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Military Readiness: Background to Congressional Debate over Tiered Readiness

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Summary

The Senate version of the FY1998 National Defense Authorization Act required the Department of Defense (DOD) prepare a second report on tiered readiness.¹ The House version (H.R. 1119) opposed tiered readiness and specifically prohibited its implementation.² In the final conference report, the differences between the two chambers remained sharp over the issue of reducing current force readiness of some units for cost savings -- in this case to pay for force modernization. Given probable stringent budget realities in the future, this incident of difference of approach reflects a continuing tension among competing national defense budget priorities that remains difficult to resolve. This report will not be updated, but the information likely will be relevant in future readiness debates.

Definitions and Explanations

Tiered Readiness. Tiered readiness is a proposed method for reducing the near-term cost of operating U.S. military forces: certain forces could be categorized in terms of how early they arrive in a theater in preparation for combat operations.³ Earlier arriving forces would maintain higher readiness levels than later-arriving forces.⁴ Cost-

¹Under the FY1997 law, DOD was required to conduct the first study on tiered readiness. See P.L. 104-201, Section 1047, September 23, 1996. Hereafter referred to as TR Report #1. The requirement for a second report can be found in the FY1998 National Defense Authorization Bill (S. 936), Section 1034. Hereafter referred to as TR Report #2.

²H.R. 1119, Section 314-Prohibition of Implementation of Tiered Readiness System.

³Originally described in Senate Armed Services Committee Report 104-267, May 13, 1996; Senator McCain developed the following categorization plan: Tier I forces—units capable of mobilizing and deploying within the first ten days of conflict; Tier II—units that could mobilize within 60 days; Tier III—units that could mobilize within 180 days. The common term: “tiered readiness” has been used to connote the concept of varying degrees of readiness for units.

⁴The times of arrival for particular forces are described in war plans. Each theater Commander-in-
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savings could accrue because not all forces would be maintained at their highest states of readiness. Operations and maintenance (O&M) accounts could then be reduced and savings could be directed towards force modernization.

Budget Categories. There are seven major DOD budget categories: military personnel, procurement, research and development, military construction, family housing, revolving funds, and O&M. Most readiness-related spending occurs in the O&M accounts. Readiness, generally, refers to activities such as training, exercises, maintenance, and supplies needed to keep U.S. forces prepared to carry out their combat missions. The tiered readiness concept envisions less money being directed to those units that are categorized as “later-arriving”. Modernization, generally, refers to research and development, as well as procurement, although some aspects of modernization are paid out of other accounts. As an example, upgrading a unit’s personal computer inventory would most likely come from the unit’s O&M account. But the bulk of modernization concerns warfighting/supporting platforms, e.g. planes, ships, tanks, munitions, satellites, missiles and other major-end programs.

The Tension Between Current Readiness and Modernization. For several years, DOD has reduced its procurement of new weapons as an explicit policy of the Clinton Administration. William Cohen, Secretary of Defense, expressed the Administration’s policy priorities in his first statement to Congress on the FY1998 Defense Budget, February 12, 1997; “People first...the second priority is readiness and...the third priority is modernization.”⁵ In a post-Cold War era, people and readiness accounts have drawn increasing budget shares creating a debate between current readiness and modernization.⁶

The Quadrennial Defense Review and Report on Tiered Readiness. In May, 1997, DOD released the report of the Quadrennial Defense Review (QDR).⁷ DOD had been charged by the Congress with conducting a comprehensive examination of force structure, modernization, infrastructure, budgets and all other elements as they relate to the U. S. defense strategy and policy through the year 2005.⁸ The first report on tiered

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Chief (CINC) directs the time-phasing of forces in with guidance from the Joint Chiefs of Staff (JCS) and in coordination with the Commander-in-Chief of the U.S. Transportation Command (CINCTrans). Tiering would make a distinction among various units based on when they had been planned to arrive in the combat zone.

⁵*Statement of the Secretary of Defense, FY1998 Defense Budget*; House National Security Committee, William S. Cohen, Secretary of Defense. Washington, February 12, 1997. Available on the Committee web page at <http://www.house.gov/nsc/97-2-12Cohen.htm>.

⁶See GAO/NSIAD-97-36 for an analysis of the Future Years Defense Program (1997FYDP) and a short discussion of 1995 and 1996 fiscal years; see page 1.

⁷*Report of the Quadrennial Defense Review*. William S. Cohen, Secretary of Defense. Washington, May 1997: 69 pp. Hereafter referred to as “QDR Report;” mandated by P.L. 104-201, September 23, 1996; Sections 921-926 also known as the Military Force Structure Review Act.

⁸*Ibid.*

readiness, TR Report #1, preceded the QDR and was released in February 1997.⁹ Tiered readiness was also discussed within a section of the QDR, in which DOD summarized the conclusions drawn in TR Report #1. Dissatisfied with the scope of the first report, the Senate now proposes a second report, TR Report #2.

Further Background

Several high ranking military officers have warned Congress about serious readiness challenges since 1992. Some in Congress have likened the current situation to that of the post-Vietnam era of the late seventies, when near-term readiness, for somewhat different reasons, dropped dangerously low.¹⁰ Since 1992, greater shares of declining defense budgets have been used to meet these readiness challenges. Over the past five years, DOD has reduced procurement spending by about two-thirds which has made room in the budget for robust funding for training, maintenance, quality of life, and other components of near-term readiness.¹¹ This has prompted additional concerns, however, that force modernization is being undermined and that future force readiness could be in jeopardy. Senator John McCain has concluded that savings within the readiness accounts should be explored and has proposed the tiering system of current readiness force structure to pay for additional modernization.¹² DOD has asserted however, that “estimated annual savings of only about \$100 million (would) create a force that could not meet major theater war deployment timelines,” and that “such tiering would significantly increase risk at the gain of only modest savings while limiting the flexibility required to execute current war plans.”¹³ The flexibility to respond to a wide range of deterrence, conflict prevention, and peacetime activities as well as major theater war are all missions, tasks and strategic concepts currently embodied in the national security documents of the Clinton Administration, Secretary of Defense and the Joint Chiefs of Staff.¹⁴

The Requirement for a Second Report

⁹See DOD: *Report on Military Readiness Requirements of the Armed Forces*, Feb. 1997.

¹⁰See, for example, Hon. Floyd D. Spence, Chairman, House National Security Committee, *Military Readiness 1997: Rhetoric and Reality*, Apr. 9, 1997. Available on the Committee web page at <http://www.house.gov.nsc/>.

¹¹*Statement of the Secretary of Defense, FY1998 Defense Budget*; House National Security Committee, Washington, February 12, 1997. Available on the Committee web page at <http://www.house.gov.nsc/97-2-12Cohen.htm>. Additionally, the Government Accounting Office (GAO) reported that, “...since the 1995 FYDP, DOD has steadily reduced programmed funding levels for procurement in favor of short-term readiness...” See GAO/NSIAD-97-36:10.

¹²Memo to CRS concerning tiered readiness from Senator McCain’s Office, dated Jun. 13, 1997.

¹³See DOD: *Report on Military Readiness Requirements of the Armed Forces*, Feb. 1997 and QDR Report.

¹⁴A *National Security Strategy for a New Century*, May 1997, and A *National Security Strategy of Engagement and Enlargement*, May 1995, The White House; *The National Military Strategy of the United States*, 1995 and *Joint Vision 2010*, 1997, Chairman of the Joint Chiefs, Pentagon, Washington D.C.

The House and Senate versions of the FY1998 Defense Authorization Act approach tiered readiness differently. The House “prohibits implementation” and requires the Secretary of Defense to justify to Congress why DOD would move to such a system.¹⁵ The Senate, on the other hand, requires DOD to follow-up on the one-time report required in the FY1997 law, noting that the first report, “...left a number of issues unresolved.”¹⁶ Although there was no further specific critique of TR Report #1, the Senate is now recommending a more expansive exploration in TR Report #2.¹⁷ According to the Senate’s language, a second report must focus on QDR force structure. The implied logic is that the first report predated and therefore neglected to consider the breadth of changes within the QDR. S. 936 would also require a second report to look (1) at lower operational levels, e.g. brigade, battalion, and squadron; (2) at a rotational scheme that matches and subsequently tiers Army and Marine Corps divisions, as well as Air Force, Navy and Marine Corps air wings; and, (3) at all operations and maintenance activity that would be affected by tiering.

Tiered Readiness Issues

Tiering Methods Already In Place. DOD maintains that the services are already doing some form of tiering and the House agrees.¹⁸ The Navy and Marine Corps rotate their forces on a cyclical scheme that naturally differentiates units that are afloat, and thus operational, from those forces that are in homeport, either in refit or preparing to go operational. The Army keeps units most likely to deploy first at their highest readiness, while other units have a lower priority on personnel and equipment, a concept that “tiers by resourcing”.¹⁹ The Air Force keeps most combat units at their highest readiness, but shares a significant number of missions with the Air National Guard and Air Force Reserve, called “tiering by tasking.”²⁰ These differences in the operational patterns of each of the services complicate the question of tiering readiness. Naval forces rotate on a cyclical system tantamount to rotating their readiness so that operational forces are most ready and in-port forces are least ready. The cyclical deployment schedule of the Navy and Marine Corps rotate operational forces and at any time some units are more ready than others. The Army puts an emphasis on “first-to-go” units and gives them “full-up”

¹⁵H.R. 1119. Section 314.

¹⁶S. Rpt. 105-29, Section 1034.

¹⁷Discussion with SASC staff members August-September 1997.

¹⁸See QDR Report: 35-36; additional information provided through discussions with analysts in OSD and Joint Staff and specific language in H. Rpt. 105-132.

¹⁹See QDR Report: 35-36; additionally and according to an *INSIDE THE ARMY*, February 3, 1997 news report, the US Army already has a certain kind of tiering in its “first-to-fight units” which are ready on a moment’s notice and are fielded with better equipment. The system divides the Army into force packages, with Force Package I being the most ready and Packages II and III progressively less ready.

²⁰This is a concept that the USAF refers to as “Total Force Policy” where active and reserve/guard units participate in operational activities as a team effort. Units are tasked according to their capability; a form of tiering occurs through these very specific taskings.

resources, while not doing the same for those units that are not “first-to-go”.²¹ This arguably tiers their forces. The Air Force maintains a mix of guard/ reserve and active duty forces that divide missions on the basis of capabilities. Land-based air forces generally do not operate on a deployment-based/cyclical schedule but are always maintained at high readiness levels because of their early-arriving requirements. These current practices raise the question of the effectiveness of a single approach to readiness across the services. H. Rpt. 105-132 asserts:

The committee strongly believes that the military services have over time, developed readiness systems that are particularly tailored to their individual requirements. These existing systems already represent a form of tiering in that resources are allocated on a priority basis to military units that are expected to enter into combat first.²²

Analysis of Potential Cost-Savings (O&M Analysis). In its first report, DOD estimated only about \$100 million in savings.²³ The SASC points out that O&M accounts for over 33% of the DOD budget, with \$94 billion projected for FY1998. According to the GAO, “...since 1987, the O&M accounts have been the largest appropriation group in DOD’s budget and are expected to remain the largest through fiscal year 2001.”²⁴ In the second report, the Senate wants to know just what parts of O&M could be saved by tiered readiness. When DOD studied this question before the QDR, it concluded that large portions of O&M were not affected by a tiering of forces and thus the potential for savings would be limited. Anticipated cost-savings arguments are critical in this overall debate.²⁵

Peacetime Engagement. Readiness questions focus almost exclusively on warfighting abilities, but there is clearly an argument that the current strategy has demands in excess of any “war” scenario.²⁶ Describing units only by their wartime requirement neglects their potential use in various peacetime operations that may or may not involve conflict.²⁷ Wartime-only utility measures appear insufficient to capture the

²¹See QDR Report: 35-36.

²²See H.R. 119, Section 314.

²³See QDR Report: 35-36. This figure was an estimated accounting within the QDR based on the findings of the report titled “Report on Military Readiness Requirements of the Armed Forces,” Feb. 97.

²⁴ See S. Rpt. 936, Title III—Operations and Maintenance, “Overview” :210 and GAO/NSIAD-97-73 Defense Budget:2.

²⁵DOD asserts that there are large savings to be gained in reducing infrastructure costs associated with further base closings; See QDR Report: 54-57. DOD also contends that anticipated savings from additional base closings could pay for modernization.

²⁶A *National Security Strategy for a New Century*, May 1997, and A *National Security Strategy of Engagement and Enlargement*, May 1995, The White House; *The National Military Strategy of the United States*, 1995 and *Joint Vision 2010*, 1997, Chairman of the Joint Chiefs, Pentagon, Washington D.C.

²⁷See *Naval Forward Deployments and the Size of the Navy*. CRS Report 92-803F, by Ronald O’Rourke. Washington, 1992. (November 11, 1992):3,”The Navy and Marine Corps have relied on both conflict- and forward-deployments based arguments to justify their force-level objectives

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breadth and depth of current military operations in peacetime engagement, deterrence, and conflict prevention. The Senate is specifically asking that the second report examine tiered readiness with force structure advocated by the QDR and it adds, “...(to include) forces required to deter or defeat strategic attack upon the United States.” It does not discuss, however, peacetime engagement activities or certain contingency operations that can cause the greatest readiness variability.²⁸ “Modernization” reflects longer term investment, while “readiness” expenses are comparable to an individual’s living expenses; contingency operations can increase such “living expenses” to a point that impacts the readiness debate.²⁹ This is the challenge of a high operational tempo in peacetime, because these activities incur costs while they may or may not add to a unit’s “combat-readiness”.

Impact of Congressional Action

Overall, the debate may have refined, but did not resolve arguments over defense budget priorities and the choices between current readiness and future force readiness. The final conference report language both supported and opposed tiered readiness, as both sections of the Senate (S. 936, Section 1034) and the House (H.R.1119, Section 314) versions remained after conference (see Public Law 105-85, Sections 328 and 329). The choice to adopt tiered readiness as a specific policy was effectively postponed, but the arguments for and against reducing current readiness to fund modernization will remain.

²⁷(...continued)

in recent years, and have placed increased emphasis on the forward-deployments based approach since the end of the Cold War.”

²⁸See *Military Contingency Operations: Search for a New Funding Mechanism*. CRS Report 95-636F, by Nina Serafino. Washington, 1995. (May 22, 1995). See also GAO/NSIAD-97-36, December 12, 1996 and GAO/NSIAD 95-213, September 15, 1995 and *Statement of the Secretary of Defense, FY1998 Defense Budget*; House National Security Committee, William S. Cohen, Secretary of Defense. Washington, February 12, 1997. Available on the Committee web page at <http://www.house.gov.nsc/97-2-12Cohen.htm>.

²⁹*Ibid.*

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