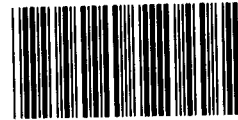


June 1992

# TROOP REDUCTIONS

## Lessons Learned From Army's Approach to Inactivating the 9th Division



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United States  
General Accounting Office  
Washington, D.C. 20548

National Security and  
International Affairs Division

B-247235

June 9, 1992

The Honorable Richard B. Cheney  
The Secretary of Defense

Dear Mr. Secretary:

This report addresses the personnel and equipment practices used in one of the Army's recent downsizing efforts—the inactivation of the 9th Infantry Division at Fort Lewis, Washington, and the activation of a separate brigade from division assets. The purpose of this effort was to determine if the practices used there had implications in future downsizing/restructuring efforts. This report contains conclusions, however, it makes no recommendations.

We are sending copies of this report to the Secretary of the Army; the Director, Office of Management and Budget; and other interested parties. Copies will also be made available to others on request. Please contact me on (202) 275-3990 if you or your staff have any questions concerning this report. The major contributors to this report are listed in appendix III.

Sincerely yours,

A handwritten signature in cursive script that reads "Paul L. Jones".

Paul L. Jones  
Director  
Defense Force Management Issues

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# Executive Summary

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## Purpose

Budgetary constraints and changing international conditions have caused the Congress and the executive branch to seek ways to reduce U.S. troop strength. GAO studied one of the Army's downsizing efforts—inactivation of the 9th Infantry Division at Fort Lewis, Washington, and activation of a separate brigade from division units—to determine if personnel and equipment practices used there had implications for future efforts.

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## Background

The Army gave the division considerable discretion in managing the downsizing. The division commander chose an approach that included two key personnel goals: (1) maintaining readiness for as long as practical and (2) minimizing relocation hardships for soldiers and their families. Units also were allowed to relocate equipment without doing all the maintenance and repairs normally required by Army regulations.

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## Results in Brief

The division's emphasis on maintaining unit readiness and minimizing relocation hardships prevented significant troop reductions from being realized until relatively late in the downsizing process. If rapid reduction of troops were a key goal in future downsizings, the approach used at Fort Lewis would not work well. The division's objective of minimizing relocation hardships caused the number of division troops leaving Fort Lewis to be relatively small. Through March 31, 1991, 67 percent of the personnel actions for soldiers in units that had begun to inactivate or reorganize were transfers to other positions at Fort Lewis.

The division's approach to equipment maintenance also affected the downsizing in several ways. By not doing all the normally required maintenance and repairs, units were able to inactivate quickly and the new brigade's equipment needs were met quickly. However, deferring maintenance and repairs also shifted some responsibilities from the division to the fort, increasing installation costs and delaying completion of other repairs.

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## Principal Findings

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### Personnel Practices Promoted Readiness and Slowed Troop Reductions

The Army ordered the division to inactivate and establish a separate brigade, but did not specify how this was to be done. The division commander directed that units maintain readiness for as long as practical. This required that units remain staffed at levels of at least 70 percent of

authorized strength and continue to train. The division commander also directed that inactivation be done in such a way that relocation hardships for soldiers and their families would be minimized. For example, where possible, soldiers from inactivating or reorganizing units were to be reassigned elsewhere on the fort instead of to another post.

The division's emphasis on maintaining readiness meant that significant troop reductions did not come until later in the downsizing process. This was because substantial numbers of troops were needed to maintain readiness in the units until they were scheduled to inactivate or transition to the new brigade. By December 1990, almost 1 year after the Army directed the division to downsize, about 3,380 of the 8,202 soldiers in the division remained primarily in units that would eventually inactivate. By May 15, 1991, 3 months after the new brigade's units had separated from the division, 2,673 soldiers were still assigned to division units that would inactivate.

The commander's objective of minimizing relocation hardships kept most of the division's troops at Fort Lewis. GAO analyzed Army data to determine, as of March 31, 1991, what had happened to the 7,360 soldiers in divisional units that had begun to inactivate or downsize. About 4,900 of these soldiers were reassigned to other organizations at Fort Lewis. Although the Army generally stopped troop relocations during the Persian Gulf crisis, which delayed some reassignments until after April 1991, GAO believes the primary reason so many troops stayed at Fort Lewis was the division's policy of minimizing soldier hardships.

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## Equipment Practices Involved Trade-offs

Army policy was modified so that division units did not have to perform all maintenance and repairs before they turned in equipment to the fort or transferred it to other units at Fort Lewis. This policy helped shorten the time needed to relocate equipment once individual units actually began to inactivate. Because they had to spend less time repairing their equipment, units inactivated quickly. Units transitioning to the new brigade also obtained their equipment more quickly because they did not have to wait for the division to first complete maintenance and repairs.

Although the modified policy shortened the time required to move equipment, it also shifted maintenance work to the fort. GAO estimated that as of August 28, 1991, the division avoided at least \$1.3 million on labor to repair equipment reissued to units off post. About \$2 million in maintenance and repair work remained to be done on division equipment

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**Executive Summary**

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awaiting redistribution. The modified policy also added to the fort's delays in readying equipment for redistribution. For example, the backlog for tactical vehicles increased from 13 days in the third quarter of fiscal year 1990 to 32 days by the first quarter of fiscal year 1991.

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**Recommendations**

GAO makes no recommendations.

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**Agency Comments**

DOD reviewed a draft of this report and agreed with its findings and conclusions.



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# Contents

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<b>Executive Summary</b>		2
<b>Chapter 1</b>		8
<b>Introduction</b>	<b>Plans for Reducing Military Strength Focus on Restructuring</b>	8
	<b>Army Chooses to Downsize 9th Division</b>	10
	<b>Objective, Scope, and Methodology</b>	10
<b>Chapter 2</b>		12
<b>Downsizing Approach</b>	<b>Key Downsizing Objectives and Practices in Personnel</b>	12
<b>Emphasized Readiness,</b>	<b>Key Downsizing Objectives and Practices in Equipment</b>	13
<b>Minimizing</b>	<b>Management</b>	
<b>Reassignment</b>		
<b>Hardships, and</b>		
<b>Relocating Equipment</b>		
<b>Quickly</b>		
<b>Chapter 3</b>		15
<b>Troop Strength Not</b>	<b>Two-thirds Of Personnel Actions Involved Reassignments on</b>	15
<b>Rapidly Reduced</b>	<b>the Fort</b>	
	<b>Most Division Troops Unaffected in the First Fiscal Year</b>	17
	<b>Most Troop Reductions Occurred After Brigade Was Activated</b>	17
	<b>Conclusions</b>	18
<b>Chapter 4</b>		19
<b>Impacts of Modified</b>	<b>Equipment Relocated Under the Modified Maintenance Policy</b>	19
<b>Equipment Maintenance</b>	<b>Modified Maintenance Policy Helped to Relocate Division</b>	20
<b>Policy</b>	<b>Equipment Quickly</b>	
	<b>Modified Maintenance Policy Involves Trade-offs</b>	21
	<b>Conclusions</b>	24
<b>Appendixes</b>	<b>Appendix I: Division Established Downsizing Schedule</b>	26
	<b>Appendix II: Agency Comments</b>	28
	<b>Appendix III: Major Contributors to This Report</b>	29

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<b>Tables</b>	Table 1.1: Major Elements of the Army's Force Structure	9
	Table 4.1: 9th Division Equipment Planned for Relocation	19
	Table I.1: Planned Disposition of 9th Division Units	26
	Table I.2: Comparison of 9th Division Units Initial and Revised Inactivation Schedule	27

---

<b>Figures</b>	Figure 3.1: Personnel Actions on Troops From Inactivating or Downsizing Division Units	16
	Figure 4.1: Maintenance Backlog for Selected Equipment	22

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**Abbreviations**

FORSCOM	Army Forces Command
GAO	General Accounting Office
PERSCOM	Army Personnel Command

# Introduction

Rapidly changing international conditions, particularly in the Soviet Union, and federal budget constraints have led the Congress and the executive branch to seek ways to reduce U.S. military forces and restructure remaining forces to better meet future needs. Among the first Army installations to face such efforts was Fort Lewis, Washington, where the 9th Infantry Division was to convert to a smaller brigade.

## Plans for Reducing Military Strength Focus on Restructuring

The Department of Defense has told the Congress that as a result of dramatic changes in Eastern Europe and the Soviet Union, the conventional military threat to the United States and its North Atlantic Treaty Organization allies has declined significantly. Officials say, consequently, that they are strongly committed to streamlining the Defense Department, beginning with reducing the nation's armed forces and supporting facilities worldwide.

Accordingly, the Defense Department plans to cut troop strength, retire military hardware, and restructure remaining forces. The Department of the Army plans to bear a significant part of the reduction by cutting its active duty troops from about 744,000 in 1990, to 520,000 by 1995.

According to the Defense officials, the reduction involves proposed closures, realignments, or reductions at about 190 domestic facilities, from stand-alone housing sites to entire installations. Department of Defense officials said more than one-third are scheduled for realignments. One such installation is Fort Lewis, Washington, which has been home to the 9th Motorized Infantry Division.

Fort Lewis serves as headquarters of I Corps, one of the Army's five active corps. Generally, each corps functions as the command and control center for any land battle within its assigned theater. In fulfilling this role, a corps is responsible for commanding and supporting several tactical fighting units, which may include divisions and smaller, separate brigades. Table 1.1 further explains the major elements of the Army's force structure. I Corps principally controls two major tactical units: the 9th Division, also headquartered at Fort Lewis and the 7th Division, headquartered at Fort Ord, California. In addition to the 9th Division, Fort Lewis is home to such other Army units as the First Special Forces Group, a Ranger battalion and Madigan Army Medical Center. In October 1989, the total military population at Fort Lewis was about 22,000; in October 1991, according to a Fort Lewis public affairs official, it was about 15,000.

**Table 1.1: Major Elements of the Army's Force Structure**

<b>Level of organization</b>	<b>Description</b>
Echelons above corps	Elements such as theater armies and major commands that have authority over corps.
Corps	The Army's five active corps command, control, and support several divisions. Each corps is the primary command and control headquarters for the land battle within its theater. It has both tactical and logistical responsibilities and provides auxiliary combat arms and services such as artillery, corps support, air defense, aviation, engineering, intelligence, and military police to its divisions.
Division	<p>The Army's 28 divisions serve as its major tactical units. Each consists of 3 brigades and 9 to 10 maneuver battalions and combines the combat arms and services required for sustained combat. Some of the forces to support and sustain divisional operations are provided by the corps and echelons above corps.</p> <p>Heavy divisions include the armored and mechanized divisions, each with about 17,000 personnel and heavy combat equipment designed primarily to defend Western Europe.</p> <p>Light infantry divisions have about 10,000 personnel, possess lighter equipment than the heavy divisions, and are designed to rapidly deploy in contingencies. The 9th Infantry Division has served as a test bed for new light technology.</p> <p>National Guard infantry divisions have an average of 16,000 personnel and are intended to reinforce troops defending Europe and to provide support in contingency conflicts.</p>
Brigade	Each division consists of three brigades, each consisting of two to five combat battalions. Brigades may be used as an integral part of the division or on independent missions.
Battalion	Battalions normally consist of five companies and are tactically and administratively self-sufficient. They vary in size, consisting of between 550 and 825 soldiers, depending on their type, and are capable of independent operations of limited duration and scope.
Separate brigade	Separate brigades are independent units that possess the support forces necessary to sustain their operations. The corps commander can use them either in the corps battle or in independent operations.

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## Army Chooses to Downsize 9th Division

In January 1990, the Army announced its intent to restructure troop configurations at Fort Lewis by downsizing the 9th Division (with an authorized strength of 11,878) to a separate motorized brigade (with an authorized strength of 3,900) and relocating the 7th Light Infantry Division from Fort Ord, which was targeted for closure. The 9th Division was first organized in 1918 and has been reorganized, inactivated, and reactivated several times since then. The last time the division reactivated was in 1972 at Fort Lewis. The 9th Division was chosen for inactivation most recently in part because its motorized design was never fully developed, leaving it a low priority for deployment to a war zone. The division's downsizing principally involved two simultaneous actions: (1) inactivating the 11,878-troop 9th Division and (2) activating a separate 3,900-troop motorized brigade from existing division units.

Fort Lewis and 9th Division officials projected savings and onetime costs associated with downsizing the division. According to Fort Lewis documents, the net loss of 7,900 9th Division soldiers would save the installation \$28.8 million annually in operating and maintenance costs and \$50 million in onetime construction costs. Officials also estimated that the Army would save \$201.8 million in military pay annually and that the downsizing action would involve onetime costs of \$1.2 million for non-construction costs such as repair parts and securing vacant facilities and \$17.1 million to relocate personnel. However, an Army official told us that these estimates were not initially a factor in the decision to downsize the division. Therefore, we did not evaluate the accuracy of the estimates.

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## Objective, Scope, and Methodology

To determine if the personnel and equipment practices used in this downsizing effort had implications for future downsizings, we reviewed Army regulations on personnel and equipment management and Army directives pertaining specifically to this downsizing action. We interviewed Army Headquarters officials at the Pentagon, the Personnel Command (PERSCOM), Forces Command (FORSCOM), and I Corps and Fort Lewis, Washington. We also reviewed selected information provided by division and Army officials on the movement of personnel and equipment during the division downsizing.

To determine more specifically how personnel policies affected downsizing procedures, we reviewed directives issued by FORSCOM; the deputy chief of staff for personnel, Department of the Army; I Corps; and division officials determining the distribution of enlisted and officer personnel, personnel authorizations, procedures for inactivating the division's units, and

procedures for activating the new motorized 199th Brigade. The monthly unit status reports were also reviewed to determine division personnel levels at selected times, as well as personnel transfer procedures with Fort Lewis, division and PERSCOM personnel officials. We also reviewed personnel transfer data reported by individual division units, as well as aggregate personnel reassignment data reported by PERSCOM officials.

To determine more specifically how equipment management policies affected downsizing efforts, we reviewed directives issued by FORSCOM, I Corps, and division officials outlining normal and modified equipment turn-in procedures. We reviewed equipment turn-in and transfer procedures with I Corps, Fort Lewis logistics, and division maintenance support officials and the equipment turn-in and transfer data reported by individual division units, as well as equipment reissue and maintenance and repair cost data reported by logistics officials.

Our review of equipment was limited to those items the 9th Division and the installation said were affected by the modified policy—vehicles, engines and generators, weapons, and communications devices. The modified policy did not apply to aircraft, therefore, that equipment was not included. In addition, we did not develop detailed information on miscellaneous equipment such as tool sets because miscellaneous equipment was handled under a separate policy.

We performed our review between July 1990 and October 1991 in accordance with generally accepted government auditing standards.

# Downsizing Approach Emphasized Readiness, Minimizing Reassignment Hardships, and Relocating Equipment Quickly

When the Army ordered the downsizing of the 9th Division, it gave I Corps and the division considerable discretion in how to accomplish this action. The division commander chose an approach that emphasized maintaining readiness, minimizing reassignment hardships for soldiers and their families, and minimizing the time spent to prepare equipment for turn-in or transfer. Division commanders planned and scheduled unit<sup>1</sup> inactivations or reorganizations and worked with I Corps to structure the new brigade. The division established a 3-year schedule (see app. I) to inactivate the division and activate a separate brigade, as well as to accommodate the relocation of the 7th Division from Fort Ord, beginning in fiscal year 1992.<sup>2</sup> Responsibility for the downsizing was established in a Fort Lewis steering group, chaired by the I Corps commanding and deputy commanding generals.

## Key Downsizing Objectives and Practices in Personnel Management

The division established two key personnel management objectives:

- Maintain collective readiness for as long as practical. This required that division units and individual soldiers continue training to maintain unit readiness and soldier competitiveness with other Army troops. Retaining readiness required that division units maintain 70 percent or higher personnel fill rates (the ratio of assigned personnel to required personnel). Army regulations prescribe that a high personnel fill rate is 90 percent or higher. According to a division official, units transitioning to the new brigade were to achieve high personnel fill rates at activation.
- Minimize reassignment hardships to soldiers and their families. To accomplish this goal, the division's inactivation plan called for using all of Fort Lewis as a resource for retaining division personnel. According to the plan, those I Corps soldiers that had been at Fort Lewis the longest would be reassigned to another installation and those soldiers from the division that had not been at the fort as long would be transferred within Fort Lewis to fill authorized vacancies.

Authorities at Fort Lewis relied on three key personnel practices to facilitate these two objectives.

<sup>1</sup>In this report, references to divisional "units" represent those 32 units that contributed to the composite Unit Status Report ratings for the 9th Division in January 1990, when the downsizing was announced. Smaller organization units than these 32 were not counted as separate units from their superior commands.

<sup>2</sup>The movement of the 7th Division was delayed pending completion of an Environmental Impact Statement.

- **First, troops from inactivating units were transferred laterally to those units that would transition to the new brigade. In doing so, according to a Fort Lewis personnel official, the Army gave the division special permission to retain some of these soldiers for up to 1 year in their new assignment.**
- **Second, I Corps reassigned troops from inactivating units to other I Corps units on Fort Lewis. A Fort Lewis personnel official said that this type of reassignment was done in accordance with I Corps' authority to manage personnel in subordinate commands by moving troops between units as necessary. According to Army personnel officials, the Army also allowed I Corps to release soldiers in advance of their scheduled separation, and to temporarily retain soldiers eligible for reassignment, such as those planning to retire or leave military service shortly after their unit's inactivation.**
- **Third, according to an I Corps official, I Corps used special authority from the Army to reassign troops to other Army (non-I Corps) units at Fort Lewis rather than placing them in the Army personnel system for reassignment to another post.**

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## **Key Downsizing Objectives and Practices in Equipment Management**

**Fort Lewis officials said their objective for managing equipment relocation was to do so as rapidly and affordably as possible by minimizing the time spent preparing equipment for turn-in and transfer. To achieve this objective, Fort Lewis officials permitted inactivating or reorganizing units to relocate equipment, such as vehicles, without first performing all the maintenance and repairs normally required by Army regulations.<sup>3</sup>**

**Army Regulation 750-1 specifies the normal standards required for maintenance and repair. It requires that all equipment be fully mission capable and that deficient equipment receive corrective action or be scheduled for repair. In addition, all scheduled maintenance and checks must be performed within prescribed intervals. When a unit transfers its equipment to another unit or turns equipment in to the installation supply system, it is responsible for ensuring all required maintenance and repairs are completed. Receiving units and installations must inspect the equipment to verify its condition.**

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<sup>3</sup>Fort Lewis officials allowed miscellaneous equipment to be relocated under a separate modified policy. For example, units could relocate equipment such as tool sets that had less than a full complement of items. We did not develop detailed information on miscellaneous equipment because it was handled under this separate policy.

The following were among the key practices implemented at Fort Lewis to allow equipment to be relocated quickly:

- Fort Lewis commanders specified that at a minimum each vehicle, generator, and engine turned in to the installation supply system would be capable of performing its mission. However, any parts replacement or maintenance action beyond the mission capable condition would not have to be accomplished. For example, a broken vehicle emergency brake, which affects safe vehicle performance, would have to be repaired. However, a dented bumper, which does not affect vehicle performance, would not have to be repaired.
- Fort Lewis' requirement that all maintenance checks and services be completed before turn-in or transfer was flexible. The Director of Logistics explained that the division had to do only that maintenance that normally would have been completed on or very near each unit's scheduled inactivation date. Maintenance scheduled after the unit's inactivation date did not have to be done.
- With specified exceptions, weapons were turned in to the installation supply system in non-working, but repairable condition, even though the Director of Logistics said the Army policy normally requires that these items also be able to perform their mission. Communication devices, according to a Fort Lewis logistics specialist, were accepted by the installation supply system before repairs were performed by the Installation Maintenance Division. Normally, the unit would be required to assure completion of these repairs before turning in the equipment.



# Troop Strength Not Rapidly Reduced

The division's objective of minimizing relocation hardships and maintaining unit readiness had several effects on personnel movements and reductions. One effect was that the number of division troops leaving Fort Lewis was relatively small compared to the total number of troops affected by the downsizing. Through March 31, 1991, 67 percent of the soldiers in affected division units were reassigned within Fort Lewis. A second effect was that the majority of troop reductions within the division did not come until relatively late in the process. This suggests that there is a trade-off between maintaining readiness and achieving rapid personnel reductions. If rapid troop reduction were to be a key goal in future inactivations, the approach used at Fort Lewis would not work well.

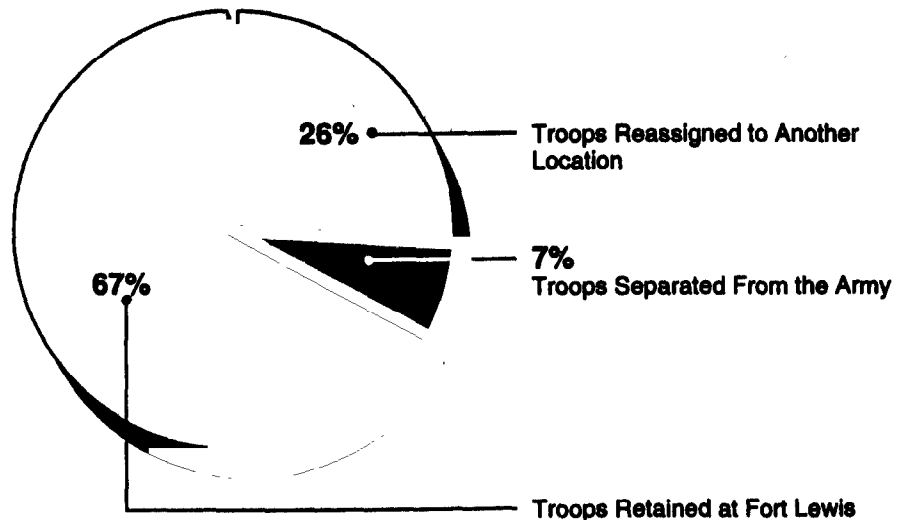
## Two-thirds of Personnel Actions Involved Reassignments on the Fort

Most of the troops from units that were inactivating or downsizing were reassigned at Fort Lewis, thus helping to minimize relocation hardships on soldiers and their families. Most soldiers from these units were moved as follows: first, to division units transitioning to the new brigade, and second, to other units of I Corps at Fort Lewis or, in some instances, to non I Corps units at Fort Lewis. Once the division determined that no slot for a soldier existed within division units, the entire fort could be used for reassignment.

We analyzed data provided by PERSCOM to determine, as of March 31, 1991, what had happened to 7,360 soldiers in division units that had begun to inactivate or downsize.<sup>1</sup> As shown in figure 3.1, about 4,900 soldiers, or 67 percent, remained at Fort Lewis. About 4,000 of these had received reassignments, and the others were ineligible to move from Fort Lewis because of length of time on post or other Army policies. About 2,458 troops left the fort—1,920 (26 percent) were assigned to other Army installations, and 538 (7 percent) separated from the Army. We were not able to determine how many of the on-post moves went specifically to division units, other I Corps units, or other Army units at Fort Lewis because the Army's data did not separate personnel actions into these categories.

<sup>1</sup>This PERSCOM data does not include the four units transferring intact into the new brigade. Also excluded from the totals presented here are 887 soldiers who were in units that had begun downsizing or inactivating by April 1, 1991, but had not received orders by that date.

**Figure 3.1: Personnel Actions on Troops From Inactivating or Downsizing Division Units (Through Mar. 31, 1991)**



The number of troops reassigned on Fort Lewis in fiscal year 1991 was affected by personnel policies brought on by Operations Desert Shield/Desert Storm. The Army decided in November 1990 to stop personnel reductions and movement of soldiers between installations during the crisis in the Persian Gulf. This required that troops from inactivating and downsizing units remain at Fort Lewis. Division officials said that in some instances, there was no authorized position for these troops at Fort Lewis except in the units transitioning to the new brigade. Since the division had staffed units transitioning to the new brigade to accommodate the projected personnel losses, assigned troop strength was allowed to increase. Although the Persian Gulf crisis delayed some reassignments from the fort until after April 1991, we believe the primary reason so many troops stayed at the fort was the division's policy to relocate as many soldiers as possible on the fort to minimize hardships. For example, during July 1991, enlisted strength at Fort Lewis was about 117 percent of that authorized, the highest among major Army installations with active combat forces in the United States.<sup>2</sup>

<sup>2</sup>Enlisted strength at the other installations ranged from 102 percent at Fort Ord to 114 percent at Fort Bragg.

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## Most Division Troops Unaffected in the First Fiscal Year

The division's downsizing schedule left 80 percent of total troop strength unaffected by the end of fiscal year 1990, leaving most units with enough troops to remain combat ready.<sup>3</sup> Seven units, authorized about 2,400 troops, were inactivated in fiscal year 1990. These units were all part of the 1st Brigade and its support units.<sup>4</sup> This left about 9,000 division authorizations unaffected in the 3rd Brigade and its supporting units. These units were able to continue soldier and unit training.

The downsizing approach caused some division units not scheduled for inactivation the first year to actually increase in assigned troop strength. For instance, whereas the seven units transitioning to the new brigade as reorganized units had a combined assigned strength of about 97 percent of authorized strength in January 1990, this had increased to about 99 percent by February 1991. Similarly, the combined troop strength of the four units transitioning intact, which was about 103 percent of authorized strength in January 1990, had increased to about 121 percent.

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## Most Troop Reductions Occurred After Brigade Was Activated

Most of the troop reductions occurred after the new brigade was activated. Between January 1990, when downsizing of the 9th Division was announced, and February 1991, when the new brigade was activated, total assigned strength declined by 40 percent, from 11,621 to 6,916. In March 1991, after the new brigade activated, troop strength dropped another 34 percent to 3,027. By September 1991, troop strength had declined 90 percent to 1,149. When the new brigade was activated on February 14, 1991, the personnel fill rate for each of its units was above 90 percent—the minimum level required by the Army for a high state of readiness. The brigade was activated with overall enlisted soldier strength at 103 percent, with 7 of the 11 units at or above 100 percent.

Not only were substantial numbers of troops needed in units transitioning to the new brigade, but substantial numbers were also needed to maintain high fill rates in units that would eventually inactivate. Some of those units were responsible for inactivation activities such as processing equipment. By December 1990, almost 1 year after downsizing was announced, 3,380

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<sup>3</sup>Aspects of combat readiness include availability of sufficient personnel to carry out a unit's mission, maintenance of equipment, and completion of scheduled unit and soldier training. However, in this chapter, combat readiness refers only to personnel "fill rates" (that is, the ratio of assigned personnel to required personnel).

<sup>4</sup>In addition to these seven units, an eighth unit, containing 551 authorizations, was transferred to I Corps.

of the 8,202 soldiers who remained in the division were held primarily in units that would eventually inactivate. By May 15, 1991, 3 months after the new brigade had been separated from the division, 2,673 soldiers were still assigned to such units. (On September 1, 1991, when we completed collecting data for our work, this had dropped to 1,149.) Had the Army not accelerated activation of the new brigade to mid-February 1991, it is possible that substantially greater numbers of troops would have remained for a longer period in the division.

The management of authorized positions also added to the slow reduction in troop strength. In those cases in which part of a division unit went to the new brigade and the remainder was inactivated, the division unit was able to retain its full complement of authorized positions even after the transitioned unit had been activated in the new brigade. This occurred because the Army system did not remove authorizations from I Corps until division units completed inactivation. For example, the new brigade was slated to have a military intelligence unit containing 139 authorizations. This unit was to be carved from the division's military intelligence unit, which contained 521 authorizations. When the new brigade was activated on February 14, 1991, the division unit retained all 521 authorizations until its inactivation on May 15, 1991.

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## Conclusions

In Fort Lewis's case, immediately achieving major personnel reductions was not a key factor in deciding how to downsize. Instead, Fort Lewis wanted to maintain unit readiness as long as practical. Only after the Army determined that further reductions were necessary to meet Army-wide reduction goals did the need to accelerate personnel reductions at Fort Lewis become important.

If a key goal in downsizing is reducing troops as rapidly as possible rather than maintaining readiness, the approach used at Fort Lewis would work at cross purposes with this aim. The downsizing of the 9th Division demonstrates that there is a trade-off between maintaining readiness and achieving rapid personnel reductions. When the division commanding general required that units retain readiness as long as practical, he almost certainly ensured that troops would not leave units rapidly and that most personnel reductions would not occur quickly.

DOD reviewed the draft of this report and agreed with the findings and conclusions in the personnel area. (See app. II.)

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# Impacts of Modified Equipment Maintenance Policy

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To facilitate downsizing the 9th Division to a brigade, nearly half of the division's equipment fell under the modified policy which allowed the equipment to be relocated before completing all required maintenance and repairs. While this modified Army policy expedited the downsizing of the division, it exacerbated maintenance and repair backlogs at Fort Lewis, and shifted some repair work from the division to the fort's Installation Maintenance Division, where repair costs are higher. We believe the Army needs to better understand how changing the policy affects costs and benefits before changing it in the future.

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## Equipment Relocated Under the Modified Maintenance Policy

Nearly half of the 9th Division equipment planned for relocation fell under the modified maintenance and repair policy. According to Fort Lewis officials, the equipment under the modified policy included vehicles (wheeled, track, and trailers), generators and engines, weapons, and communications devices such as radios and telephones.<sup>1</sup>

Generally, equipment from the 9th Division was relocated under the modified policy in one of two ways: it was transferred directly to other units, or it was turned in to the fort's supply system, where it could then be reissued to other units at Fort Lewis or off the post. When equipment was turned in without all required maintenance and repairs and then reissued off post, the Installation Maintenance Division, primarily responsible for major equipment repairs, had to perform the repairs that soldiers in the 9th Division would normally have done. Table 4.1 shows, for the four categories, the amount of equipment the 9th Division planned to turn in to the fort's installation supply system and the amount directly transferred to the units that would form the new brigade. The table does not include miscellaneous items that comprised approximately 53 percent of the division's relocated equipment that was not subject to this policy.

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<sup>1</sup>The modified policy did not apply to aircraft.

**Table 4.1: 9th Division Equipment  
 Planned for Relocation**

Equipment type	Items for turn in to supply	Items for transfer to units	Total relocated
Vehicles	2,550	623	3,173
Generators /engines	776	134	910
Weapons	14,040	6,025	20,065
Communication items	14,474	5,454	19,928

### Modified Maintenance Policy Helped to Relocate Division Equipment Quickly

The modified policy helped the 9th Division relocate its equipment rapidly as units reached their scheduled inactivation period, thereby allowing units to inactivate quickly. Because units were allowed to transfer or turn in equipment without completing all maintenance and repairs, both the equipment and the soldiers could be moved sooner.

As mentioned in chapter 2, division commanders planned and scheduled division unit inactivations over a 3-year period. The plan allowed individual units 4 months to turn in equipment. Under the modified maintenance policy, inactivating division units were able to avoid substantial numbers of labor hours for maintenance and repairs by passing them on to other units and the Installation Maintenance Division. We estimated that the division avoided at least 174,000 labor hours for equipment turned in to the Installation Maintenance Division as of August 28, 1991.<sup>2</sup> All 20 units that had reorganized or inactivated by September 1991 had basically completed relocation of their equipment at that time. The Director of Logistics at Fort Lewis said that the units were able to relocate equipment quickly primarily because of the modified maintenance policy.

The modified policy also helped the division transfer equipment quickly to the units that would form the new brigade. Nineteen inactivating units transferred about one-third of their equipment to the new brigade. By February 1991, the brigade had the necessary equipment to be activated earlier than planned. I Corps and Fort Lewis officials said that without the modified policy, transferring equipment to the new brigade would have been slowed for maintenance and repairs, and early activation of the brigade may have been delayed.

<sup>2</sup>This estimate understates the total labor hours avoided. It does not include any consideration for labor hours passed on to (1) units that would become the new brigade or (2) other I Corps units at Fort Lewis through reissue from the fort's supply system. This data was not readily obtainable.

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## Modified Maintenance Policy Involves Trade-offs

The modified maintenance policy transferred repair work to the Installation Maintenance Division, which already had a backlog of work and where some less efficient use of skilled mechanics resulted.

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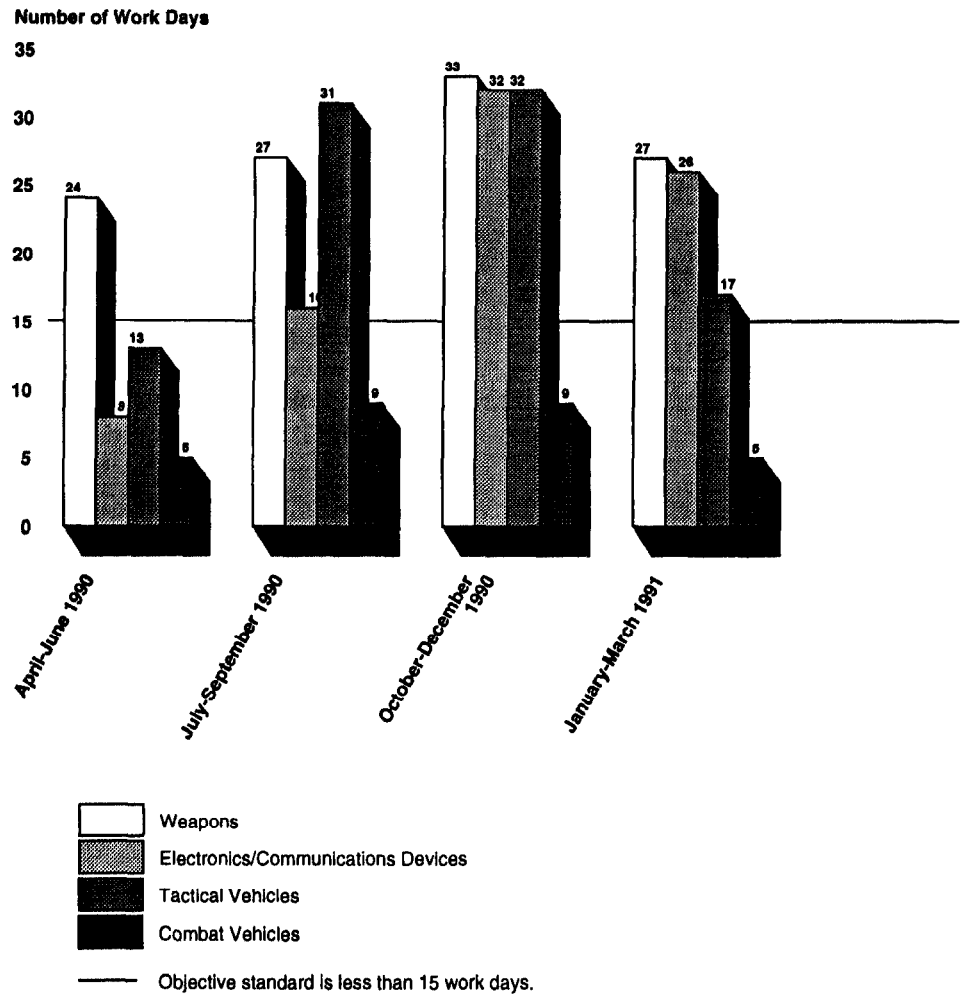
## Modified Policy Impacted Fort Lewis's Maintenance Services

Fort Lewis's Installation Maintenance Division normally has an equipment maintenance and repair backlog, which can vary from a few days to a few weeks. The Director of Logistics said that as long as turned-in 9th Division equipment that needed maintenance and repairs was not requisitioned by an Army unit away from Fort Lewis, the backlog was not affected. However, once the turned-in equipment was requisitioned by a unit located away from Fort Lewis the necessary maintenance and repairs had to be made, immediately adding to the existing backlog. Figure 4.1 shows the changes in the work-day backlog for each 3-month period, or quarter, from April 1990 through March 1991. The figure shows the work-day backlog as 3-month averages for several classes of equipment affected by the modified policy.<sup>3</sup> During this period there were 18 units inactivating. In the first two quarters, 10 division units were inactivating. During October to December 1990, 5 of the 18 units were inactivating, and in the last quarter 10 of the 18 units were inactivating. Also during this period, the Persian Gulf crisis affected the maintenance backlog. However, the Director of Logistics said that the volume of equipment turned in by the division was a significant factor for increasing the backlog. In early May 1991, Fort Lewis expected the backlog in weapons, electronics/communication devices, and automotive/tactical vehicles to continue to exceed the performance standard of less than 15 work days until equipment from the division downsizing was cleared.

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<sup>3</sup>Data collected by the Installation Maintenance Division divided vehicles into two categories, tactical and combat. The Installation Maintenance Division does not separately maintain backlog data on generators and engines, the other category affected by the modified policy.

**Figure 4.1: Maintenance Backlog for Selected Equipment**  
 (Apr. 1990 - Mar. 1991)



Work days are averaged for 3 months.

An example of the effect of the backlog can be seen in the 696 vehicles requested for the National Training Center, an Army training site located at Fort Irwin, California. According to the Logistics Director, Forces Command gave the National Training Center equipment needs a high priority. However, the Director said the backlog was impeding completion and shipment of the Training Center's equipment in August 1991. At that time, Fort Lewis had ready or shipped only 149 vehicles needed to complete the National Training Center request. In addition to increasing the backlog, the modified policy transferred labor hours normally borne by the 9th Division soldiers to the Installation Maintenance Division,



increasing costs in the process because of the less efficient use of the installation's skilled civilian labor. For example, Fort Lewis and division officials told us that soldiers normally replace dented bumpers, spot paint, fix cracks, and perform other such tasks before returning vehicles to the installation for reissue. However, in this downsizing, this work fell to the Installation Maintenance Division's civilian mechanics, who normally work on more complex tasks and are higher salaried. The Director of Logistics said it is less efficient to use skilled civilian mechanics, who are paid an average of \$22 per hour, to accomplish maintenance and repairs normally performed by division soldiers.

The installation did not keep separate records to determine precisely how often the Installation Maintenance Division performed such less complex tasks. However, the Director of Logistics said that the civilian mechanics perform the necessary maintenance and repair before the equipment is sent off post. He said that the vast majority of the tasks the civilian mechanics perform on division equipment are those that would have been performed by division soldiers if not for the modified policy.

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### Army Has Not Assessed Policy's Effect on Total Maintenance Costs

Parts and labor cost data were available on 9th Division equipment repaired by the Installation Maintenance Division. However, we addressed only labor costs because the 9th Division was to supply the repair parts or the money to purchase such parts without regard to who performed the labor. From the start of inactivation through August 28, 1991, the Installation Maintenance Division spent about \$1.3 million on labor to repair division equipment reissued to units off post.<sup>4</sup> About 86 percent of the \$1.3 million in labor costs was spent on automotive and combat vehicles. By August 23, 1991, nearly 13 percent of the division's turned-in equipment had not been requested by other units and the maintenance costs associated with this equipment had not been incurred. However, the installation estimated it would cost at least \$2 million to complete the maintenance and repairs necessary to reissue this remaining equipment off post.

The Installation Maintenance Division records labor and parts costs for all maintenance and repairs it makes on 9th Division equipment. Therefore,

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<sup>4</sup>According to a Fort Lewis logistics specialist, the repairs performed on the communication devices were those that the Installation Maintenance Division would have had to do under normal procedures as well. Therefore, this labor cost was not included in our report and would not be included in an analysis of the cost impact of the modified policy.

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once all the division equipment has been processed through the Fort Lewis supply system, officials will have cost data on that portion of the division's equipment. However, in December 1991 the Director of Logistics told us that no analysis had been done, nor is one planned, to determine the overall costs and benefits of the modified maintenance policy. He said no one had requested such an analysis.

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## **Conclusions**

The modified maintenance policy helped to relocate equipment rapidly, thereby allowing units to inactivate quickly. However, Fort Lewis has not assessed the overall costs and benefits of the policy. The policy's impact on total maintenance and repair costs at Fort Lewis is unknown, thus, the Army is not in a good position to determine if the gains from the modified policy were worth the costs.

DOD reviewed the draft report and agreed with the findings and conclusions regarding equipment practices. (See app. II.)



# Division Established Downsizing Schedule

The division planned to inactivate 19 of its 32 units between fiscal years 1990 and 1992. Table I.1 shows the number of units that the division planned to principally inactivate: five were to inactivate in fiscal year 1990,<sup>1</sup> another seven in 1991, and the final seven in 1992. Twelve division units were to comprise the new brigade. This brigade, designated the 199th Infantry Brigade—Motorized, would be assigned to I Corps for command and control. Four of the 12 division units were to form the core of the separate brigade, while 8 of the units were to reorganize and retain their functions in the separate brigade. In many cases, these eight units were to inactivate elements and reduce their size in the new brigade. For example, the division's 109th Military Intelligence Battalion downsized to a company by retaining parts of its subordinate companies and inactivating others. It was to become the 199th Military Intelligence Company in the new brigade. Finally, one unit, a field artillery battalion, was to transfer to I Corps for command and control in 1992.

**Table I.1: Planned Disposition of 9th Division Units**

	Number of units
Units to principally inactivate	19
Units to form 199th Brigade:	
Units to reorganize	8
Units to be retained as core	4
Units to be attached to I Corps	1
<b>Total</b>	<b>32</b>

## Inactivation Accelerated

In January 1991, the 9th Division inactivation plan was accelerated in order to help meet Army-wide fiscal years 1991 and 1992 force restructuring targets. According to an Army force structure official, the 1990-91 Persian Gulf crisis had made it difficult to achieve personnel reductions elsewhere. In addition, a Fort Lewis force structure official told us the activation and transfer of the 199th Brigade to I Corps was advanced so that it could be deployed to the Persian Gulf if necessary.

<sup>1</sup>Sub-elements of two units transitioning to the new brigade also were to inactivate during fiscal year 1990. To simplify our analysis, we have categorized these actions as "units to reorganize."

**Appendix I**  
**Division Established Downsizing Schedule**

**Table I.2: Comparison of 9th Division Units Initial and Revised Inactivation Schedule**

	Number of units to inactivate each fiscal year		
	1990	1991	1992
Initial schedule	5	7	7
Revised accelerated schedule <sup>a</sup>	5	8	5

<sup>a</sup>Initial plans to inactivate one unit, the division's band, were subsequently changed to attach the band to I Corps.

Table I.2 compares the initial downsizing schedule to the revised accelerated schedule. The accelerated schedule activated the 199th Brigade 2 months ahead of the initial schedule. Consequently, eight division units were to inactivate during fiscal year 1991, instead of the seven initially planned. Only five units—two support, an aviation batallion, the headquarters company, and the military police—were to continue beyond fiscal year 1991. Four of these units were to inactivate in December 1991. The remaining unit, the military police, was to attach to I Corps and inactivate late in fiscal year 1992.

# Agency Comments



FORCE MANAGEMENT  
AND PERSONNEL

ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

APR 17 1992

Mr. Frank C. Conahan  
Assistant Comptroller General  
National Security and International Affairs Division  
United States General Accounting Office  
Washington, D. C. 20548

Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "TROOP REDUCTIONS: Implications of Army's Approach to 9th Division for Future Efforts," dated March 12, 1992 (GAO Code 391132/ OSD Case 8994).

The DoD reviewed the draft report and agrees with its findings and conclusions. (Previously, a few minor factual clarifications were provided separately to the members of your organization who conducted the review.) The Department appreciates the opportunity to comment on the draft.

  
Christopher Jehn

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# Major Contributors to This Report

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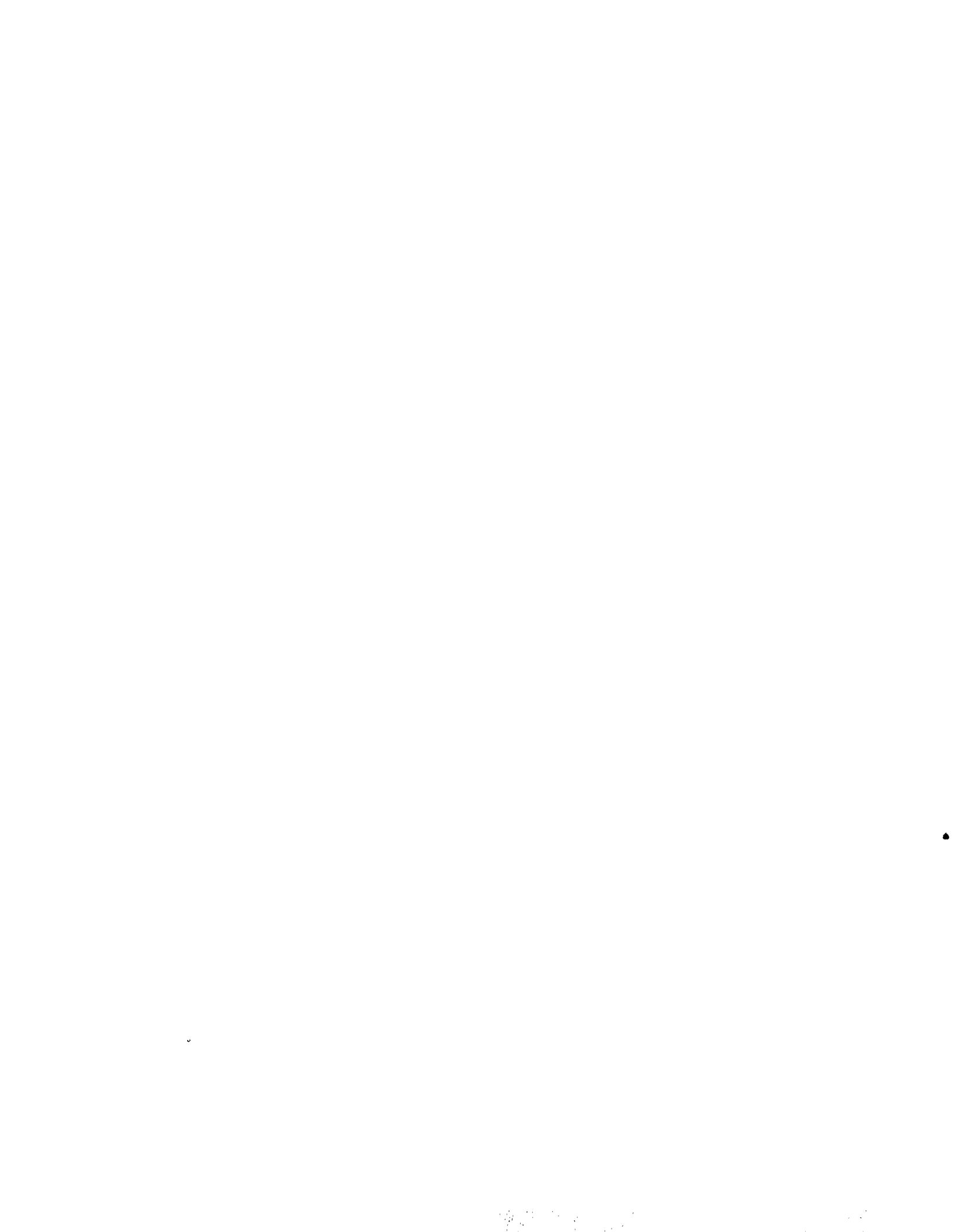
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