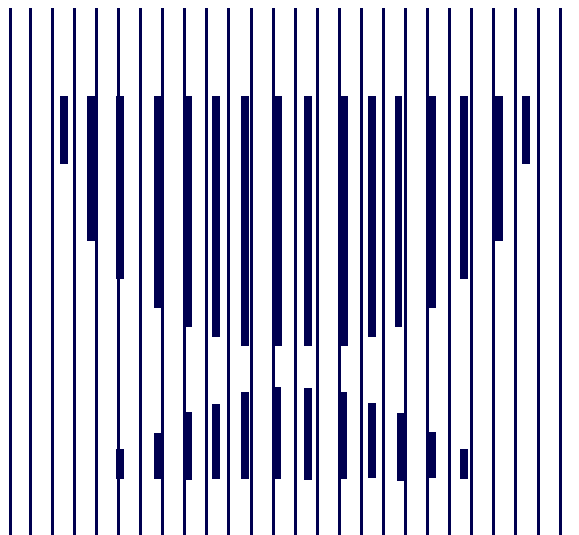


# CBO MEMORANDUM

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**AN ANALYSIS OF THE ARMY'S  
FORCE STRUCTURE: SUMMARY**

**April 1997**



**CONGRESSIONAL BUDGET OFFICE**





# **CBO**

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**CONGRESSIONAL BUDGET OFFICE**  
**SECOND AND D STREETS, S.W.**  
**WASHINGTON, D.C. 20515**



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This Congressional Budget Office (CBO) memorandum was prepared as an initial response to a request from the Chairman and Ranking Minority Member of the Subcommittee on Personnel of the Senate Armed Services Committee. It summarizes the results of an ongoing CBO study that looks at the mix of active and reserve-component units in the Army, as well as possible alternative force structures for the Army. The full study will be released later in the year. The summary is being published now to aid the Senate in its debate of the 1998 defense authorization bill.

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## CONTENTS

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CURRENT ARMY FORCES	1
Force Requirements	2
Issues Concerning the Army's Current Force Structure	7
THE ARMY'S PLAN FOR ITS FORCE STRUCTURE	11
ALTERNATIVES TO THE ARMY'S PLAN	13
Alternative I: Increase Reliance on Host-Nation Support and Civilian Contractors	15
Alternative II: Create Additional Support Forces in the Active Army	20
Alternative III: Rely More on Host-Nation Support and Also Create Additional Support Forces in the Active Army	25
Alternative IV: Rely More Heavily on the Reserve Component to Conduct the Second MRC	28
CONCLUSIONS	33
TABLES	
1. Alternatives for Modifying the Army's Force Structure	14
2. Effect of the Army's Plan and Four Alternatives on Deployment Times and Annual Costs	19
3. Effect of the Army's Plan and Four Alternatives on the Number of Deployable Forces	21
FIGURES	
1. Army Force Structure Planned for 1999	4
2. Deployable Army Forces for Two Major Regional Conflicts, Compared with Army Requirements	6
3. Total Army Forces Under the 1999 Structure, the Army's Plan, and Four Alternatives	18





The U.S. Army provides the bulk of the ground forces needed to carry out the nation's defense strategy. That strategy has changed dramatically over the past 10 years—from the Cold War mission of deterring or defeating the forces of the Soviet Union and its allies, to a strategy that emphasizes being able to fight and win major regional conflicts, take part in peacekeeping and humanitarian relief efforts, and help maintain domestic tranquility and civil order. To play its role in carrying out those missions, the Army maintains three separate organizations: the active Army, the Army National Guard, and the Army Reserve.

#### CURRENT ARMY FORCES

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Although reserve (National Guard and Army Reserve) personnel outnumber active-duty soldiers, the bulk of the Army's resources are spent on its active-duty forces. The Army plans to maintain an active-duty force of 495,000 soldiers and reserve forces of at least 575,000 soldiers for the foreseeable future. But the Army's annual budget in 1997 devotes \$38 billion to the pay and operations of active-duty forces and only about \$9 billion to comparable spending for reserve forces.

The difference in funding results in part from the different missions of the active and reserve components. Soldiers on active duty are always available to respond to orders from the Commander in Chief. By contrast, most members of the Army Reserve—who number 215,000 today but will shrink to 208,000 by 1999—

are only part-time federal soldiers and must first be called to active duty by the President before they can be assigned military tasks outside the scope of regular training duty. The National Guard, with 367,000 mostly part-time soldiers, reports during peacetime to the state governors and forms the states' militias mandated in the Constitution. The Guard provides a force that governors can call on to meet domestic emergencies and maintain civil order. During a national crisis, members of the National Guard can be called to federal active duty by the President.

### Force Requirements

The Army employs more than 1 million soldiers in its forces to carry out its assigned tasks as part of U.S. national security strategy. The Clinton Administration has declared that the United States must maintain sufficient forces to fight two regional conflicts—similar in size to Operation Desert Storm—if they broke out nearly simultaneously. Forces that can meet that requirement are likely to be more than adequate, at least in terms of size, to meet the Army's less demanding tasks of conducting peacekeeping operations or responding to domestic emergencies.

Based on a recent analysis of its force requirements, the Total Army Analysis 2003, the Army says it needs 672,000 troops in deployable units to carry out the strategy of fighting two major regional conflicts (MRCs). That number is more than

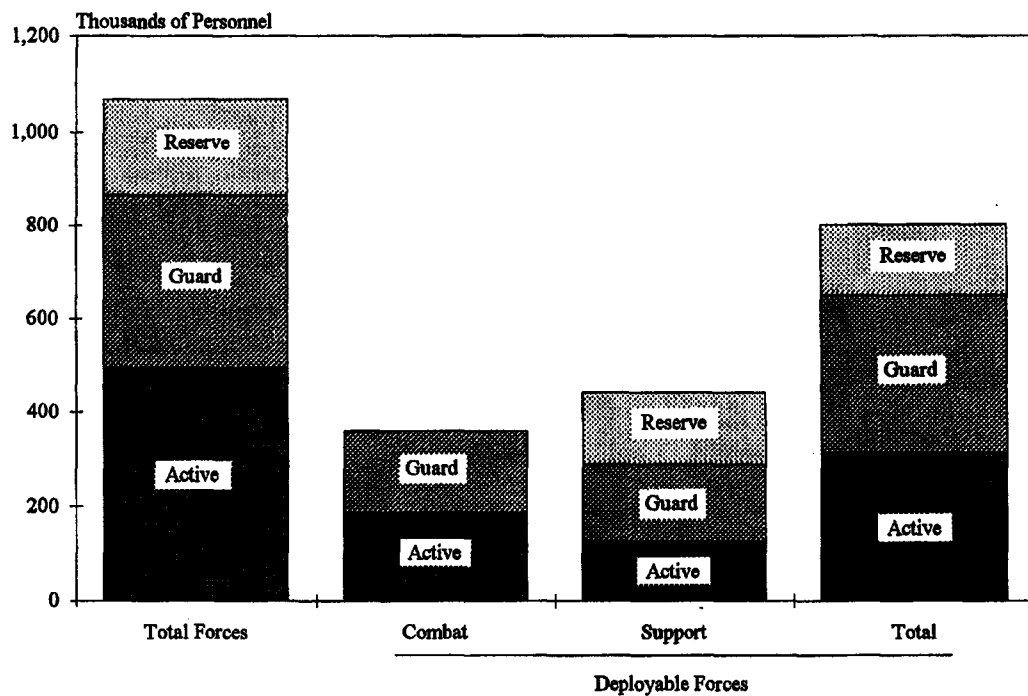
the total active-duty troops in the Army, but significantly less than total Army forces when all reserves are included. However, not all of the soldiers that the Army retains in either its active or reserve forces can be sent overseas to fight in regional conflicts.<sup>1</sup> A significant fraction of those personnel—more than one-third of the active forces and 15 percent of the reserve forces—are assigned to the "institutional" Army; they perform administrative duties, teaching, training, or similar tasks and are not part of units that could be sent overseas. Of course, that still leaves the majority of Army forces (slightly less than 800,000) assigned to deployable combat or support units and thus available to military commanders worldwide to take part in regional conflicts (see Figure 1).

Although the Army has more deployable troops in both the active and reserve components than it says it needs to fight two MRCs, those forces contain too many combat troops and not enough support troops. The Army includes approximately 360,000 combat troops. But based on Department of Defense (DoD) and Army planning assumptions, only about 195,000 of the 672,000 troops needed for two MRCs—or less than a third of the total—would be in combat units. According to Army analysis, the other 477,000 troops would be assigned to units that perform supporting activities, such as providing artillery cover, transporting troops and cargo

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1. As used here, the terms "reserve forces" and "reserve component" include personnel in both the Army national Guard and the Army Reserve.

FIGURE 1. ARMY FORCE STRUCTURE PLANNED FOR 1999



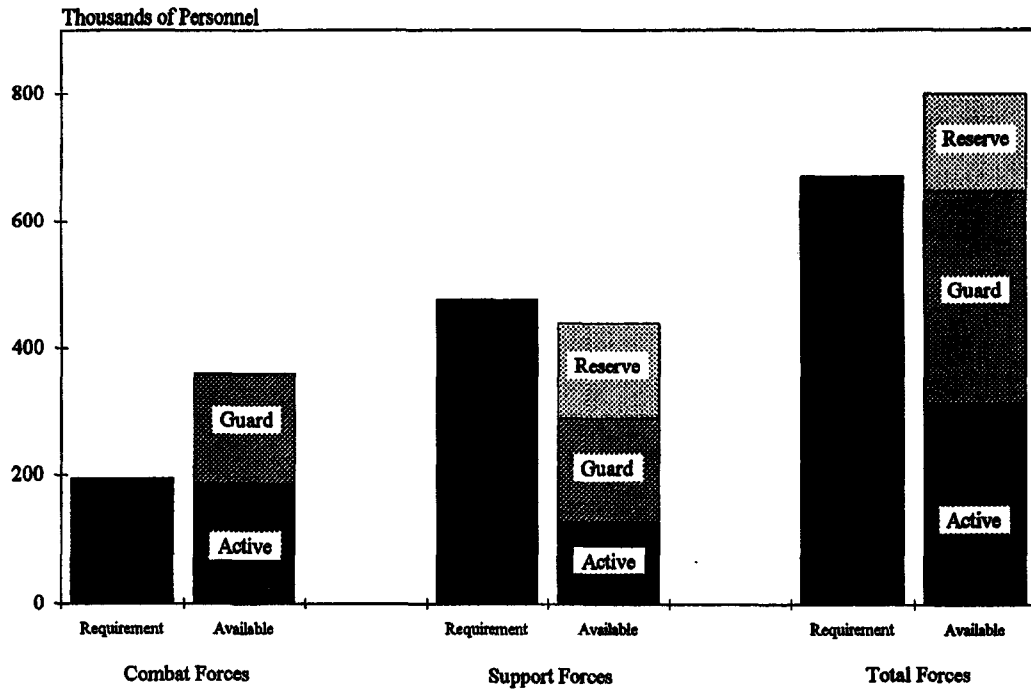
SOURCE: Congressional Budget Office based on Ronald E. Sutor, *Army Active/Reserve Mix: Force Planning for Major Regional Contingencies* (Santa Monica, Calif.: RAND, 1995).

around the battlefield, or providing medical care. That requirement is significantly greater than the number of deployable personnel who are assigned to such support units (see Figure 2).

The Army has set an ambitious schedule for deploying its forces overseas to fight a major regional conflict. A notional timetable based on the Army's Strategic Mobility Plan would require that at least 270,000 Army troops be in the theater of operations no more than 75 days after the start of the conflict. Plans developed by other agencies within the Department of Defense assume that delivering a similar number of troops and their equipment to one MRC could take up to 90 days. One reason for such a tight schedule is that military planners do not believe a future adversary would allow the United States the luxury of 200 days to build up forces in a theater, as was the case during the Persian Gulf War.

A second major conflict would require a similar number of troops to be deployed to another theater. (The two theaters that are usually mentioned when discussing MRCs involving the United States are the Korean Peninsula and the Middle East.) If conflicts were to break out in two areas nearly simultaneously, then deployments to the second theater could begin shortly after the beginning of the first conflict—perhaps within 40 to 45 days—and certainly before all forces were delivered to the first theater. If deliveries to the second conflict adhered to the same schedule as deliveries to the first, the remainder of the 672,000 troops needed to fight

**FIGURE 2. DEPLOYABLE ARMY FORCES FOR TWO MAJOR REGIONAL CONFLICTS, COMPARED WITH ARMY REQUIREMENTS**



SOURCE: Congressional Budget Office based on data from the Department of Defense and Ronald E. Sutor, *Army Active/Reserve Mix: Force Planning for Major Regional Contingencies* (Santa Monica, Calif.: RAND, 1995).

two MRCs would have to deploy overseas within 75 days to 90 days of the outbreak of the second conflict. Put another way, all deliveries to both theaters would have to be completed within 135 days of the start of the first conflict (assuming that the second conflict began 45 days after the first and the buildup within each theater was accomplished within 90 days).

### Issues Concerning the Army's Current Force Structure

Several aspects of the Army's current force structure raise concerns among defense experts. Chief among those is the excess of combat forces. The Army's deployable forces today include almost 360,000 soldiers assigned to combat units, many more than are needed to carry out current war plans (see Figure 2). Slightly more than half are assigned to the active component, and almost all of those have a direct role to play in the two MRCs. But in the Total Army Analysis 2003, only 30,000 of the 175,000 combat forces in the reserves (all of which are in the National Guard) were assumed to fight in either of the two MRCs. They would presumably be used to reinforce the active combat forces sent to a second MRC should one erupt shortly after the first.

The National Guard includes 15 combat brigades that the Administration plans to maintain at a higher level of readiness than other combat forces in the Guard.

Those enhanced readiness brigades (ERBs) are specifically assigned the mission of reinforcing active combat forces in an MRC. In addition to the six ERBs (with 30,000 troops) that are included in the Army's plans to fight two MRCs, the Guard maintains another 35,000 combat troops in its remaining nine enhanced readiness brigades. But the Guard also has 110,000 combat forces (organized into eight divisions) that have no direct role to play in likely contingencies. That fact led the Commission on Roles and Missions to conclude in its 1995 review of U.S. military forces that the Army had 110,000 excess combat troops that were good candidates for conversion to support roles or elimination from the force structure.

The overemphasis on combat troops is partly a legacy of the Cold War (during that time, a large number of ground combat forces was thought to be needed to deter the Soviet Union from attacking U.S. allies in Europe). It also results partly from the perception that combat forces, with their advanced weapons and battlefield role, are more glamorous than support units.

In contrast to the overabundance of combat forces, the Army's recent study has identified a shortage of units to support those combat forces. Specifically, the Total Army Analysis 2003 concluded that the service requires an additional 58,000 support troops to carry out its mission of fighting two MRCs nearly simultaneously.



The Army's need for large numbers of support units leads to huge requirements for transport planes and ships (so-called mobility assets) to move both combat and support forces overseas. In fact, analysis by the Congressional Budget Office (CBO) suggests that moving the Army's equipment to just one major conflict could take more than 250 shiploads. Because the number of ships and planes available to move troops and equipment is limited, the time needed to make multiple trips across oceans can substantially delay the buildup of forces in a theater.

That delay could prevent the Army from meeting its desired deployment schedule. Using relatively optimistic assumptions, CBO estimated how long it would take to transport all of the Army's forces and associated equipment to two conflicts that broke out 45 days apart. Based on that analysis, the U.S. mobility assets proposed for early next century could need about 130 days to get all Army forces to the theater for an initial conflict—40 days more than the 90 days assumed in some DoD plans, and 55 more than the 75-day goal in the Army's Strategic Mobility Plan. The time required to complete deliveries to a second theater could be almost 200 days. Although such delays in building up forces are similar to the ones experienced during the Persian Gulf War, the Army had hoped to speed up its deployments substantially in the future. All told, CBO's analysis suggests that delivering all Army forces to both theaters might take as many as 240 days—significantly longer than the 135 days consistent with a notional DoD schedule.

Another concern with the Army's current structure stems from the fact that the bulk of its support forces are in the reserves. More than 70 percent of the soldiers in Army support units belong to the National Guard or Reserve. Even given the delays involved in transporting all of the Army's forces overseas, it could be difficult to get many of those reserve units ready in time to deploy in support of combat units for a major conflict. For example, the Army's force requirements for a conflict in Korea call for having more than 120,000 reservists in the theater within 110 days of the start of a conflict there, even taking into account transportation delays. By contrast, only about 73,000 reservists from the Army were deployed to the Persian Gulf at any one time during all of Operations Desert Shield and Desert Storm, and it took 200 days to mobilize and transport them there. Indeed, even in peacetime, some types of support units—such as water-supply battalions and prisoner-of-war brigades—are found only in the reserve component. That means reserve personnel have to be activated and deployed overseas to take part even in small operations such as those in Haiti and Bosnia, which involved less than 10 percent of the Army's active-duty troops.

One final concern with the Army's force structure is that it is expensive to maintain and equip. The service's current budget of about \$60 billion a year would be stretched to operate and support all of the Army's forces as well as equip them with the new weapons and materiel they will need in coming decades. Since some defense experts believe that the Army's budget is unlikely to grow appreciably in the

near future—and in fact may shrink when adjusted for inflation—the Army may need to find ways to reduce the cost of maintaining and equipping its forces.

## THE ARMY'S PLAN FOR ITS FORCE STRUCTURE

The Army has proposed relieving its perceived shortage of support troops by converting some combat units in the reserve component to units that perform supporting functions. Specifically, the Army plans to convert 12 combat brigades in the National Guard to support units, thus creating 42,700 new support troops and eliminating all but 15,700 of the perceived shortfall. That reorganization would take more than 10 years to complete and could cost almost \$3 billion based on the Army's preliminary estimates. However, the cost—primarily to buy trucks for the newly created support units—may decrease as the Army continues to evaluate and refine its estimates of equipment needed for those units.

The Army's plan has much to recommend it. By converting some combat units that have no direct role to play in the Army's planned conduct of two MRCs into support units, the plan would accomplish two goals at once: filling a recognized need for support forces and eliminating some redundant combat forces. It would also carry out part of the recommendation made by the Commission on Roles and Missions in 1995. And in making those changes, the Army would avoid cutting its

active combat forces, which some observers believe are barely adequate to carry out the mission assigned to them.

On the other hand, the Army's plan would not address many of the issues that have been raised about its current force structure. Even with the changes, the service would still have many of the same problems carrying out small operations in peacetime or prosecuting two nearly simultaneous MRCs that it has today. And although the Army's plan would reduce the number of excess combat troops, it would not eliminate them entirely. In fact, the Army would retain more than 60,000 combat forces with no direct role in fighting MRCs.

In addition, the bulk of the support forces would remain in the reserve component; indeed, the percentage of total support forces in the reserves would rise slightly after the planned restructuring. Another concern is that the Army's plan does not address the issue of the amount of equipment that would need to be transported overseas for a major regional conflict. Finally, the reorganization plan would cost money in the near term—at a time when the Army's budget is already strained.

## ALTERNATIVES TO THE ARMY'S PLAN

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The Army could take several other approaches to address the shortcomings in its current structure. To reduce the need for lots of support personnel in its ranks and massive amounts of transportation to move equipment to an overseas conflict, the Army could increase its reliance on the host nation—the country for whose defense it was supplying combat troops—to provide logistical support early in a conflict. Alternately, to reduce its reliance on reserve forces in the early stages of a regional conflict or in small peacetime operations, the Army could create more support forces among its active-duty troops. Finally, it could reduce the cost of maintaining its forces in peacetime by cutting the size of the active force and relying more heavily on reserve combat forces to fight in a second major conflict, should one erupt.

CBO constructed four specific alternatives that illustrate how the Army might change if it followed those alternative strategies (see Table 1). Recognizing today's fiscal constraints, none of the alternatives would increase the overall size of the Army or any of its three major parts (active, Guard, or Reserve). Nor would any of the alternatives increase the size of the Army at the expense of the Navy or the Air Force. In addition, CBO focused solely on options that would change the composition of the forces that make up the Army's deployable units. None of the alternatives would reduce the size of the institutional Army, which is composed of forces that are not deployable, to make more forces available to fight in regional conflicts.

TABLE 1. ALTERNATIVES FOR MODIFYING THE ARMY'S FORCE STRUCTURE

	Rely on Host-Nation Support	<u>Change in Number of People in Deployable Units<sup>a</sup></u>			
		<u>Active Component</u>		<u>Reserve Component</u>	
		Combat	Support	Combat	Support
Army's Plan	No	0	0	-42,700	42,700
Alternative I	Yes	0	0	-58,000 (4 divisions)	0
Alternative II	No	-33,000 (2 divisions)	33,000	-15,000 (1 division)	15,000
Alternative III	Yes	-33,000 (2 divisions)	33,000	-58,000 (4 divisions)	-35,000
Alternative IV	Yes	-50,000 (3½ divisions)	0	-58,000 (4 divisions)	0

SOURCE: Congressional Budget Office.

a. From levels planned for 1999.

For options that would reduce the size of the Army's force structure (Alternatives I, III, and IV), CBO estimated the savings that would result both directly and indirectly from those cuts. Direct savings come from avoiding costs to operate and support the deployable forces that would be eliminated. Indirect savings come from reductions in the Army's infrastructure that might be possible because of the cuts in force structure. In other words, indirect savings reflect the potentially reduced need for medical support, training, repair facilities, and other support associated with a smaller Army. As such, they reflect cuts in the number of both Army civilians and nondeployable forces. CBO's estimates of the indirect savings associated with Alternatives I, III, and IV are based on planning factors derived from previous years' budgets and could change in later CBO publications on the Army's force structure.

#### Alternative I: Increase Reliance on Host-Nation Support and Civilian Contractors

The first option would address the Army's need to have support forces in theater early in a conflict—and the requirement for large numbers of ships and planes to get them there—by relying on the receiving country and civilian contractors to provide support for early-arriving U.S. troops. The United States has used that type of assistance in the past. During the Korean War, the Army relied on the services of hundreds of thousands of Korean civilians and Japanese employees. More recently,

the Saudis assisted the Army during the Persian Gulf War by providing petroleum products and trucks to transport them.

Both Saudi Arabia and Korea—commonly considered to be likely theaters for any major conflict involving U.S. forces in the near future—have civilian infrastructures that are more than capable of providing significant amounts of host-nation support, thus eliminating the need to transport tens of thousands of U.S. support troops and their equipment to those theaters. Civilian contractors operating in theater also have the potential to provide services, such as laundry and food, that would otherwise have to be supplied by U.S. soldiers. Civilian contractors provided support services during the Persian Gulf War, are providing them in Bosnia, and are on retainer to the Army to provide such services worldwide. The combined contributions of host-nation support and civilian contractors during two MRCs could potentially replace the support and services provided by 62,000 Army soldiers.

In terms of force structure, Alternative I would eliminate four combat divisions from the Army's reserve component, thus reducing the size of the Guard by about 58,000 personnel (see Table 1 on page 14). It would eliminate another 3,000 Guard members from the institutional Army who indirectly support those divisions. This alternative would also cancel the Army's plan to convert Guard combat units to support units. Instead, it would rely on the ability of host nations and civilian contractors to provide early support in two MRCs. Such support could theoretically

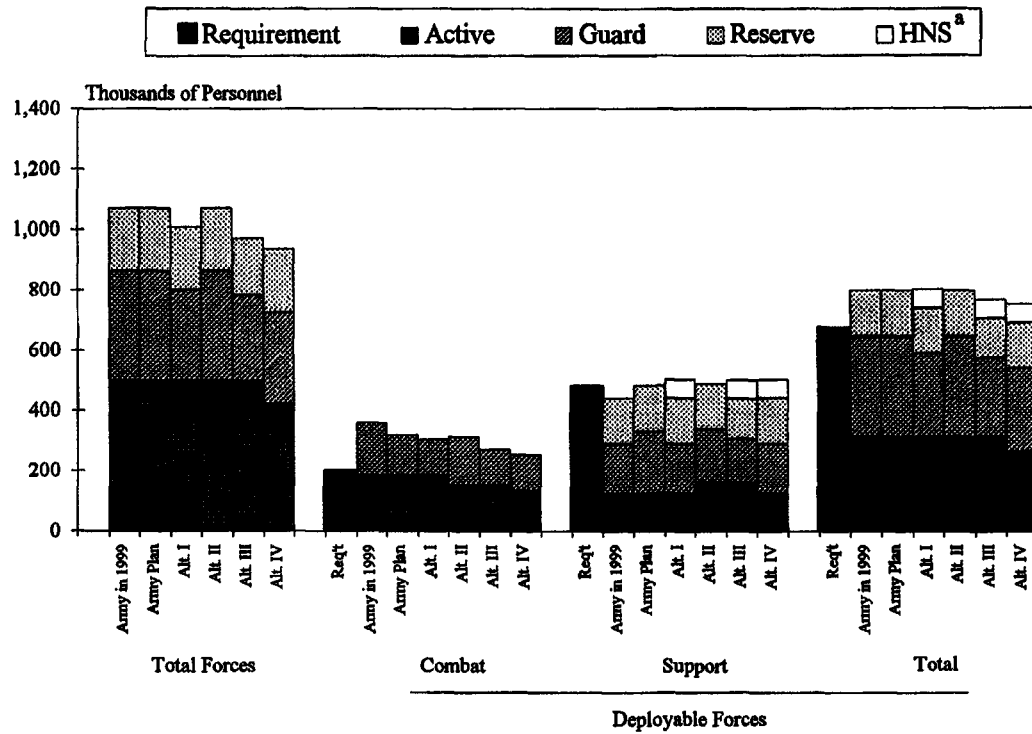


reduce the Army's requirements for support personnel by an equivalent number of soldiers. That would eliminate both the service's perceived shortfall in support troops and the need to reorganize Guard combat units into support units (see Figure 3).

Advantages. Alternative I would have two advantages over the Army's plan. First, by cutting about four divisions from the National Guard and avoiding the costs of reorganizing Guard combat units into support units, the Army could save roughly \$1.4 billion a year once all the divisions had been disbanded—\$800 million in direct costs and \$600 million in indirect costs. Second, this alternative would reduce the amount of equipment to be shipped overseas for two MRCs by more than 10 percent. The reason is that support equipment from the host nation would already be in place, and civilian contractors generally provide services by subcontracting with local suppliers that are also already in the country. Any transportation from the United States that the contractors might need would generally be arranged through the commercial sector. As a result, the Army would be able to get all of its forces in place for each regional conflict 20 to 40 days earlier than under the Army's plan because it would need to transport less equipment overseas (see Table 2).

Disadvantages. Adopting Alternative I would have some disadvantages, although they are roughly the same as those associated with the Army's current force structure. Relying on host nations and civilian contractors to provide support for Army

**FIGURE 3. TOTAL ARMY FORCES UNDER THE 1999 STRUCTURE, THE ARMY'S PLAN, AND FOUR ALTERNATIVES**



SOURCE: Congressional Budget Office

a. Refers to host-nation support and civilian contractors.

TABLE 2. EFFECT OF THE ARMY'S PLAN AND FOUR ALTERNATIVES ON DEPLOYMENT TIMES AND ANNUAL COSTS

	Deployment Time <sup>a</sup>		Average Annual Savings or Costs (-) Compared with the 1999 Structure <sup>b</sup>	
	(Days after start of first conflict)		(In millions of 1997 dollars)	
	First Theater	Second Theater <sup>c</sup>	1998-2010	After 2010
Army in 1999	130	200 <sup>d</sup>	n.a.	n.a.
Army's Plan	130	240	-200 to -400 (-200 to -400)	0 <sup>e</sup> (0)
Alternative I	110	200	1,200 (700)	1,400 (800)
Alternative II	130	240	-200 (-200)	100 (100)
Alternative III	110	200	1,550 (850)	2,150 (1,300)
Alternative IV	110	200	4,750 (2,650)	5,750 (3,200)

SOURCE: Congressional Budget Office.

NOTE: n.a. = not applicable.

- a. Time required to deliver all forces and equipment needed to fight each of the two major regional conflicts.
- b. The top numbers include both direct and indirect savings; the numbers in parentheses are direct savings only. Indirect savings result from reducing the size of the institutional Army (both military and civilian), which provides training, administrative, medical, and other support to the Army's deployable forces.
- c. Assumes that the second conflict starts 45 days after the first.
- d. The Army does not now have all of the forces it needs to fight and support two major regional conflicts. Delivery of the additional 58,000 support forces that the Army says it needs would take approximately 40 more days.
- e. The Army would incur costs of \$200 million a year through 2016 if it spent only \$200 million a year between 1998 and 2010 to carry out its plan.

operations overseas—which the Army would also be forced to do if it had to fight two MRCs now—entails some risks. Army planners cannot always predict where a conflict is going to break out, and the civilian infrastructure may not exist to support operations in some remote locations. Some host nations might be reluctant or unable to provide such assistance, as was the case with Somalia. And even though civilian contractors cost little to retain in peacetime, their services could come at a premium during a conflict, when responsiveness, not cost, is the primary concern. Furthermore, civilian contractors may be unwilling or unable to provide services during some conflicts because of potential exposure to harm, particularly from chemical or biological weapons. For all of those reasons, the Army prefers to keep all the support forces it might need within its own ranks.

#### Alternative II: Create Additional Support Forces in the Active Army

A second option would create additional support structure in the active-duty Army by converting two active divisions with their roughly 33,000 combat forces to support units. It would also create approximately 15,000 additional support forces in the reserves by switching one Guard division to support units. As a result of those changes, the Army's combat forces would comprise eight active divisions and seven Guard divisions (see Table 3).

**TABLE 3. EFFECT OF THE ARMY'S PLAN AND FOUR ALTERNATIVES ON THE NUMBER OF DEPLOYABLE FORCES**

	<u>Combat Divisions</u>		<u>Support Forces</u>	
	Active	National Guard	Active	Reserve Component
Army in 1999	10	8	126,400	313,300
Army's Plan <sup>a</sup>	10	6 <sup>b</sup>	126,400	356,000
Alternative I	10	4	126,400	313,300
Alternative II	8	7	159,400	328,300
Alternative III	8	4	159,400	278,300
Alternative IV	7 <sup>c</sup>	4	126,400	313,300

SOURCE: Congressional Budget Office.

NOTE: The active Army also includes three separate brigades known as armored cavalry regiments. Except where noted in the Army's plan, the Guard also includes 18 separate combat brigades, 15 of which the Administration plans to maintain at enhanced readiness.

- a. Sometime after 2009 when reconfiguration is complete.
- b. Although the Army's plan would retain six divisions in the Guard, it would reduce the number of separate combat brigades from 18 to 12, an additional reduction equivalent to two combat divisions.
- c. Alternative IV would also eliminate one of the Army's three active armored cavalry regiments.

This alternative would take advantage of the long time required to deliver equipment for two MRCs by using that time to train and prepare reserve combat units to deploy overseas to the second theater. CBO's analysis shows that building up the forces necessary to fight two major conflicts nearly simultaneously could take up to 240 days. According to Administration statements, the Guard's ERBs could be ready for combat in 90 days. Alternative II would retain enough active-duty combat forces so the Army could provide 3½ active divisions early in the second MRC to halt an impending invasion. Thus, the Army would need to draw on six Guard combat brigades to make up the full 5½ division complement of combat troops for the second conflict. (A brigade contains roughly one-third of the combat forces included in a division.) The Army should be able to train and deploy six of the 15 ERBs in the National Guard during that 240-day window. Given the availability of a significant number of active-duty combat forces to provide the critical initial response during a second conflict, and the long delays to complete deployments to the second theater, relying on Guard units to fill out the combat forces could be an efficient use of the Army's resources.

Advantages. This alternative would address at least two of the issues raised about the Army's current force structure. It would erase the shortfall in support personnel that the Army has identified (see Figure 3 on page 18). And by creating more support forces in the active Army, it would reduce the service's reliance on the reserves to provide significant amounts of support forces on short notice during the

early stages of an initial MRC. If placed in the appropriate units, the additional active-duty support personnel would also eliminate the need to rely on reserve units during small peacetime operations. Finally, by converting a total of three combat divisions to support units, Alternative II would reduce the amount of excess combat structure in the Army.

Disadvantages. Adopting this alternative would have some disadvantages, however. It would require the National Guard to provide the equivalent of two divisions' worth of combat units (forces that would come from the active Army today) for a second major conflict should one erupt shortly after the first. Some observers would argue that National Guard forces could not be ready to play a combat role on such short notice. In fact, some studies have concluded that readying just one Guard combat brigade for deployment overseas would take more than 90 days. Training all six brigades needed to form the minimum combat force that the Army plans for a second MRC under Alternative II could take at least 159 days, according to a study by RAND. Any delays in calling up the reserves would further lengthen the time before Guard brigades could be available.

This alternative would not provide the same capability for the second MRC as the Army's plan, even if the Guard combat brigades were fully trained when they entered the theater. The reason is that six separate combat brigades—although containing roughly the same number of combat forces as two divisions—do not

provide the same capability as the two divisions they would replace in this alternative. Divisions contain many units besides combat brigades, including those dedicated to providing command and control, artillery, logistics, and aviation support. Those units support and enhance the combat potential of the combat brigades. Thus, although six separate combat brigades from the Guard could be attached to the three active divisions that would be sent to the second conflict under this alternative, the resulting force would not have the same capability as one composed of five full divisions.

Another potential drawback is that adopting Alternative II would make it harder for the Army to provide the same number of combat forces for a second MRC as it would under its own plan. The Total Army Analysis 2003 called for deploying six reinforcing combat brigades for the second conflict in addition to the initial 5½ combat divisions. Preparing a total of 12 combat brigades from the Guard (six to fill out the initial combat force and six for reinforcements) to participate in even the second MRC might be impossible given the relatively short expected duration of such a conflict.

In addition, because Alternative II would not reduce the size of either the active or reserve part of the Army, it would not produce significant savings compared with the Army's plan. In fact, converting combat units to support units would cost an estimated \$400 million per year for more than 10 years. Those costs would be



partially offset, however, because creating additional active support forces would allow the Army to avoid the expense of activating reserves in peacetime to take part in small contingencies. As a result, after 2009 (when the restructuring envisioned in this alternative would be complete), the Army would save only about \$100 million a year compared with its plan (see Table 2).

Alternative III: Rely More on Host-Nation Support  
and Also Create Additional Support Forces in the Active Army

The Army could, of course, adopt both strategies embodied in the two previous alternatives at the same time. The resulting, more ambitious, option would depend on the host nation and civilian contractors to provide support early in a conflict and would create additional support forces in the active Army. By relying on the host nation and civilian contractors, the Army would erase its perceived shortfall in support forces. Thus, it would have no need to convert Guard combat units to support units, as it now plans. Instead, this alternative would cut four Guard divisions from the Army's force structure. It would also create additional active support forces by converting combat units now in the active component to support units (see Table 1). Reconfiguring two active combat divisions would create 33,000 support forces in the active Army. In turn, this alternative would eliminate a similar number of support forces from the reserve component, equally divided between the

Guard and the Reserve. Those changes would leave the Army with 12 combat divisions—eight in the active component and four in the Guard (see Table 3).

Advantages. Alternative III, which would reduce the size of the reserve component significantly, would have several advantages over the Army's plan. It would increase the number of support personnel—both active Army and civilians in theater—that would be available early in a conflict. It would also reduce the amount of materiel that the Army would have to transport overseas to conduct a major conflict. Thus, the Army could have all of the forces it needed in the theater about 20 to 40 days sooner than under the Army's plan (see Table 2). Finally, even though this alternative would incur costs associated with reconfiguring combat units to support units, it could still save the Army more than \$1.5 billion a year in the near term, with about \$850 million coming directly from savings associated with a smaller reserve force, and the rest coming from indirect savings. After 2010, savings could total \$2.2 billion a year—about \$1.3 billion in direct savings and \$850 in indirect savings—by retaining a reserve component that was roughly 20 percent smaller than the one planned for 1999.

Disadvantages. Adopting Alternative III would entail some risk, however. It would mean that the Army would not have enough forces in its own ranks to support two MRCs nearly simultaneously. Instead, the Army would have to rely on the host

nation and civilian contractors, and no guarantee exists that such support would be available in the event of a conflict.

A greater risk, however, might be associated with cutting the size of active combat forces and relying on reserve combat units to augment them in the case of a second conflict. Like the previous option, Alternative III would require the Guard to deploy at least six brigades to the second theater. As noted above, those brigades would have less capability than the two full active divisions they were replacing, and their lack of associated divisional support structure might make them less effective in combat.

Having to train and prepare six Guard combat brigades for deployment to the second MRC might extend the time required to assemble all of the necessary forces in that theater. The time available for readying and transporting those six brigades would already be slightly shorter than under Alternative II—200 days rather than 240 days—because the contributions of in-country support would reduce the need to deliver U.S. equipment to that theater (see Table 2). Thus, all six Guard brigades might not be ready to deploy in time to arrive in theater with the rest of the forces. (In order to arrive in 200 days, those brigades would have to be ready to deploy in about 180 days to allow enough travel time.) Training and deploying an additional six combat brigades from the Guard to act as reinforcements would take even more time. Delays in preparing reserve units for combat could in turn cause delays in

amassing enough forces in the theater to conduct military operations such as counterattacks. Alternatively, it might cause the rushing of unprepared brigades into the theater and, possibly, into combat.

**Alternative IV: Rely More Heavily on the Reserve Component  
to Conduct the Second MRC**

A final option would put more reliance on the Army's reserve component to fight a second major regional conflict. That approach might be appealing if planners considered the outbreak of a second conflict in the midst of a first to be possible but not very likely. If such a conflict did occur, this alternative would depend on a small number of active combat units to deploy to the second theater and stabilize the combat situation in order to give reserve units time to train and prepare for combat.

Alternative IV would cut the number of combat forces in the Army and rely on outside sources to provide some support during MRCs. Specifically, consistent with the recommendation of the Commission on Roles and Missions to reduce the number of excess combat forces in the Army, it would eliminate almost 110,000 excess combat troops in the form of 3½ active divisions and four Guard divisions (see Table 1 on page 14). No new support forces would be created in either

component, so this option would, like Alternatives I and III, rely on host nations and civilian contractors to provide some logistical support for both MRCs.

Adopting this alternative would still leave the Army with more than enough combat forces to fight two MRCs nearly simultaneously. Today, the Army fields the equivalent of 25 combat divisions in its active and reserve components combined. That is more than twice as many combat troops as it considers necessary to conduct two MRCs at once (each one is assumed to require 5½ divisions). After making the cuts in Alternative IV, the Army would still have the equivalent of almost 18 divisions—or more than 56,000 combat troops above and beyond the 195,000 it says it plans to deploy overseas for two major regional conflicts (see Figure 3).

This alternative would require the Army to train and prepare a significant number of the Guard's enhanced readiness brigades for combat in a relatively short time. Specifically, the Guard would have to deploy 10 of its 15 ERBs—or the equivalent of 3½ combat divisions—overseas within 200 days in order not to delay the buildup of forces in the second theater. The Army does have a strategy for preparing 10 Guard combat brigades to deploy in 160 days or less; indeed, according to its plan, five of them could be ready in 90 days. If the Army can meet the schedules it has laid out, those brigades should be able to play a significant role in a second MRC.

Advantages. The biggest advantage of Alternative IV would be the substantial savings—about \$5.8 billion a year once all of the changes had been made—in the cost to operate and support the Army. Approximately \$3.2 billion of those savings would come directly from eliminating 3½ divisions from the active Army and four divisions from the Guard. The other \$2.6 billion would be realized indirectly by reducing the size of the institutional Army. Although an orderly drawdown could take several years to complete, thus delaying the Army's realization of the full savings associated with this alternative, annual savings in the near term would still be substantial (see Table 2 on page 19).

Most of the savings from this alternative—more than \$4 billion a year when fully implemented—would result from reducing the size of the active combat force and relying on Guard combat units for help in fighting the second MRC. The rest would come from cutting the size of the Guard and depending on host nations and civilian contractors to provide support.

Host-nation support could reduce the amount of equipment the Army would need to ship overseas for the MRCs, thus shortening the time required to assemble all forces in the theaters. Even so, CBO's analysis suggests that delivering all of the Army's equipment to separate theaters for two nearly simultaneous conflicts could take at least 200 days (see Table 2). The Army could use that delay to ready reserve units for combat.

**Disadvantages.** The biggest disadvantage of adopting Alternative IV would be the increased risk associated with relying heavily on reserve units to conduct major regional conflicts. As in its own plan, the Army would need to use large numbers of support forces from the reserves to fight just one MRC. Perhaps of more concern, though, would be the Army's heavy reliance on the reserve component for combat forces for a second conflict. Although the Army would retain two active combat divisions that could deploy to a second MRC, an additional 3½ divisions would have to come from the reserves. The Army has made provisions to train and ready 10 Guard brigades in less than 160 days, but those plans are not its preferred strategy. They would mean training more than one brigade at some training sites, would require resources that some analysts doubt are available, and would produce two brigades that would be prepared for rear-area security but not frontline combat. Furthermore, any delays in calling up the reserves would make it difficult, if not impossible, to have 10 fully trained combat brigades from the Guard in the second theater within 200 days.

As with Alternatives II and III, this option—which would substitute three Guard brigades for each active division it eliminated—would reduce the overall combat capability provided to the second conflict. That effect would probably be greater with this alternative, however, because it would eliminate one more active Army division than the others would. Furthermore, Alternative IV would require the two active divisions and the corps organization assigned to the second MRC to

support and control a total of 10 separate brigades from the National Guard. That task could be significantly harder than the one assumed in the two previous alternatives: having three active divisions and a corps controlling and supporting only six Guard brigades.

Another disadvantage of Alternative IV is that it would leave the Army with a smaller pool of Guard combat forces to act as reinforcements for a second MRC than the Army's plan would. Only five ERBs from the Guard would be available to reinforce the 5½ divisions sent to a second conflict, compared with six under the Army's plan. (The Total Army Analysis 2003 assumed that the service would not send nine of the Guard's enhanced brigades to either conflict.) Furthermore, those last five ERBs might not be available for combat until 270 days after the start of the first MRC. Thus, this option might both reduce the number of brigades readily available to reinforce U.S. troops in a second conflict and delay their arrival. Although that might not significantly affect the conduct of the second conflict, it is a risk associated with placing more reliance on Guard combat units.



## CONCLUSIONS

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The Army, like the rest of DoD, is facing a serious dilemma in the next decade. It wants to maintain a large number of ready and well-equipped forces so it can fight two wars similar in size to Operation Desert Storm nearly simultaneously without relying heavily on allies or civilian support. However, the funds to pay for and equip the forces that the Army would like to keep are becoming increasingly hard to come by.

The Army plans to retain all of the forces it needs to conduct two major regional conflicts, relying primarily on the active component for combat forces and the reserve component for support forces. It would also keep additional combat forces in the National Guard, which have no clear role in those conflicts, to act as a strategic hedge and to provide troops to the states in event of domestic emergencies.

Alternatives to the Army's plan that would generally entail increased risk in prosecuting the second (and perhaps less likely) conflict could save the Army money, provide more support forces earlier for the first conflict, or both. Creating more active support forces at the expense of active combat forces, as illustrated by Alternative II, would give the Army the most support personnel who would be available during peacetime and would be ready to deploy early in a major conflict. But that approach would save very little money from the Army's plan, and it could even cost more than the current force structure in the short term.

A riskier approach, illustrated by Alternative IV, would reduce the number of active-duty troops in the Army. Instead, it would rely somewhat on U.S. allies and very heavily on reserve forces to fight a second conflict. That approach would save the Army significant amounts of money—almost \$5.8 billion a year compared with the Army's plan. It would also maintain combat forces in the National Guard that, although not as ready as those of the active Army, could be prepared within several months to defend U.S. interests.

Less radical approaches, represented by Alternatives I and III, would save less money (\$1.4 billion to \$2.2 billion a year when fully carried out) and entail varying degrees of risk. However, all of the alternatives represent viable choices that differ from the Army's risk-averse but potentially unaffordable plan.