



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

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NATIONAL SECURITY AND  
INTERNATIONAL AFFAIRS DIVISION

JUN 06 1984

The Honorable Sam Nunn  
United States Senate



Dear Senator Nunn:

Your April 18, 1984, letter requested us to comment on the Department of Defense's response to a series of questions proposed by Senator Tower and supplemented by you. The questions were designed to determine the state of overall war-fighting capability of the military services today, compared to 1980. On May 15, 1984, you provided us a copy of Defense's response to these questions. Our comments are provided in enclosure I. We did not verify the information provided by Defense because of the limited time available.

Generally, it appears that Defense provided substantial information to the Senate Armed Services Committee for use in evaluating changes which have occurred in the functional areas of force structure, modernization, readiness, and sustainability. Defense concludes that the information presented in response to these questions is "incontrovertible" evidence that U.S. forces have improved substantially since 1980.

Defense's conclusion is primarily based on progress in the force structure and modernization areas and personnel readiness. Defense states that the acquisition of new and sophisticated equipment, such as tanks, aircraft, and ships have enhanced the services' overall capability in the areas of force structure and modernization. Moreover, Defense believes the attainment of recruiting goals, higher test scores and educational levels of new recruits, and increased reenlistment rates of career personnel have contributed to improved readiness.

Based on our analysis, we believe the information provided by Defense points to an imbalance among the four functional areas which comprise military capability. Progress made in the force structure, modernization, and personnel readiness areas is not matched by progress in other readiness areas--namely, equipment condition and equipment/supplies on hand--and in sustainability.

Unit Status Report statistics, show that between December 1980 and March 1984, unit readiness decreased in two of the four services when comparing the number of active units reporting C-4

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(not combat ready) or C-3 (marginally combat ready) over this period. In the Army, the primary reason that the number of units reported as "fully" or "substantially" ready declined and the number of units "marginally" ready increased, is due to equipment shortages. Defense states that this is the result of requirements for equipment increasing before the equipment has been delivered. This is reported to be a temporary situation created by modernization which according to Defense will improve as new equipment is delivered.

The number of Air Force tactical units rated as "fully" or "substantially" ready also decreased as the number rated as "marginally" ready increased. Defense attributed the decline to a combination of factors. First, withdrawal of spare parts from war reserves increased, and secondly, the Air Force implemented a more realistic criteria to measure equipment and supplies on-hand. Previous GAO work has shown that withdrawals from war reserves increased because the Air Force could not support an increase in tactical flying hours with peacetime operating stocks.

Regarding sustainability, information provided by Defense shows serious shortfalls in most categories. Inventories of munitions and war reserve stocks are substantially below requirements. Although funding for sustainability increased in fiscal years 1982 - 1984, Defense states that little improvement is evident because there is a lag time of 18 to 36 months from the time funds are appropriated until the items are delivered. However, projections by Defense show that stocks will not improve significantly until the late 1980s.

In summary, Defense presented information showing progress has been made in the force structure and modernization areas, and in personnel readiness. However, improvement in these areas can be offset by deficiencies in other areas. In our view, continuing readiness and sustainability problems should not be overlooked by the Congress in evaluating our military capability and future defense budget requests.

We hope our comments are useful in your assessment of changes in military capability since 1980.

Sincerely yours,



Frank C. Conahan  
Director

Enclosure

EVALUATION OF DEFENSE'S RESPONSE

AREA/QUESTIONS	Pg <sup>1</sup>	EVALUATION
<u>Force Structure</u>		
1. Compare, by Service and defensewide, programmed manpower structure with manning levels achieved in December 1980 vice fiscal year 1984 projected levels.	11	<p>Despite the fact that the Congress did not authorize the end-strengths requested in the President's FY 1984 budget, the active structure in the aggregate is growing at a faster rate than the staffing plans to fill it. In FY 1985, 25,400 billets in the Navy are not planned for staffing due to reduced levels of programmed manning. This raises questions about Navy's ability to staff its programmed structure, such as the new ships it intends to bring on line.</p> <p>Also, the Defense data, while showing improved active aggregate staffing trends, does not show the still existing critical shortages in certain military occupations or the imbalances (overages) which have accrued over the last few years; particularly, in the Army where, although the number of understrength MOSS declined from 133 in FY 1981 to 91, in FY 1983 the number of overstrength MOSS climbed from 88 to 128 during that same period.</p>
2. Compare, by Service and defensewide, actual manning in pay grades E-5 through E-9 with authorized manning in those pay grades in December 1980, at the end of FY 81, FY 82, FY 83, and projected for the end of FY 84. Specify particular Administration or Congressional actions which have contributed to improved manning levels.	15	<p>Defense cites a dramatic increase in career content of the force and in manning of the top five pay grades as a significant improvement. The aggregate data presented by Defense mask the imbalances, both within the services and between them. For example, at the end of FY 1982, the Army had 24,336 more soldiers, with more than 3 years of service, than is called for in its objective force.</p>

<sup>1</sup>Page reference to Defense's response.

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(Question 2 continued.)		The bulk of this excess of careerists were allowed to reenlist into the career force since 1980 and was, Defense claims, the product of the improved pay and benefits package approved by the Congress.
3. What were the Service and defensewide recruiting goals (total, non-prior service high school graduates, mental categories) in FY 81, FY 82, FY 83, and FY 84? Explain (by year) the results of the Services' effort to achieve such goals.	19	We have the following comment for questions 3, 4, and 5.
4. By Service and defensewide, compare the quality of recruits in December 1980, end of FY 81, FY 82, FY 83, and projected for the end of FY 84 in terms of numbers of high school graduates and in terms of mental category ratings.	19	The success Defense has had over the past 2 to 3 years in recruiting and retaining high quality people has contributed to improved readiness, however, with an improving economy coupled with the declining size of the youth population, Defense may have difficulty in the future in sustaining their current high quality manpower profile.
5. In terms of the above categories, how did the recruits in December 1980 compare to the youth population in general at that time? At the end of the FY 81? FY 82? FY 83? What are the projections for the end of FY 84?	26	

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6. What were first-term reenlistment rates compared to reenlistment goals for personnel in mental categories I, II, and III in December 1980 at the end of FY 81, FY 82, FY 83, and projected for the end of fiscal year 1984?	28	We concur with Defense that military pay and benefits must remain competitive with the private sector. An ongoing GAO study has disclosed that while military pay lagged civilian pay for persons in nine Navy enlisted ratings separated in FY 1980, it equaled civilian pay for those separated in FY 1981, and exceeded civilian pay for those separated in FY 1982. Should the economy improve further and jobs for high school youth become more plentiful, it may be necessary to pay even more than is currently being paid over the private sector in order to attract the numbers of recruits needed.
7. What were the second-term and career reenlistment rates compared to goals in December 1980, end of FY 81, FY 82, FY 83, and projected for the end of FY 84?	28	
8. What is the experience of each of the Services with drug abuse and other disciplinary problems (i.e., unauthorized absence, desertion, courts martial, etc.) comparing December 1980 through projections for the end of FY 84? Cite specific areas of improvement in maintaining military discipline (i.e., more effective enforcement of law and regulations, fewer instances of "repeat offences", etc.).	31	No comment.
9. What overall trends in the manpower area have emerged between December 1980 and projections for the end of FY 84? Rank in order of importance all actions taken by the Administration or by Congress which resulted in success or failure in meeting the goals set in this area..	36	No comment.

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<u>Force Modernization</u>		
<p>1. For each Service, compare inventory objectives to on-hand inventories of principal end items (i.e., artillery, aircraft, tracked and wheeled vehicles, surface ships, submarines, etc.) in December 1980, at the end of FY 81, FY 82, FY 83, and projected for the end of FY 84. What percent of objectives has been achieved during the period? Where have the objectives themselves changed and why? What shortages in inventories which existed in December 1980 have been met or are projected to be alleviated by the end FY 84?</p>	38	<p>Our overall comment to questions 1 and 2 is that the answers do not reflect requirements for these new systems or provide any insight into how significant FY 1980-84 buys are, in terms of satisfying total requirements.</p>
<p>2. What specific items of major equipment (i.e., M-1 tanks, F-15s, F-16s, nuclear-powered aircraft carriers and submarines, etc.) were being operated by each Service in December 1980? At the end of FY 81? FY 82? FY 83? Projected for the end of FY 84? What equipment has been delivered to inventories to replace retired equipment? Explain all improvements in operational capability which have been or will be provided by such new equipment (i.e., compare the operational quality of old equipment to that of new equipment). What additional equipment has been funded but has not yet been delivered? When will this additional equipment be delivered? What other equipment will be retired as a result of delivery of the additional equipment?</p>	44	

<sup>1</sup>Page reference to Defense's response.

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AREA/QUESTIONS	Pg <sup>1</sup>	EVALUATION
<p>3. In each Service, how were UNITREP ratings specifically affected by retirement of older equipment and delivery of new equipment? How has war-fighting capability been affected by these equipment changes? Provide specific information for each benchmark--December 1980, end of FY 81, end of FY 82, end of FY 83, and projected for the end of FY 84 and beyond, listing improvements which are the result of Reagan Administration defense funding increases.</p>	64	[See Trends Section question 3.]
<p>4. In what specific programs has the pace of modernization increased since December 1980? For each Service, compare planned acquisition of new weapon systems (i.e., M-1 tanks to replace M-60 tanks, B-1 aircraft to replace B-52s, etc.) in December 1980 to current plans projected to the end of 1984. Will there be greater numbers of more capable, new weapon systems in inventories by the end of FY 84 as a result of Administration decisions, compared to the number of modern weapon systems which would have been in the inventories under the December 1980 plan? Provide specific information for all major weapon systems and explain in detail Administration actions which have resulted in increased modernization.</p>	65	No comment.

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<u>Readiness</u>		
1. Define the criteria used in establishing mission capable rates and fully mission capable rates for all major categories (i.e., aircraft, surface ships, tanks, missile systems, etc.)	68	No comment.
2. Define the objectives for mission capable and fully mission capable rates by major weapon system (i.e., M-1 tanks, F-15 aircraft, etc.) for each Service beginning at December 1980 and projecting to the end of FY 84, FY 86, FY 88, and FY 90.	69	No comment.
3. Compare mission capable rates by Service for each major category (i.e., tanks, aircraft, missile systems, surface ships, etc.) in December 1980, end of FY 81, FY 82, FY 83, and projected for the end of FY 84. What trends can be identified? Have mission capable rates increased or decreased and what Administration or Congressional actions have contributed to any increase or decrease? Are objectives for mission capable rates being met in a greater number of areas now than in December 1980? If so, why? And, if not, why not? Are failures to meet objectives in a particular area the result of budgetary restraints? What other factors contributed to achieving or failing to achieve goals in this area?	70	<p>Defense's statement regarding reported Navy aircraft MC rates is correct. However, a 1983 GAO report pointed out that due to errors in the input data from which MC rates were derived and problems with Navy guidance for developing these rates, the actual rates were lower than reported--perhaps significantly so. Regarding the latter point, current Navy guidance allow aircraft to be reported as MC although the aircraft</p> <p>--cannot perform the primary warfare roles for which they were designed and procured; and</p> <p>--have been equipped for certain systems the Navy deems mission essential, but are missing the systems.</p> <p>In addition, Navy guidance allows quadrons to remove certain aircraft, such as those awaiting depot repair, from the mission capability computation base.</p>

<sup>1</sup>Page reference to Defense's response.



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(Question 3 continued.)		The Navy's response was that its guidance for computing MC rates is more than adequate, although it did agree to correct the second point. The Navy maintains that MC rates are accurate.
4. What was the average number of training days/flying hours/steaming days in December 1980? At the end of FY 81? FY 82? FY 83? What is that average projected to be at the end of FY 84? Will our military forces be training more or less at the end of FY 84 than in December 1980? Explain why training has increased or decreased during the period.	72	No comment.
5. Do current training methods provide more or less realistic training in 1984 than in 1980 (i.e., are flight simulators more or less realistic now than in 1980)? If so, what Administration or Congressional actions have contributed to this improvement?	74	No comment.
6. Provide specific information by Service comparing maintenance trends (i.e., ship overhaul backlog, depot maintenance backlog, real property maintenance, etc.) in December 1980, end of FY 81, FY 82, FY 83, and projected in FY 84. Do these types of ratings indicate improvement or decline in this facet of readiness? What specific Administration or Congressional actions have affected this improvement or decline?	77	No comment.

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7. What effect do improvements or declines in maintenance ratings have on training/flying/steaming hours and related training?	79	No comment.
8. As new equipment is delivered into the inventory, what is the effect on maintenance schedules and costs? Is newer equipment easier to maintain? Is new equipment cheaper to maintain? Cite specific examples from each Service of improved maintainability of new equipment compared to the equipment it replaced.	80	No comment.
9. What is the difference between a "financial" maintenance backlog and an "operational" maintenance backlog? In discussing maintenance backlogs, indicate what portion of the backlog is related to financial constraints, and what portion is related to operational constraints.	81	No comment.
<u>Sustainability</u>		
1. In each Service, what were the sustainability objectives for war reserve stocks (i.e., number of days of supply of munitions, fuzes, guidance kits, etc.) in December 1980, at the end of FY 81, FY 82, FY 83, and projected for the end of FY 84? What changes in U.S. military commitment have caused a change in these objectives? Are objectives currently based on realistic assumptions of foreseeable	82	Charts reflect percentage of procurement objective but do not reflect total requirements.

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requirements in the event of war? Were the assumptions underlying the objectives realistic in 1980 and if not, why not?		
2. What percent of war reserve sustainability objectives were being met in December 1980, at the end of FY 81, FY 82, FY 83, and projected to the end of FY 84? What Administration or Congressional actions have contributed to improvement or decline in meeting objectives? What other specific factors (i.e., increased training needs, replacement of outdated munitions to support modern systems, etc.) have contributed to improvement or decline in meeting objectives?	83	We review the annual ammunition appropriation request for the House Committees on Appropriations and Armed Services annually. We routinely recommend reductions in the services' requests because 1) requests are not adequately justified, 2) planned procurement would result in an inventory which exceeds requirements; 3) development problems have not be resolved; and 4) previously funded program quantities remain undelivered, etc. The Congress often accepts our recommendations and reduces budget requests in such instances. Such cuts do not have the impact suggested by Defense in its statement "Budget requests for ammunition have been reduces substantially in recent years, materially affecting war reserves, training, and production base."
3. Compare by Service, stocks of secondary items (i.e., spare parts, support equipment, personal support items, etc.) on hand in December 1980, at the end of FY 81, FY 82, FY 83, and projected for the end of FY 84. What were the stock objectives for these items in December 1980? in FY 81? in FY 82? in FY 83? projected for FY 84? What percent of requirements is being met now compared to December 1980? What Administration or Congressional initiatives or actions may have	88	Charts show increased funding and progress towards attaining interim objectives. They do not show the total requirement nor do they address the problem of imbalances within and between supply classes of war reserve materiel.

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<p>affected an increase or decrease in percent of requirements being met? What specific changes in requirements have been made since December 1980 and why? Are current objectives more or less realistic than in 1980? Provide specific data to support responses.</p> <p><u>Trends</u></p> <p>DOD consolidated their responses to a number of questions related to trends. Thus, this section comments on the questions in the same manner that DOD responded.</p>		
<p>1. Show the changes that have occurred in the overall C-ratings and the C-ratings in each of the four reporting categories reported under the UNITREP system for major unit types in each of the military services since December 1980.</p>	95	<p>While Defense's reply stresses that C-3 units should be considered combat ready, it is important to realize that such forces are only marginally ready, by definition, and have major deficiencies that should be corrected in order to provide them the capability to function in combat as they were organized to do.</p>
<p>2. Are the C-ratings reported under the UNITREP system a measure of readiness? How is the information reported under UNITREP used within DOD? Do the criteria for assigning C-ratings differ by military service? In what ways? How have the criteria for assigning C-ratings changed in each of the military services since 1980?</p>	98	<p>Some aspects of UNITREP address factors of sustainability; however, as stated on pg. 96 of Defense's response "UNITREP is by far the most comprehensive system currently being used for measuring unit readiness." In fact, it is the only system used by all services to report unit readiness.</p> <p>However, several important factors inherently reduce the scope and thus the comprehensiveness of the readiness status information generated through UNITREP.</p>

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(Question 2 continued.)		<p>First, UNITREP reports only on "readiness," which is just one of the four key components, or "pillars," used by Defense to judge military capability.</p> <p>Second, only combat, combat support, and service-selected combat service support units report readiness information under UNITREP. These units account for about 50 percent of the active force, while approximately 50 percent of the force is assigned to other unit types, such as unit/organizations involved in training, supply, maintenance, and other support functions needed during mobilization and wartime.</p> <p>Third, UNITREP reports only on certain selected resources controlled by or organic to the reporting unit. Important resources required to deploy a unit to a theater of operations and employ that unit in combat are not covered in C-ratings. For example, the availability of strategic transportation lift assets and consumables, such as fuel and ammunition needed to support operations, is not addressed.</p> <p>Fourth, the UNITREP system generally does not attempt to rate units against the requirements of specific operational plans or within mission areas (the Navy is an exception here).</p>

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<p>3. What are the criteria used to reassess objectives to measure readiness? Are objectives more realistic now than in December 1980? Cite specific examples of objectives which have been changed and explain using specific data (i.e., changes in threat assessment, changes in consumption rates, greater military commitment, etc.) why any changes have been made.</p>	101	<p>Defense's response states "...changes in definitions and support standards have provided a more realistic way of reporting readiness but have had no impact on actual capability." Examples cited involve Air Force changes that (1) put more weight on those critical spares that have a major impact on sortie generation capability and (2) include more realistic standards for spare engines in determining equipment on-hand ratings.</p> <p>These were two good changes which, when implemented, reduced C-ratings. The existing capability of the reporting unit (before and after) was the same. The reduced C-ratings, however, provide a better picture of the units' readiness which, before the changes, had, in effect, been overstated.</p> <p>As explained in this section, the Army's modified tables of organization and equipment (MTOE) outlines how a unit should be organized, manned, and equipped to meet wartime requirements. It identifies the highest priority items of equipment and the quantities that are needed for a unit to perform its wartime mission.</p> <p>This section then argues that, although the new MTOEs require a significant number of new ancillary equipment to support major end items and provide a more effective organization, the non-availability of these items (for up to 28 months in the example cited) causes only an "apparent" drop in readiness, while capability may have increased.</p>

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(Question 3 continued.)	111	<p>Readiness as defined on pg. 1 of Defense's response, is "the ability of forces, <u>units</u> (underscoring added), weapon systems, or equipment to deliver the outputs for which they were designed." The MTOE is supposed to reflect the things--equipment, people, etc.,--required for the unit to perform as designed. It seems apparent that, if a significant number of these things are not available, then the unit cannot perform as designed, thus, readiness is reduced. Each of the examples cited regarding Army units, in reality, supports the fact that readiness was reduced.</p> <p>Currently, the Army has no system to measure a units' capability.</p> <p>The basic premise stated here for the Air Force (as was done earlier for the Army section) is that an action such as the introduction of a new end item may</p> <ul style="list-style-type: none"> <li>--reduce readiness (decrease the ability of a unit to deliver the output for which it was designed or organized) and</li> <li>--reduce sustainability (decrease the "staying power" of the unit).</li> </ul> <p>Yet, at the same time, according to Defense, military capability (the ability to achieve a specified wartime objective) is not adversely impacted--in fact, it may be enhanced. It seems that at some point, reduced readiness and sustainability must impact capability. Defense should provide some insight as when this occurs.</p>

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<p>4. Can the combat capability of a military unit be quantified in some fashion? If so, list the criteria used to assess combat capability. Is there currently any measure of the increase in combat capability that has occurred since December 1980? What are the most accurate indicators used to measure military capability? Are these measures reflected in the standard UNITREP ratings?</p>	117	<p>Defense's answer is correct but the following information elaborates upon their response.</p> <p>According to <u>JCS Memorandum of Policy (MOP) 172</u>, reporting on the military capability of U.S. Armed Forces is accomplished through two reports--the <u>Commander's Situation Report (SITREP)</u> and the combat readiness status portion of <u>UNITREP</u>. MOP 172 further provides that military capability be reported on in terms of its sub-elements or "pillars." While UNITREP addresses only the readiness sub-element of military capability, the SITREPs address all four sub-elements and are submitted by the commanders of the unified and specified commands. They provide the capability of their commands to meet the requirements of plans approved by JCS. Additionally, commanders assess their forces' abilities to initiate and sustain operation plan execution. SITREPs are submitted annually and updated on a semiannual basis. The SITREPs, along with input from the services, the Defense Logistics Agency, and the Joint Deployment Agency form the bases for the annual <u>JCS Capability Report</u> to the Secretary of Defense on U.S. general purpose forces.</p>
<p>5. What specific management studies and initiatives have been undertaken to improve "readiness reporting" to reflect more accurately a realistic assessment of the ability to wage and win a war?</p>	118	No comment.

<sup>1</sup>Page reference to Defense's response.



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6. Are American military forces more or less capable now to successfully wage a conventional war with the Warsaw Pact over a prolonged period than in December 1980? Please cite specific areas where warfighting capability has improved substantially from December 1980 to 1984. Will this trend continue into the future given the current funding levels and programs requested in the Administration's Five-Year Defense Plan?	120	No comment.

<sup>1</sup>Page reference to Defense's response.