

GAO

Report to the Chairman, Subcommittee
on Readiness, Committee on Armed
Services, House of Representatives

May 1993

DEFENSE CIVILIAN DOWNSIZING

Challenges Remain Even With Availability of Financial Separation Incentives



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

National Security and
International Affairs Division

B-253332

May 14, 1993

The Honorable Earl Hutto
Chairman, Subcommittee on Readiness
Committee on Armed Services
House of Representatives

Dear Mr. Chairman:

Since 1991 we have been monitoring the Department of Defense's (DOD) management of civilian force reductions, based on congressional requests. (A list of related GAO reports is at the end of this report.) In line with your request, this report provides an update on (1) the status of DOD's civilian work force reductions; (2) some of the problems and consequences resulting from DOD's approach to civilian downsizing, including the differences in how white-collar and blue-collar employees have been affected to date; and (3) a preliminary assessment of DOD's initial use of financial separation incentives. The report also discusses some important constraints on DOD's planning for future force reductions.

Background

The Congress has expressed much concern in recent years about the adequacy of DOD management of its civilian work force and the adequacy of planning for force reductions. Last year, in testimony before the Readiness Subcommittee, we outlined the limitations in DOD's initial efforts to outline a 5-year plan for downsizing its industrial and commercial work force.¹ Limitations included projecting how, where, and when many reductions would occur, and identifying how many would involve involuntary separations. We highlighted important differences between DOD's approaches to downsizing its military and civilian forces—the former focusing on active management of continued accessions and losses to not only downsize but also to “shape” the force for the future; the latter relying primarily on hiring freezes and passive attrition, supplemented by reductions-in-force (RIF), to meet reduction targets. We noted growing concerns among DOD managers that their approach to civilian force reductions did little to shape the civilian force and was creating both short- and long-term problems. During that hearing, you asked us to continue monitoring Defense's management of downsizing activities.

¹Defense Force Management: Expanded Focus in Monitoring Civilian Force Reductions Is Needed (GAO/T-NSIAD-92-19, Mar. 18, 1992).

Results in Brief

Presently, DOD is just over halfway toward meeting the civilian reduction targets established by the previous administration, which are to be met by the end of fiscal year 1997. However, revised reduction targets are likely as the result of an ongoing administration review of Defense needs. This review is expected to be finished in late summer 1993.

Some civilian reductions have been related to consolidations, closures, and functional transfers, but most have resulted from DOD's basic strategy of relying on voluntary attrition and hiring freezes to meet civilian reduction targets.² Such an approach has made it difficult for Defense activities to plan downsizing in an orderly manner, and to achieve reductions where and when they are most needed. This approach has adversely affected the operations of Defense organizations by producing skill imbalances,³ and has produced an increasingly more senior and a relatively more costly per capita work force. These reductions have more heavily affected blue-collar and lower graded General Schedule (GS) employees.

Early in fiscal year 1993, DOD began authorizing use of financial incentives to induce civilian force reductions. As of April 1993, DOD had given the services and other DOD activities authorization to offer incentives to reduce 36,000 positions to meet reduction goals and avoid involuntary separations. These incentives are expected to minimize, though they may not totally alleviate, the need for RIFs this year.

Recognizing the growing need to reshape its civilian work force, DOD, on April 22, 1993, announced a policy decision to decentralize authority over and expand the use of financial separation incentives. It is too soon to project how effective the expanded program will be.

The problems and force imbalances resulting from DOD's approach to downsizing through fiscal year 1992 have resulted at least in part from the absence of a cohesive and comprehensive plan to achieve civilian reductions in a balanced manner. The problems are also a result of the limited tools available to DOD to achieve more balanced reductions—a problem offset somewhat by the use of financial separation incentives. Improved planning for future reductions could mitigate potential adverse

²Despite this basic policy, some RIFs were occurring, and many Defense managers recognized that many more would be needed; however, there were some delays in taking such actions in fiscal year 1992.

³Skill imbalances refer to situations where there are insufficient numbers of persons with the skills needed to fill required positions. It also refers to situations where persons occupying positions have skills that are no longer needed.

effects organizationally and individually, and better shape the civilian force to meet future force requirements. However, continuing uncertainties within the executive branch and the Congress on such issues as future force and support requirements and funding levels present significant impediments to DOD planning.

Status of the Drawdown

DOD is in the midst of a multiyear downsizing effort that will, by the end of fiscal year 1997, likely result in at least a 22-percent reduction in the size of its civilian work force over the fiscal year 1987 end strength.⁴ Under plans developed by the previous administration, DOD is now just over halfway toward meeting its civilian reduction targets, having reduced civilian end-strength levels by 127,000 positions through the end of fiscal year 1992. Table 1 summarizes changes in planned civilian end-strength levels.

Table 1: DOD Civilian End-Strength Levels for Selected Fiscal Years

DOD components	1987	1992	1993 ^a	1997 ^a
Army	418,000	334,000	308,000	283,000
Navy/Marines	353,000	309,000	282,000	255,000
Air Force	264,000	214,000	206,000	194,000
Other DOD agencies ^b	98,000	149,000	167,000	152,000
Total	1,133,000	1,006,000	964,000	884,000

^aFigures for 1993 and 1997 are projected as of January 1993 and may not add to totals due to rounding.

^bEnd-strength numbers are rising during this period of downsizing because of the consolidations of some activities and the shifting of personnel from individual services to DOD agencies.

Source: DOD comptroller and individual military services.

Table 1 shows some indication of the magnitude of civilian reductions confronting each of the services. However, indications are that the targets previously established through fiscal year 1997 should be viewed as interim numbers, with future base closure actions, future budget reductions, and the results of DOD's summer 1993 "bottom-up review," all likely to further reduce the end-strength levels for the out-years.

DOD's Approach to Achieving Reduction Goals

A combination of factors has contributed to achieving DOD's civilian downsizing; most reductions, however, have occurred without benefit of a

⁴The 1997 reduction target is based on future force level projections provided by DOD as of January 1993. The current administration has projected force reduction numbers only through fiscal year 1994, pending the results of a bottom-up Defense review scheduled to be completed this summer.

plan to target when and where many of the reductions should occur. Sizable civilian reductions (approximately 46,000) were achieved through fiscal year 1992 as a result of reduced U.S. presence overseas. Other reductions at the service level have been facilitated by the Department's Defense Management Review initiatives which, in seeking improved efficiencies, have resulted in transferring a number of functions from the services and consolidating many of them at the other DOD agencies, leading to a significant increase in end-strength numbers as indicated in table 1. This helps to achieve reductions within the services but does not contribute to overall DOD reductions. Thus, while all of these measures have accounted for a significant portion of the services' reductions to date, they are expected to be a relatively less significant factor in future reductions for the individual services.

Notwithstanding these actions, DOD's most overarching approach to civilian downsizing, through fiscal year 1992, was to rely on voluntary attrition and hiring freezes, supplemented by some RIFs, to meet civilian reduction targets. Defense officials recognize that reliance on voluntary attrition and hiring freezes makes it difficult to plan downsizing in an orderly manner, and achieve reductions when and where they are most needed. Voluntary attritions with hiring restrictions also make filling essential positions more difficult when vacancies occur. Such vacancies become the basis for meeting end-strength reductions rather than reductions being based on terminated functions and closing activities.

Although much of the currently planned civilian downsizing will have occurred by the end of fiscal year 1994, those reductions have not been driven as much to date by U.S. base closure actions as one might think.⁵ At the same time, significant additional reductions may occur in the future from actions to close or consolidate some Defense depots if action is taken in response to a January 1993 Joint Chiefs of Staff Executive Working Group's study of DOD maintenance depots. That study concluded that the depots have excess capacity of between 25 and 50 percent and that unnecessary duplication exists throughout the service depots.

⁵Only a few thousand civilian reductions have been related to base closures to date. Time lags of up to 6 years can occur between decisions to close bases and the actual closures. Most civilian personnel reductions associated with Base Closure and Realignment Commission studies in fiscal years 1988 and 1991, affecting Defense facilities located in the United States, have yet to occur. Decisions on closures based on the work of the 1993 Base Closure and Realignment Commission, potentially affecting 57,000 civilian positions, are yet to be completed. Another commission study is scheduled for fiscal year 1995.

Problems Associated With DOD's Approach to Downsizing

DOD downsizing has made it difficult to manage ongoing work, has created numerous work force imbalances, and has resulted in a more costly work force.

Managing Work Has Become More Difficult

At field activities of the services' industrial activities, our review indicated a variety of problems and effects of DOD and service approaches to downsizing. In a number of instances, particularly during fiscal year 1992, Defense managers described what appeared to them to be across-the-board reductions that were not always correlated with decreasing work load requirements. Difficulties were also cited in obtaining additional staffing for increasing work loads. Our review has shown instances where downsizing actions resulted in some increased contracting out⁶ as well as some decreased contracting out. However, at the locations we visited, we saw no clear pattern that would indicate a significant change in the magnitude of overall contracting out.

At industrial activities, fiscal year 1993 funding constraints have lessened the availability of funded work loads, according to various Defense officials, and as a result we have found fewer vocal concerns about mismatches between work load and force reductions. At the same time, several senior service officials, in recent congressional testimony statements, have sounded words of caution about growing backlogs of unfunded maintenance requirements.

Work Force Imbalances

Hiring freezes with varying degrees of exceptions have been mandated by DOD since January 1990; however, similar freezes imposed by the services and major service commands have been in effect off and on much longer. DOD's reliance on hiring constraints and voluntary attrition to achieve force reductions has led to significant imbalances in the work force. These include not only skill imbalances, but also demographic imbalances with a higher graded and more senior work force. These imbalances resulted from significant curtailment of entry level hiring and disproportionately larger losses in younger and less senior workers through voluntary and involuntary reductions. Our analysis of civilian manpower data shows that between fiscal years 1987 and 1992, the percentage of permanent DOD employees in grades GS-11 and below decreased from 74.2 percent to

⁶At one major Army activity, this led to a significant increase in contracting out of work in fiscal year 1992. This problem and others were pointed out in our recent report to a Senate Governmental Affairs Subcommittee entitled Defense Force Management: Challenges Facing DOD as It Continues to Downsize Its Civilian Work Force (GAO-NSIAD-93-123, Feb. 12, 1993).

67.2 percent; conversely, the percentage of those in GS-12 and higher grades increased from 25.8 percent to 32.8 percent.

A February 1993 Army report addressing the Army's overall civilian personnel population⁷ confirms and provides additional perspectives on the imbalances resulting from DOD's approach to downsizing. The report stated that

"after three years of relying on attrition, hiring controls and reduction in force to reduce the civilian workforce, the Army has an imbalanced (and more costly) workforce."

The Air Force offers a case study in skill imbalances. Between October 1991 and November 1992, the Air Force's San Antonio Air Logistics Center had internally placed 2,280 employees, who were in surplus skill positions, into position vacancies to eliminate some skill imbalances.⁸ However, as of November 30, 1992, the center still had 1,354 employees in surplus positions who could not qualify for 924 vacant positions. In January 1993, the Air Force Materiel Command requested RIF authority from Air Force Headquarters to separate 8,300 employees throughout the command, which would eliminate surplus employees and correct skill imbalances.⁹

While RIFs can be used to reduce the size of the work force and correct skill imbalances, the process of implementing a RIF can also exacerbate skill imbalances. When a RIF occurs, there will be up to a three- to five-fold multiplier effect on the numbers of persons adversely affected, according to Defense personnel officials. This occurs because senior employees, having prior experience in lower graded positions, can "bump" junior employees out of their positions and "retreat" to those positions. Further, RIF "bumping and retreating" rights, according to various Defense managers, can perpetuate skill imbalances because, in their new positions, the senior employees exerting their RIF rights may meet minimum

⁷Army Civilians: Annual Review, FY 1992, Feb. 1993.

⁸Representatives of employee groups and supervisors have pointed out to us during the course of this review that such placements, while attempting to accommodate displaced workers, do not always result in persons being placed into positions for which they are qualified or in which they can perform productively without extensive supervision.

⁹The requested RIF authority was postponed pending the results of recently authorized financial separation incentives to induce voluntary separations. As of April 26, 1993, Air Force officials report they have been able to reduce the number of surplus positions to approximately 700; but, they also have 1,300 vacancies. Still operating under a hiring freeze, the Air Force plans to try to fill vacancies through moving persons, now in surplus positions, into vacant ones.

qualifications but not necessarily meet current skill requirements of the positions they are retreating into.

To get better insights on the organizational impact of RIF actions, we interviewed the supervisors of 26 employees who were reassigned during RIFs at an Air Force and a Navy industrial facility. The supervisors described various cases where employees about to be RIFed were able to retreat into jobs that they had held years earlier. However, automation and other changes in equipment and the work environment often made the employees ill-prepared for their new jobs. Thus, the supervisors concluded that not only did RIF actions adversely affect these employees, but they also had adverse consequences on continued organizational operations.

At several locations we visited, personnel officials told us that reductions in training budgets limited retraining workers for new positions. Those workers moving into new positions either through reassignment of surplus workers or through exercise of RIF rights most often had to rely on on-the-job training (OJT) to learn or enhance their skills.¹⁰ In some cases, according to some service officials, OJT can be an effective approach; but in other instances, involving highly skilled positions, more formal training programs are required to receive needed certifications or to become proficient in the work. One depot official expressed concern that the effectiveness of OJT may be undermined because of the large number of employees being retrained as a result of RIF displacements and the fact that some of the supervisors providing the training have been recent displacements themselves.

Greater Impact of Downsizing on Blue-Collar Workers

Our review indicates that downsizing actions have had a greater impact on blue-collar workers in each of the services compared to white-collar workers. The largest RIFs have occurred to date at industrial activities that employ a proportionately larger number of blue-collar workers than do other Defense activities. At these industrial activities, according to Defense officials, it is not unusual for white-collar employees to have been promoted out of the blue-collar ranks. Therefore, if their white-collar positions are eliminated, these employees, in exercising their RIF rights, may be able to move back into blue-collar positions with blue-collar workers rather than the white-collar workers being the ones to be involuntarily separated.

¹⁰This means less money available to help Defense employees retain some jobs. This contrasts with actions taken by Congress to provide Defense Conversion funds to the Department of Labor and others to retrain workers who are already slated to lose or have already lost Defense and Defense related jobs and must be retrained.

We examined the impact of RIF actions at an Air Force and a Navy facility, each of which had RIFed over 300 employees in fiscal year 1991. Of the 695 workers separated at the two facilities, 89 percent were blue-collar workers, even though blue-collar workers comprised only 49 percent of the work force at those locations.

The Army's February 1993 annual review on civilians stated that between the start of fiscal year 1988 and the end of fiscal year 1992, its blue-collar employment dropped 39 percent and clerical employment dropped 26 percent, while professional and administrative employment dropped only 6 percent. The report further stated that

"while there has been a longer term trend towards a more professional and higher graded workforce, rapidity of this shift since FY 88 is attributed to downsizing primarily via attrition/hiring freezes and reductions in force (RIF). Losses are concentrated in low grade and blue collar jobs and are currently only 3.1% per annum in grades GS/GM-13 and above. Salary costs are being driven up by two factors: higher average grade and saved grade/pay rules (currently 6,472 employees are receiving saved grade/pay)."

A Relatively More Costly Work Force

RIF actions also have significant associated financial costs. For example, employees' pay retention through RIF bumping rights can add significantly to personnel costs because Office of Personnel Management procedures allow employees moving into lower graded jobs to retain their former higher graded pay. Army data, for example, show that the current annual save-pay costs associated with prior RIF actions now total \$49 million.¹¹ An Army official noted that under an increasingly constrained Defense budget, the long-term impact of such costs could be to reduce the number of civilian personnel who could otherwise be employed to meet critical needs. Another additional cost, and often one of the largest, involves relocating displaced employees who get priority consideration for vacancies elsewhere in the Department and can be reimbursed for relocation expenses. Such costs normally average about \$30,000, according to one service official.¹² Defense managers also told us about

¹¹Save-pay for individuals extends for many years. For example, an employee moved into a lower graded job as the result of a RIF is entitled to retain his or her former grade and pay for 2 years. Beyond that, the employee's grade may be lowered, but, he or she may still be entitled to indefinite retention assuming his or her pay does not exceed 150 percent of the top rate of the grade to which reduced.

¹²In fiscal year 1992, DOD officials reported providing such moves for over 2,200 civilians, most involving employees at the lower pay grades.

various other "hidden"¹³ costs that are often associated with RIF actions, including productivity loss, increased sick leave usage, and increased workman's compensation claims—some are one-time costs, while others have a much longer term impact.

DOD Use of Financial Separation Incentives

Until May 1992, senior DOD officials steadfastly opposed use of financial separation incentives to facilitate civilian downsizing, continuing to express the desire to see voluntary attrition remain the primary force reduction tool. Even with the Congress giving DOD authority for civilian financial separation incentives, effective in fiscal year 1993,¹⁴ DOD, until January of 1993, proposed to tightly control the use of these incentives and to limit them to just a few thousand employees this year. Subsequently, DOD reversed its position and has now authorized incentives to over 36,000 employees to facilitate civilian downsizing and minimize involuntary separations.

Because of expected DOD constraints in authorizing incentives, not all DOD components initially sought authority to offer incentives for all positions they expected to eliminate in fiscal year 1993, nor did they seek additional authorizations to help correct long developing force imbalances. For example, the Army's Material Command, in addition to some 1,200 positions associated with functional transfers, expects to downsize by an additional 10,500 positions this fiscal year. However, authority to offer only 6,500 incentives was initially sought due to anticipated tight authorization restrictions by DOD. This left several thousand other losses that would have to occur through voluntary attrition, separation of temporary workers, and other measures, including potential RIFs, to meet reduction targets. Additionally, senior Army officials acknowledged that further measures are still required to fully correct skill imbalances. Similar situations exist in the other services.

In some instances, the separation incentives have been targeted to specific positions, while in other instances, they have been broadly offered to large employee groups at given installations with hopes of attracting a sufficient number. Our preliminary assessment of the use of these incentives indicates that Defense employees requested and have been approved for

¹³These are referred to as hidden costs because they are not widely recognized and are difficult to precisely calculate.

¹⁴Congress gave DOD discretionary authority in terms of what groups of employees would be offered this incentive. For those deemed eligible, the legislation authorizes a lump-sum payment equal to the lesser of the severance pay that a person would have been entitled to under an involuntary separation, or \$25,000.

up to 70 to 80 percent of the 36,000 authorized incentives—the majority separating under provisions for regular or early retirement.

Defense officials are pleased with the number of persons being induced to separate with incentives that are expected to do much to help DOD activities meet reduction targets this fiscal year and reduce the need for involuntary reductions. However, these officials also recognize that since not all offered incentives were initially taken, the effectiveness of these incentives as inducements to separation are apt to taper off and they believe these incentives will likely be less of a factor in the future in meeting reduction targets or separating persons in excess skill positions in order to be able to hire other persons possessing other skills where needed.

Increasingly recognizing the need to reshape its civilian work force, on April 22, 1993, the Deputy Secretary of Defense authorized expanded use of these incentives to designated employees if acceptance of those incentives will result in aggregate net salary savings over a 2-year period.¹⁵ Previously, authority to offer the incentives was retained at the departmental level and authorized use was more restrictive. Under the new implementing guidance, authority to offer and approve use of the incentives is delegated to component heads with guidance to redelegate this authority to the lowest practical level. This new authority will permit the services and other DOD activities greater leeway in offering the incentives to help achieve reduction goals, correct some work force imbalances, and minimize RIFs.¹⁶ It is too soon for us to project how effective the expanded authority will be in attracting additional takers for the incentives or to mitigate the expected tapering off in employee interest in accepting them.

In expanding and decentralizing authority for financial separation incentives, DOD will need reasonable assurances that the incentives are not so broadly offered that they result in persons taking the incentives who are filling critical positions and who must be replaced. At the same time, the offering of financial separation incentives does not mean that new hires will not be needed.

¹⁵This means that over a 2-year period incentive costs are expected to be offset by savings in salary costs from the induced separations.

¹⁶While DOD has decentralized and authorized expanded use of financial incentives, it still has mandated that a modified hiring freeze remain in effect for the remainder of this fiscal year. The constraints permit the hiring of two persons for every five losses.

Impediments to Force Planning and Management

As we previously reported, DOD has had difficulty to date in developing a 5-year civilian reduction plan that would accurately reflect where and when force reductions would occur, including the number of expected involuntary separations, as mandated by Congress in the National Defense Authorization Act for Fiscal Year 1991 (P.L. 101-510).¹⁷ Presently, DOD has a new mandate, established by section 371 of the National Defense Authorization Act for Fiscal Year 1993, to develop an even more detailed "civilian positions master plan." DOD is still in the process of taking initial steps to develop this plan.

Although DOD and the services must make significant improvements in their planning for civilian reductions, in order to achieve more balanced reductions in the short-term and also to reshape the force with a view toward meeting future requirements in a more cost-effective manner, there are some significant impediments to such planning efforts in today's national security environment. These impediments include the lack of consensus between DOD and Congress about future military force structure, support requirements, and funding levels; decisions yet to be made about base closures and realignments, including depot consolidations; and decisions on the extent to which certain functions should be completed by government employees as opposed to contracted out. These all affect determinations about changes needed in the numbers and composition of the civilian work force.

Scope and Methodology

Building on prior work in the area of Defense downsizing, we reviewed drawdown plans, guidance, and other documents pertaining to force reductions; visited a variety of the services' field activities; and examined statistical data related to changes in personnel end strengths, work force demographics, and contracting out. We also interviewed selected supervisors to learn first-hand the impact of RIF placements on ongoing operations.

We reviewed pertinent documents and interviewed appropriate officials at the following locations:

- the Office of the Assistant Secretary of Defense, Force Management and Personnel, Washington, D.C.;
- the Office of the Comptroller, Office of the Secretary of Defense, Washington, D.C.;

¹⁷Defense Force Management: Limited Baseline for Monitoring Civilian Force Reductions (GAO/NSIAD-92-42, Feb. 5, 1992) and Defense Force Management: Challenges Facing DOD as It Continues to Downsize Its Civilian Work Force (GAO/NSIAD-93-123, Feb. 12, 1993).

- the Air Force's Office of the Deputy Chief of Staff for Personnel, Washington, D.C.; the Air Force Materiel Command, Wright Patterson Air Force Base, Dayton, Ohio; Oklahoma City Air Logistics Center, Tinker Air Force Base, Oklahoma City, Oklahoma; Headquarters, Air Training Command, Randolph Air Force Base, San Antonio, Texas; and San Antonio Air Logistics Center, Kelly Air Force Base, San Antonio, Texas;
- the Army's Office of the Deputy Chief of Staff for Personnel, Washington, D.C.; the Army Materiel Command, Alexandria, Virginia; the Army Depot Systems Command, Chambersburg, Pennsylvania; the Army Aviation Systems Command, St. Louis, Missouri; the Rock Island Arsenal, Rock Island, Illinois; Corpus Christi Army Depot, Corpus Christi, Texas; and Fort Sam Houston, San Antonio, Texas;
- the Office of the Deputy Chief of Naval Operations for Navy Program Planning, Washington, D.C.; Naval Air Systems Command, Arlington, Virginia; Naval Supply Systems Command, Arlington, Virginia; Mare Island Naval Shipyard, Vallejo, California; Charleston Naval Shipyard, Charleston, South Carolina; the Naval Aviation Depot, North Island, San Diego, California; the Pensacola Naval Aviation Depot, Pensacola, Florida; Pensacola Naval Supply Center, Pensacola, Florida; and Pensacola Public Works Center, Pensacola, Florida.

We obtained data on DOD civilian end-strength levels from DOD's Office of the Comptroller. Civilian end-strength cited in this report includes personnel employed in military functions supporting active duty forces. This is the way such data is normally presented by the Secretary of Defense in support of his military budget. Data not included in such end-strength totals include nonappropriated fund personnel, civilian technicians of the National Guard, and non-military function personnel, such as those employed by the Army Corps of Engineers. We obtained other civilian employment data from the Defense Manpower Data Center, Monterey, California. We conducted our review from March 1992 to May 1993 in accordance with generally accepted government auditing standards.

As requested, we did not obtain agency comments on this report that had been fully coordinated within DOD. However, we discussed its contents with officials from the Office of the Secretary of Defense, and similar officials from each of the services. The officials generally agreed with our findings; however, they expressed the view that many of the downsizing problems we had identified were beyond their control, given the requirements and constraints of civilian personnel regulations. They also stated that these constraints also curbed their planning ability.

Unless you announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time, we will send copies to the Chairman of the Senate Committee on Armed Services, the House and Senate Committees on Appropriations, the House Committee on Government Operations, and the Senate Committee on Governmental Affairs; the Director of the Office of Management and Budget; and the Secretaries of Defense, the Air Force, the Army, and the Navy. We will also make copies available to other interested parties on request.

Please contact me at (202) 512-5140 if you or your staff have any questions concerning this report. Major contributors to this report are included in appendix I.

Sincerely yours,



Mark E. Gebicke
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Related GAO Reports

1. Defense Force Management: Limited Baseline for Monitoring Civilian Force Reductions (GAO/NSIAD-92-42, Feb. 5, 1992).
2. Defense Force Management: DOD Management of Civilian Force Reductions (GAO/T-NSIAD-92-10, Feb. 20, 1992).
3. Defense Force Management: Expanded Focus in Monitoring Civilian Force Reductions Is Needed (GAO/T-NSIAD-92-19, Mar. 18, 1992).
4. Defense Force Management: Status of Military Force Downsizing (GAO/T-NSIAD-92-20, Mar. 25, 1992).
5. Defense Force Management: Challenges Facing DOD as It Continues to Downsize Its Civilian Work Force (GAO/NSIAD-93-123, Feb. 12, 1993).

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