

GENERAL AND FLAG OFFICER REQUIREMENTS

HEARING
BEFORE THE
SUBCOMMITTEE ON PERSONNEL
OF THE
COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE
ONE HUNDRED TWELFTH CONGRESS
FIRST SESSION

SEPTEMBER 14, 2011

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GENERAL AND FLAG OFFICER REQUIREMENTS

WEDNESDAY, SEPTEMBER 14, 2011

U.S. SENATE,
SUBCOMMITTEE ON PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:07 p.m. in room SR-232A, Russell Senate Office Building, Senator Jim Webb (chairman of the subcommittee) presiding.

Committee members present: Senators Webb, Ayotte, and Graham.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrner, counsel; and Peter K. Levine, general counsel.

Minority staff member present: Richard F. Walsh, minority counsel.

Staff assistants present: Jennifer R. Knowles and Kathleen A. Kulenkampff.

Committee members' assistants present: Brad Bowman, assistant to Senator Ayotte; and Sergio Sarkany, assistant to Senator Graham.

OPENING STATEMENT OF SENATOR JIM WEBB, CHAIRMAN

Senator WEBB. The subcommittee will come to order.

The subcommittee meets today to receive testimony on general and flag officer (G/FO) requirements. We are holding this oversight hearing to examine the growth over time of G/FOs in the military. It has been 66 years since the end of World War II, and there have been an estimated 10 studies and reviews of general officer requirements during that period, but this is the first hearing on this issue, I think, in recent memory.

This hearing will consist of two panels. On the first panel, we have the Under Secretary of Defense for Personnel and Readiness, Dr. Clifford Stanley, and the Director of the Joint Staff, Vice Admiral William Gortney, who served as co-chairs of The General and Flag Officer Study Group established by the Secretary of Defense in August 2010. This study group conducted a baseline review of Active Duty G/FO positions as they existed in fiscal year 2010.

Based on the results of this study group's work, the Secretary of Defense in March 2011 approved changes to 140 G/FO requirements, including the elimination of 102 G/FO positions, and reduction to a lower grade of an additional 23 positions.

We are interested in the scope of the study group's efforts and also learning if the Department of Defense (DOD) plans any future reviews of G/FO positions.

Also on our first panel is Dr. Benjamin Freeman, a National Security Fellow at the Project on Government Oversight (POGO). Using data provided by DOD, Dr. Freeman is conducting a comprehensive study of trends in the numbers of G/FOs on Active Duty and the relationship of these numbers to the size of the military. Dr. Freeman will provide us with historical data on these changes and also will discuss the relationship of these requirements to the size of the force.

The second panel will consist of the Vice Chiefs of Staff of the Army, Navy, and Air Force, and the Assistant Commandant of the Marine Corps. These witnesses will help us to understand each Service's stated requirements for the numbers of G/FOs and what drivers exist to explain the growth in the numbers over time.

I would like to make an observation at this time. The last hearing that we held here involved Judge Advocate General (JAG) positions.

I welcome the ranking member, Senator Graham, and there is nothing that I have said that you would have not heard before. So you are coming in at the right time. Welcome.

I was just beginning to make a point. As a result of our last hearing where we had extensive discussions on the issue of JAGs in a room full of lawyers with the bench full of lawyers and most of the people on the subcommittee are lawyers, our conversations went on for a very long period of time. I am conscious of the work of people here in the Senate and also those of you who are helping in the defense of the country.

So I am going to ask, first of all, that all the witnesses adhere to the traditional 5-minute rule in terms of summarizing your testimony. Your full written testimony is a part of the record. It has been examined thoroughly by staff and will be available for follow-on. Also for those members of the subcommittee to adhere to a 7-minute rule in terms of questions. If people on the subcommittee have follow-on questions, they will certainly be entertained.

I first raised this issue in this subcommittee in April 2010 when I asked DOD for information on the number of generals and admirals in the military. This issue was addressed again in this subcommittee's hearing 2 months ago when we discussed the number of G/FOs serving in the JAG Corps in each branch of the armed services. At that time, I noted the disparity among the Services in the numbers of G/FOs.

In preparation for this hearing, we have collected the data reflected on this chart that is now up on the screen. I am going to just spend a minute or 2 talking on this. What we asked DOD to provide us was a comparative timeline from fiscal year 1986 and then 2001 and then today snapshots of the authorized end strength of the different Services and the number of G/FOs by Service and by rank.

You will notice on these charts, it is just going from 1986 to 2011, the Army's end strength having gone from 780,800 down to 480,000 in 2001 but up to 569,000 today, their total number of general officers having gone from 412 to 315 to a ratio of 1 general offi-

cer for every 1,800 soldiers on Active Duty, although the numbers of three stars and four stars are fairly constant. In fact, they are directly constant in terms of four stars and just slightly down in terms of three stars.

The Navy having gone from 586,000 to 328,000 on Active Duty, the total number of flags actually having gone up by one during that period, a lot more in terms of the three-star ranks and two more in terms of four-star and rather consistent at the 0–7 level.

The Marine Corps, 199,500 in fiscal year 1986 to 202,000 in fiscal year 2011, the number of overall general officers from 65 to 86, fairly constant at 0–7, well, only one up in terms of four stars but doubling in terms of three stars.

The Air Force having gone from 611,500 in 1986 to 332,000, its total number of general officers having gone from 339 to 314, its number of four stars having gone from 12 to 13, three stars to 43.

In comparing the overall numbers in 2011, we can see that the ratio of the Air Force is about 1 general officer for every 1,000 airmen on Active Duty; the Marine Corps, 1 for every 2,350 marines; the Navy, 1 for every 1,279 sailors; and again, the Army, 1 for every 1,808 soldiers.

[The information referred to follows:]

General and Flag Officer Comparisons

Services	FY 86 Authorized End Strength (ES)	FY86 Number of General and Flag Officers (GFO)	FY86 Ratio GFO to ES	FY01 Authorized ES	FY01 Number of GFO	FY01 Ratio GFO to ES	FY11 Authorized ES	FY11 Number of GFO	FY11 Ratio GFO to ES
Army	780,800	Total: 412 O-10: 11 O-9: 47 O-8: 148 O-7: 206	1/1,895	480,000	Total: 313 O-10: 10 O-9: 44 O-8: 103 O-7: 156	1/1,534	569,400	Total: 315 O-10: 11 O-9: 43 O-8: 117 O-7: 144	1/1,808
Navy	586,300	Total: 256 O-10: 9 O-9: 31 O-8: 84 O-7: 132	1/2,290	372,642	Total: 217 O-10: 8 O-9: 27 O-8: 75 O-7: 107	1/1,717	328,700	Total: 257 O-10: 11 O-9: 43 O-8: 74 O-7: 129	1/1,279
Marine Corps	199,500	Total: 65 O-10: 3 O-9: 8 O-8: 21 O-7: 33	1/3,069	172,600	Total: 80 O-10: 4 O-9: 13 O-8: 23 O-7: 40	1/2,158	202,100	Total: 86 O-10: 4 O-9: 17 O-8: 30 O-7: 35	1/2,350
Air Force	611,500	Total: 339 O-10: 12 O-9: 39 O-8: 117 O-7: 171	1/1,804	357,000	Total: 273 O-10: 12 O-9: 38 O-8: 84 O-7: 139	1/1,308	332,280	Total: 314 O-10: 13 O-9: 43 O-8: 107 O-7: 151	1/1,058
Total	2,178,100	1,072	1/2,032	1,392,242	883	1/1,577	1,432,480	972	1/1,474

Senator WEBB. We all know that when someone looks at the rank on an Active Duty member's shoulders and sees the general officer or an admiral, they pretty much tend to think—and I hope rightly so—that there is equivalence in terms of what it takes to become a flag officer or a general officer in terms of history and also in terms of criteria. This is what we have asked to examine in this hearing today.

This is not intended to be an adversarial hearing. More than anything, it is an informational hearing. We would like to hear from the people who conducted this study and also the Vice Chiefs of the Services and the Assistant Commandant in terms of how these ranks are agreed upon and what the requirements are and how people feel about the growth that has occurred. We can understand some of this growth explained by post-September 11 increases in joint requirements, and I look forward to hearing from our witnesses what other reasons might be behind them.

The numbers provided this subcommittee indicate a particular disparity in the distribution of four-star generals and admirals. As shown in the next chart, data provided by the Services reflects that as of October 1, 2011, the Army will have 11 four-star generals: 5 in the institutional Army and 6 in joint and other competitive assignments. The Navy will also have 10 four-star admirals: 6 in the institutional Navy; 4 in joint assignments. The Marine Corps will have four four-stars: two in the institutional force; two in other assignments. The Air Force will have 13 four-stars: 9 in the institutional Air Force and 4 in other assignments. The disparity in the number of four-star positions in the institutional forces, I think, warrants an examination. I am curious as to whether the Efficiencies Study Group looked at this and other disparities as part of their examination.

[The information referred to follows:]

O-10 Positions (October 1, 2011)				
	Army	Navy	Marine Corps	Air Force
Service Positions	Chief of Staff of the Army Vice Chief of Staff of the Army Commander Army Forces Command Commander Army Materiel Command Commander TRADOC	Chief of Naval Operations Vice Chief of Naval Operations Commander US Pacific Fleet Commander US Naval Forces Europe Commander Naval Nuclear Prop Program Commander US Fleet Forces Command	Commandant of the Marine Corps Vice Commandant of the Marine Corps	Chief of Staff of the Air Force Vice Chief of Staff of the Air Force Commander Air Mobility Command Commander Air Force Materiel Command Commander Air Combat Command Commander US Air Force Europe Commander Pacific Air Forces Commander Air Force Space Command Commander Air Education and Training Command
Joint	Chairman of the Joint Chiefs of Staff	Vice Chairman of the Joint Chiefs	Commander CENTCOM	Commander SOUTHCOM
And	Commander NORTHCOM	Commander SOCOM	Commander ISAF	Commander STRATCOM
Other	Commander US Forces Korea Commander AFRICOM Commander US Forces Iraq	Commander EUJCOM Commander PACOM		Commander TRANSCOM Chief, National Guard Bureau
Assignments	Commander US Cyber Command			

Senator WEBB. At this point, I would like to invite Senator Graham to make any opening statement that he would like.

Senator GRAHAM. No, Mr. Chairman. I think this is good for the committee to get the information and look at the issue. I appreciate the effort to listen and learn.

Senator WEBB. Thank you very much.

Secretary Stanley and Vice Admiral Gortney, welcome. There was a joint written statement which we have examined, and each of you, I understand, are prepared to give a short opening statement. We will proceed from Secretary Stanley to Admiral Gortney and after that, we will hear from Dr. Freeman. So, Secretary Stanley, welcome.

**STATEMENT OF HON. CLIFFORD L. STANLEY, UNDER
SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS**

Dr. STANLEY. Thank you, Mr. Chairman and Senator Graham. Thank you very much. Admiral Gortney and I have prepared one joint statement, as you have just said, and we wanted to have this particular statement here to just go over some comments very briefly.

The General and Flag Officer Efficiencies Study Group, or the Study Group as we referred to it, was directed by the Secretary of Defense to take a critical look at the number and grades of the Department's Active Duty G/FO positions with an eye toward reducing where appropriate. The Secretary of Defense specifically directed Admiral Gortney and I to conduct a baseline review of all Active Duty G/FO positions, identify at least 50 for elimination, and to make recommendations to realign G/FO positions based on organizational missions. In addition, the Secretary directed that we seek every opportunity to eliminate bureaucracy, reduce overhead, and develop policies to better manage future G/FO growth. While there is clearly more work to be done with respect to the Reserve components, we are here today to report on the results of last year's Active component review.

Our review differed from earlier G/FO reviews—and this is since World War II—in several distinct ways. The review was conducted in the midst of a war. The amount of time allotted was very compressed, and the objective was not to determine the exact number of G/FOs required, but instead to identify organizational efficiencies which would allow us to more effectively align the G/FO force with the priority of missions.

The most significant difference may be that the Secretary has approved a new governance structure that will maintain the number of G/FOs below statutory ceilings and provide us needed flexibility to rapidly adapt service force structures to meet the emerging requirements. This is a significant change to the way we will manage our G/FO forces in the future, and we understand the value of this flexibility rests with an understanding of our previous force management practices.

In the past, DOD always maintained the number of G/FOs as close to statutory ceilings as possible. While this provided sufficient numbers of G/FOs to meet the most pressing needs, anytime a new requirement arose, delays ensued while an offset was identified and then downgraded or eliminated.

Just as this committee gave flexibility to the joint community through new legislation in 2009, the creation of the joint pool, the Secretary of Defense has directed reductions which, through self-imposed policies, will similarly allow the military departments to operate below authorized ceilings and gain that same flexibility. We refer to this as a “Service buffer or Services buffer.” This buffer served as a shock absorber against new requirements allowing an offset position to be eliminated without negative impact on the mission or personnel caused by ill-timed action.

Our review began with the identification of 952 authorized and funded G/FO positions in the Active ranks: 294 joint and 658 Service positions. While the number of serving G/FOs and the specific positions fluctuated slightly over time, 952 was our fiscal year 2010 baseline starting point—this was the basis from which we identified positions for elimination and reduction.

After careful and thoughtful deliberation, including extensive discussions with senior officials from the Military Services, Vice Admiral Gortney and I recommended 110 positions for elimination and the Secretary of Defense ultimately approved the elimination of 103 G/FO positions.

Twenty-three additional positions were identified for reduction to a lesser grade, and then finally, 10 positions were restructured and reallocated in support of joint organizations such as U.S. Cyber Command (CYBERCOM).

As I previously stated, the Secretary chose to create flexibility and enhance readiness across DOD by establishing a policy framework rather than seek statutory changes. Operating below authorized grade and strength ceilings gives DOD the ability to rapidly change force structure. As I am sure you fully appreciate, speed is critical in modern warfare. Maintaining this buffer against future senior office requirements ensures a rapidly adaptable force structure which is essential to our military forces.

This concludes my verbal statement. My co-chair, Vice Admiral Gortney, will cover the details regarding how we came to these recommendations. Thank you, Senator Webb, Senator Graham, and members of this subcommittee.

Senator WEBB. Thank you very much, Secretary Stanley.
Admiral Gortney, welcome.

**STATEMENT OF VADM WILLIAM E. GORTNEY, USN, DIRECTOR,
JOINT STAFF**

Admiral GORTNEY. Thank you, Dr. Stanley.

Mr. Chairman, Senator Graham, members of this distinguished subcommittee, thank you for allowing us to testify on this important subject.

As Dr. Stanley stated, I will discuss the methodology used to arrive at the recommendations we provided to the Secretary of Defense for his ultimate decision.

The Study Group was comprised of members of the Office of the Secretary of Defense (OSD), the Joint Staff, and from each of the Services’ G/FO management offices.

Our goal from the very beginning was to develop a disciplined, credible, defensible, and executable process that would result in

meeting the Secretary's intent while accounting for the equities of the four Services and the joint commands and staffs.

Four weeks before the Secretary directed the Efficiency Study, the Chairman of the Joint Chiefs directed me to begin coordinating with the Services to review the G/FO positions. Each Service evaluated their own G/FO positions and sorted them into four tiers: "must have," "need to have," "good to have," and "nice to have." They were directed to put 10 percent of their positions into the "nice to have" category.

Additionally, drawing upon the knowledge of previous G/FO studies, we requested the Services consider various lines of operation that we identified as operations, intelligence, service support, information operations, cyber, headquarters, and command and control and further break those into categories identified as military operations, military support, military presence, and military experience.

This information that gave us a head start provided by the Services was absolutely essential in our ability to complete the study in the allotted amount of time.

Armed with this information, the Study Group then created a set of assumptions that were approved by the Secretary and also established business rules to objectively sort the positions both vertically within the Service hierarchy and then horizontally across the Services. Meeting one of the established criteria was not a trigger for position elimination but rather a signal to the Study Group that a position required further review and justification. This methodology allowed us to view every position from multiple angles, and both our assumptions and business rules have been submitted with our executive summary.

After 6 weeks of meeting daily, the Study Group had completed the vast majority of the work and had identified a few areas that required more knowledge and more senior officers to make better educated decisions. We then established a G/FO Working Group comprised of members from the Joint Staff to take a deeper look at those more challenging issues for resolution, and these issues consisted of areas of training and education, installation management, and accessions.

The Study Group went after growth, and the majority of the growth was in overseas contingency operations (OCO). The Secretary approved 103 positions for elimination, of which 47 are from OCOs; 12 were eliminated from the joint pool, 38 from the Services to which the Services agreed, and 6 additional positions where they did not agree.

The Services were full partners in this endeavor in order to ensure transparency and elicit responses and discussion that would aid us in creating the intended efficiencies. Every member of the group had an equal vote at the table. The group followed a preplanned agenda to permit the Services to come prepared to each meeting to discuss specific positions and organizations, and Dr. Stanley and I provided monthly updates to the Chairman and the Service Chiefs.

Thank you for this opportunity to discuss this, and I look forward to your questions.

[The prepared joint statement of Dr. Stanley and Admiral Gortney follows:]

PREPARED JOINT STATEMENT BY HON. CLIFFORD L. STANLEY AND VADM WILLIAM E. GORTNEY, USN

GENERAL AND FLAG OFFICER EFFICIENCY TASK FORCE CO CHAIRS—EXECUTIVE SUMMARY

The General and Flag Officer (G/FO) Efficiencies Study Group was directed by the Secretary of Defense to:

- Conduct a fiscal year 2010-level baseline review of all active G/FO positions and related overhead and accoutrements.
- Restructure to best align with mission, responsibilities and relevant counterparts.
- Eliminate at least 50 positions over the next 2 years.
- Reallocate G/FO billets based on mission.
- Redistribute ranks to reduce overhead and bureaucracy.
- Develop policies and procedures to manage future G/FO growth.

The Study Group's analysis looked at common positions that will help restructure organizations based upon elimination, redistribution, or a reduction in paygrade. The Study Group attempted to move away from a pure vertical sorting and did a commonality of functions analysis across Service and organizational lines. These commonalities were based on like functions such as recruiting and accessions, education and training, health care, legal, legislative affairs, installation commands, service headquarters staff, and combatant commander headquarters/component staffs. The Study Group was cognizant that a strength of our military is the differences of our individual Services, but looking across Services and comparing similar functions revealed areas for possible efficiencies.

The Study Group recommended 103 positions for elimination (50 over the next 2 years and the remainder based on conditions in overseas contingency operations). The majority of these positions were directly related to the Joint growth over the past 10 years and the reduction of Service "grade creep" over the course of the protracted war effort. Many U.S. service-based operations have moved forward to ensure sustained combat operations and have left legacy command structures and or redundant 24/7 operations capability. Many of the positions that are encumbered by overseas operations in Iraq and Afghanistan were created from Service/Joint billets in offset. By eliminating these positions, we also reduce the Service strength by their fair share percentage in the Joint Pool. The Study Group further recommended reallocating 10 G/FO positions to increase the Joint Pool based on elimination savings from other organizations. Twenty-three positions were reduced from a higher to a lower grade of G/FO.

The most significant difference between this and previous studies is that we did not ask for a "percent bogey" that just slices the overall number equally amongst the Services that has usually resulted in a change to legislation to maintain. Because of this difference, our recommended policy provides a governance oversight framework for the Secretary of Defense and the Military Departments to create a culture of self discipline below authorized end strength. Two years ago, the Joint Pool policy created the foundation for increased flexibility for the Department in the management of positions; this policy will take those governance procedures to the next step and create additional buffer allocations. It will also create a similar Secretary of the Service-controlled buffer.

Mr. Chairman, Senator Graham, and members of this distinguished subcommittee, thank you for inviting us to testify before you.

The General and Flag Officer Efficiencies Study Group (Study Group) was directed by the Secretary of Defense, and by follow-on guidance from the Chair of the Efficiencies Task Force to:

- Conduct a fiscal year 2010 level baseline review of all active General and Flag Officer (G/FO) positions and related overhead and accoutrements.
- Restructure to best align with mission, responsibilities, and relevant counterparts.
- Eliminate at least 50 positions over the next 2 years.
- Reallocate G/FO billets based on mission.
- Redistribute ranks to reduce overhead and bureaucracy.
- Develop policies and procedures to manage future G/FO growth.

This review differed from the 10 earlier G/FO reviews conducted since World War II in several distinct ways: the review was conducted while armed conflict was ongoing, the amount of time allotted to conduct the review was very compressed, and the objective was not to determine how many G/FO were required, but instead to identify organizational efficiencies that would allow the Department to more effectively align the force with priority missions. The most significant difference may be the fact that the Secretary has approved a governance structure that will maintain discipline on the number of requirements and provide for the first time in the history of the Department the flexibility to rapidly adapt Service G/FO force structure to emerging requirements.

METHODOLOGY

Based off authorizations proscribed in title 10 U.S.C., §§ 525 and 526, the Study Group determined there are 952 authorized and funded G/FO positions in the active duty ranks. That baseline number is divided into two sections: Joint authorizations of 294, and Service authorizations of 658. Conversely, we found that if we purely counted the number of G/FO's vice the number of authorized positions, the numbers constantly fluctuated due to the 60-day transition time (when a G/FO departs a Joint position, that officer is considered exempt from Service Statutory ceilings for 60 days), and those positions affected by approved retirements or terminal leave. The authorized and funded number of 952 defines the fiscal year 2010 baseline and is the basis for recommended reductions to meet the intent of the Secretary of Defense's efficiency goal.

The preeminent charge for the Study Group was restructuring of the Department's G/FO force to best align individual Service G/FO positions by mission, responsibilities and its relevant counterparts. To accomplish this task, we began by requesting each Military Service's evaluation of their Service G/FO positions in the following manner.

- Tier: (Prioritization from 1–4)
 1. Must Have
 2. Need to Have
 3. Good to Have
 4. Nice to Have—Services were required to designate at least 10 percent of their positions as Tier 4 to force discussion and create organizational change
- Line Of Operations:
 - Operations
 - Headquarters
 - Service Support
- Categories
 - MO: Military Operations—direct action
 - MS: Military Support
 - MP: Military Presence—nature of job supports public support and confidence
 - ME: Military Experience—nature of job requires years of military experience

The Study Group, armed with this insight, looked longitudinally across the Services at all functions and identified opportunities that would not have been visible if the Group had only reviewed the structure of a single Service. Study Group business rules were created to take subjective data and turn it into an objective study. Meeting the business rules was not a trigger for position elimination, but rather a signal to the Group that a position required further study and justification. This methodology allowed us to view every position from many different angles. The business rules were:

- The grade is dissimilar to a common position held by another Service
- The position resides in an academic setting
- The position resides in the Office of the Secretary of Defense or Department of Defense and is not listed as a Director of an organization
- The position was assigned as a Tier 4 (nice to have) position
- The position was historically filled by a lesser grade or a member of the Senior Executive Service
- The position was created as a direct result of an Overseas Contingency Operation
- The position can be best served by an SES who possesses scientific/technical expertise

- The position's tour length exceeds 4 years and could/should be filled by a civilian
- The position was created for a specific mission, which has been completed
- The position's roles and responsibilities are duplicative with another position
- The position had been historically filled with one officer then split into two separate positions
- The position is a Deputy or Vice Commander
- The position's higher headquarters is realigned under a new organization
- The position is located on a Joint Base with multiple GO/FOs that could have originated from a previous service base

Throughout the process we engaged Service stakeholders and ensured transparency to elicit responses and discussion that would aid us in creating the intended efficiencies. We conducted a range of meetings and published co-chair memos to outline and request feedback through each phase of our study. These efforts were coordinated with ongoing assessments and parallel studies so that we could capitalize on organizational, functional, and senior leadership efficiency recommendations and provide a more comprehensive product.

While a role and mission assessment was not conducted in the interest of time, the alignment of the G/FO positions against operational and non-operational organizational structures was assessed, albeit in a necessarily cursory manner. The results of this assessment were included in our recommendations to the Secretary of Defense. Identification of additional efficiencies in the future may be possible, but we are confident that the proposed recommendations capture the major efficiencies readily available in the existing environment.

RESULTS

The Study Group recommended 110 positions and the Secretary of Defense ultimately approved 103 G/FO positions for elimination. Twenty-three additional positions were reduced from a higher to a lower grade of G/FO, and 10 additional positions were restructured or reallocated (i.e. to support establishment of the new Cyber Command). Instead of recommending changes to statutory allowances as has been done in the past, at this time the Secretary of Defense instead has chosen to allow the Services to use these 103 efficiency positions to establish Service buffers and we have developed a new framework for managing the G/FO force below authorized end strengths.

JOINT POOL

Two years ago, creation of the Joint Pool policy built a foundation for increased position management flexibility by providing the Secretary of Defense with G/FO authorizations he could manage based on operational needs. Our new recommended policy will take those Joint Pool governance procedures to the next step by creating additional buffer allocations, as well as, by creating similar Service Secretary-controlled buffers. To facilitate reprioritization of Joint G/FO positions and to set a policy of self governance based on the efficiency recommendations, 86 of the 324 G/FO authorizations provided for under title 10, U.S.C, section 526 will be held as a buffer by the Secretary of Defense for future requirements and to facilitate temporary requirements. Additionally, Service minimum required contributions to the Joint Pool were lowered as follows:

- U.S. Army—82 from 102
- U.S. Navy—60 from 74
- U.S. Air Force—75 from 92
- U.S. Marine Corps—21 from 26

These 238 designated positions will be excluded from the Military Service's G/FO grade and strength limitations specified in title 10, U.S.C., §§ 525 and 526 after required information, has been provided to Congress and 12 months have elapsed, unless sooner authorized by Congress. The allocations are predicated on the Military Services maintaining their minimum number of Joint G/FO in Joint Pool positions; should one Service fail to maintain its allocation, those positions may be reallocated to another Service. To provide a stable promotion planning platform, a 5 year rolling average of encumbered Joint Pool positions will be used as the method for calculating future allocations.

- Offsets are required for each new Joint Pool position unless the Secretary of Defense decides to increase the Joint Pool beyond the 238 previously-distributed authorizations; such an increase would result in the reallocation of the increase to the Military Services.

- Temporary allocation of additional G/FO authorizations for new positions added to the Joint Pool are included in the determination of a Military Service's average participation rate in the Joint Pool.
- Once the incumbent in the previously-designated position departs, the Service filling the new Joint Pool position will begin receiving credit for filling the position.

SERVICE POOL

Using the Joint Pool as a model for a policy vice legislative-driven strength limiting mechanism; a Service Pool managed by the Service Secretaries in the same manner the Joint Pool buffer is managed by the Secretary of Defense will be created from the 44 remaining positions (103 recommended eliminations minus the 59 which were designated to the Joint Pool buffer). The Service Pools will be used as a self governance tool to maintain the reductions realized by the efficiency study. By no means is this intended to impact the Services' ability or responsibility to man, train, and equip in accordance with title 10, U.S.C. The current distribution of commissioned officers on active duty in G/FO grades is legislated in title 10, U.S.C., § 525, (excluding § 528) and has the following appointment limitations:

- U.S. Army—total of 230
 - 7 officers in the grade of general
 - 45 officers in a grade above the grade of major general
 - 90 officers in the grade of major general
- U.S. Air Force—total of 208
 - 9 officers in the grade of general
 - 43 officers in a grade above the grade of major general
 - 73 officers in the grade of major general
- U.S. Navy—total of 160
 - 6 officers in the grade of admiral
 - 32 officers in a grade above the grade of rear admiral
 - 50 officers in the grade of rear admiral
- U.S. Marine Corps—total of 60
 - 2 officers in the grade of general
 - 15 officers in a grade above the grade of major general
 - 22 officers in the grade of major general

Based on the Study Group's recommendation that appointment limitations should not change in statute but should be limited by policy, the new Department-limited distributions will be:

- U.S. Army—total of 219
 - 7 officers in the grade of general
 - 45 officers in a grade above the grade of major general
 - 90 officers in the grade of major general
- U.S. Air Force—total of 186
 - 9 officers in the grade of general
 - 43 officers in a grade above the grade of major general
 - 73 officers in the grade of major general
- U.S. Navy—total of 149
 - 6 officers in the grade of admiral
 - 32 officers in a grade above the grade of rear admiral
 - 50 officers in the grade of rear admiral
- U.S. Marine Corps—total of 60
 - 2 officers in the grade of general
 - 15 officers in a grade above the grade of major general
 - 22 officers in the grade of major general

To facilitate future and temporary requirements without the need for statutory relief each time, the Military Departments will be allowed to keep as a buffer efficiency positions identified by the Study Group. Services buffers are as follow:

- U.S. Army—11
- U.S. Air Force—22
- U.S. Navy—11
- U.S. Marine Corps—0

Each Military Department Secretary is responsible for:

- Establishing procedures for the temporary use of these authorizations. Each authorization may only be used for an encumbered position for a period not to exceed 2 years.
- Ensuring the number of authorizations are not exceeded.
- Providing a report of all G/FO to the USD(P&R) through the CJCS semi-annually.
- Submitting requests for increases to the authorized number of Military Service G/FO positions to the Secretary of Defense through the CJCS and the USD(P&R).

The implementation of these changes requires careful monitoring by all involved to avoid ill-effect to the development and maintenance of an appropriately experienced G/FO force. Particular attention is necessary in order to retain warfighting experience gained in Iraq and Afghanistan. As a means of providing the necessary promotion stability and for the maintenance of an effective bench of candidates, positions identified for elimination will only be redesignated upon the departure of the incumbent. This delay in elimination or redesignation will mitigate the need for the use of extraordinary authorities to deal with early retirements and unplanned departures from Joint positions. Implementation began January 1, 2011. By December 30, 2013 we will have eliminated 50 G/FO positions as directed by the Secretary at the outset of our Study Group's work. Service quarterly updates to the Secretary of Defense have maintained a positive control on the implementation and execution of the efficiency reductions.

Thank you for the opportunity to provide you with an explanation of our Study Group's analysis and recommendations combined with our plan for implementation.

Senator WEBB. Thank you very much, Admiral.
Dr. Freeman, welcome.

STATEMENT OF DR. BENJAMIN J. FREEMAN, NATIONAL SECURITY FELLOW, PROJECT ON GOVERNMENT OVERSIGHT

Dr. FREEMAN. Thank you, Senator Webb, for having me. Also, thank you, Ranking Member Graham and the members of the subcommittee as well.

I am pleased to have the opportunity to present the POGO's investigation of the increasing number of G/FOs in the U.S. military. Founded in 1981, POGO is a nonpartisan, independent watchdog that champions good government reforms. We have a long history of examining the size of the military's officer ranks, especially in relation to the number of enlisted personnel at DOD.

Our interest in the number of officers in the U.S. military was reignited in August 2010 when the Secretary of Defense launched these DOD efficiencies initiatives. They limited the increasing proportion of officers relative to enlisted personnel, as well as the tendency for higher ranking officers to do work that could reasonably be done by lower ranking officers. This is known as "brass creep" or as "officer or rank inflation."

The focus of my testimony here is the growing proportion of G/FOs relative to the rest of the uniformed force, a subset of brass creep that I refer to as "star creep." While star creep has occurred since at least the end of World War II, the pace of star creep has accelerated in the 20 years since the Cold War ended, culminating in today's unprecedented top-heavy force structure. The average G/FO today has nearly 500 fewer uniformed personnel under their command than they did in 1991, and as of June 2011, the U.S. military had more three- and four-star officers than at any point since the Cold War ended.

Whether DOD has expanded or contracted, star creep has persisted. During the drawdown in the decade following the end of the Cold War, lower ranks were cut much more than higher ranks. In

the decade since the war in Afghanistan began, higher ranks grew at a much faster rate than lower ranks. The top officer ranks, G/FOs, have grown faster than enlisted and lower officer ranks, and the three- and four-star ranks have increased faster than all other components of DOD's force structure. Even with the onset of the war in Afghanistan, the U.S. military continued to become more top heavy, which is noteworthy because this is the first major U.S. conflict in which the military has increased the G/FO ranks at a higher rate than all other uniformed ranks.

Throughout the conflicts in Iraq and Afghanistan, the average number of uniformed personnel beneath each G/FO fell. In fact, from 2001 to 2007, DOD added 28 G/FOs while cutting more than 5,500 uniformed personnel from lower ranks. This trend towards a more top-heavy military continued from 2007 to the present, with the growth rate of the top brass nearly doubling the growth rate of lower ranks.

Every branch of the military has increased its G/FO ranks, especially the three- and four-star ranks since the tragic events of September 11, 2001, but the disparities between the branches are surprising, as Chairman Webb has already noted. The Army and Marine Corps, which bear the greatest burden in the war on terror, have added far fewer top brass than the Navy and the Air Force. In fact, the Navy and the Air Force have each added more top brass than the Army and Marine Corps combined. The Navy and the Air Force added this top brass while cutting more than 70,000 enlisted personnel and lower ranking officers.

Furthermore, the Air Force has a historically low number of planes per general, and the Navy is close to having more admirals than ships for them to command.

This progression towards a more top-heavy force is not without its consequences. It is a burden for both taxpayers and military commanders. The cost of officers increases markedly with their rank so taxpayers are overpaying whenever a G/FO is in a position that could be filled by a lower ranking officer.

Additionally, military personnel experts know that unnecessarily top-heavy organizations hinder military effectiveness and they slow decision cycles. Former Secretary of Defense Robert Gates said that in some cases the gap between him and an action officer may be as high as 30 layers, and this results in a "bureaucracy which has the fine motor skills of a dinosaur."

The growth in DOD's top ranks documented in our investigation will not be fully eliminated when military operations in Iraq and Afghanistan end, nor will Secretary Gates' commendable efficiencies initiatives fully reverse this trend toward a more top-heavy military, unfortunately.

To further combat star creep and gain a better understanding of its cost to taxpayers and impact on military effectiveness, much more work is needed. We believe that the Government Accountability Office, DOD's Director of Cost Assessment and Program Evaluation, and Secretary of Defense Leon Panetta's office can contribute significantly to this effort. We implore the subcommittee to utilize these invaluable resources.

For our part, we at POGO will continue our work to better understand this issue, and that is why we are grateful for this hear-

ing. We look forward to learning more from the other panelists and the members of the subcommittee.

I look forward to answering any questions you may have, and I thank you once again, Chairman Webb and Ranking Member Graham, for holding this hearing.

[The prepared statement of Dr. Freeman follows:]

PREPARED STATEMENT BY BENJAMIN FREEMAN, PH.D.

EXECUTIVE SUMMARY

The increasing proportion of officers relative to enlisted personnel, as well as the tendency for higher ranking officers to do work that could be done by lower ranking officers, is known as brass creep or as officer or rank inflation. The pace of brass creep has accelerated in the 20 years since the Cold War ended, culminating in today's unprecedented top-heavy force structure.

Whether the Department of Defense (DOD) has expanded or contracted, brass creep has persisted. During the drawdown in the decade following the end of the Cold War, lower ranks were cut much more than higher ranks. In the decade since the war in Afghanistan began, higher ranks have grown at a much faster rate than lower ranks. This is as true within the officer ranks as it is between the enlisted and officer ranks. The top officer ranks, general and flag officers,¹ have grown faster than lower officer ranks, and three- and four-star positions have increased faster than all other components of the DOD's force of uniformed personnel—a phenomenon we call star creep.

Since the war in Afghanistan began, every branch of the military has increased its general or flag officer ranks, especially their three- and four-star ranks, but the disparities between the branches are surprising. The Army and Marines, which bear the greatest burden in the war on terror,² have added far fewer top brass than the Navy and Air Force. In fact, the Navy and Air Force have each added more top brass than the Army and Marines combined, and the Navy and Air Force added this top brass while cutting more than 70,000 enlisted personnel and lower ranking officers. Furthermore, the Air Force has a historically low number of planes per general and the Navy is close to having more admirals than ships for them to command.

This progression towards a more top-heavy force is a burden for taxpayers and military commanders. The cost of officers increases markedly with their rank, so taxpayers are overpaying whenever a general or flag officer is in a position that could be filled by a lower ranking officer. Additionally, some military personnel experts say unnecessarily top-heavy organizations hinder military effectiveness as they slow decision cycles.³ Former Secretary of Defense Robert Gates said that "in some cases the gap between me and an action officer may be as high as 30 layers," and this results in a "bureaucracy which has the fine motor skills of a dinosaur."⁴

To reverse this trend towards a more top-heavy force and gain a better understanding of the causes and consequences of star creep we recommend that Secretary of Defense Leon Panetta continue to implement the general and flag officer efficiencies initiated under Secretary Gates, and that he begin a new round of initiatives to further reduce the general and flag officer ranks. To aid in this effort, the DOD's Director of Cost Assessment and Program Evaluation should be asked to investigate the impact of star creep, and brass creep more broadly, on DOD payroll expenditures and determine if it hinders military effectiveness. The Government Accountability Office can also be tasked with aiding this effort by investigating the root causes of star creep and working to identify unnecessary general and flag officer positions.

¹ General and flag officers include all generals in the Air Force, Army, and Marines and all admirals in the Navy.

² Defense Manpower Data Center, Data, Analysis and Programs Division, Global War on Terrorism: Casualties by Military Service Component—Active, Guard, and Reserve, October 7, 2001 through August 29, 2011. <http://siadapp.dmdc.osd.mil/personnel/CASUALTY/gwot—component.pdf> (Downloaded September 8, 2011)

³ PowerPoint presentation by Retired Army Major Donald E. Vandergriff on Officer Manning: Armies of the past. <http://pogoarchives.org/m/ns/officers—briefing.ppt> (hereinafter Officer Manning: Armies of the past)

⁴ John Barry and Evan Thomas, "A War Within: Robert Gates has one last, crucial mission before he leaves office, and it's not in Afghanistan or Iraq. It's in Washington—within the hallowed halls of the Pentagon," September 12, 2010. <http://www.thedailybeast.com/newsweek/2010/09/12/what-gates-plans-to-do-before-he-leaves-office.html> (Downloaded September 8, 2011) (hereinafter "A War Within")

Chairman Webb, Ranking Minority Member Graham, and the distinguished members of the subcommittee, I am pleased to have the opportunity to present the Project On Government Oversight's (POGO) investigation of the increasing number of general and flag officers in the U.S. military.

Founded in 1981, POGO is a nonpartisan independent watchdog that champions good government reforms. POGO's investigations into corruption, misconduct, and conflicts of interest achieve a more effective, accountable, open, and ethical Federal Government. POGO has a long history of examining the size of the military's officer ranks, especially in relation to the number of enlisted personnel at DOD.⁵

The increasing proportion of officers relative to enlisted personnel, as well as the tendency for higher ranking officers to do work that could be done by lower ranking officers, is known as brass creep or as officer or rank inflation. I refer to the rising proportion of general and flag officers relative to the rest of the uniformed force (officers and enlisted) as star creep, which is a subset of brass creep.

Before I go into more detail on star creep, I want to note that this is only a partial and mostly descriptive account of the composition of DOD personnel. For instance, the rise of joint commands since enactment of the Goldwater-Nichols Act in the 1980s⁶ is likely a root cause of much of the star creep we have seen since the law's passage, however, we at POGO have not fully evaluated this causal relationship. Furthermore, a deeper examination of the military Reserves and National Guard components, the DOD civilian workforce, and DOD service contractor employee workforce is needed for a more holistic understanding of the DOD's total force structure. Many experts have told POGO that the Reserves, National Guard, and DOD civilian workforce suffer from issues similar to those faced by the regular active duty uniformed force, i.e. they are too top-heavy. We have not, as of yet, examined this claim.

In addition, my testimony only touches on the financial costs of star creep. Furthermore, analysis is required to determine the proper balance of general and flag officers relative to other DOD personnel, including DOD uniformed, civilian, and contractor personnel. The recently released final report by the Commission on Wartime Contracting has advanced understanding of the costs of the mixed uniformed, civilian government employee, and contractor employee force in Iraq and Afghanistan.⁷ However, the situation stateside appears to be quite different, where the government pays billions more annually to hire contractors than it would to hire Federal employees to perform comparable services, as described in POGO's recently released report, *Bad Business: Billions of Taxpayer Dollars Wasted on Hiring Contractors*. But, cost is not the only factor that should be considered when deciding on the right mix between uniformed, government civilian, and contractor personnel—military effectiveness, whether work is inherently governmental or closely associated with inherently governmental functions, and whether frameworks exist for effective accountability for the type of personnel in question are also factors that should be weighed. Thus, POGO will be doing considerably more work on these issues and we hope your hearing sheds light on how to achieve the best force at the best cost.

Our interest in the number of officers in the U.S. military was reignited in August 2010, when Secretary of Defense Robert Gates released a "Statement on Department Efficiency Initiatives" that lamented the increase in DOD senior personnel, noting that we have:

... seen an acceleration of what Senator John Glenn more than 20 years ago called "brass creep," a situation where personnel of higher and higher rank are assigned to do things that could reasonably be handled by personnel of lower rank. In some cases, this creep is fueled by the desire to increase bureaucratic clout or prestige of a particular service, function or

⁵Project On Government Oversight, *More Brass, More Bucks: Officer Inflation in Today's Military*, March 1, 1998. <http://pogoarchives.org/m/ns/officer-inflation-report-19980301.pdf> and *Project on Military Procurement, Officer Inflation: Its Cost to the Taxpayer and to Military Effectiveness*, June 1982, revised October 1987. <http://pogoarchives.org/m/ns/officer-inflation-19871001.pdf> (hereinafter *Officer Inflation: Its Cost to the Taxpayer and to Military Effectiveness*)

⁶Goldwater-Nichols Act of 1986, U.S.C., title 10, subtitle A, part I, chapter 5. <http://www.au.af.mil/au/awc/awcgate/congress/title-10.htm> (Downloaded September 8, 2011).

⁷Commission on Wartime Contracting in Iraq and Afghanistan, *Final Report to Congress: Transforming Wartime Contracting: Controlling costs, reducing risks*, August 2011. <http://www.wartimecontracting.gov/docs/CWC-FinalReport-lowres.pdf> (Downloaded September 8, 2011) The report states that most local and third country national service contractors used in long contingency operations are more cost-effective than uniformed personnel and Federal civilian employees. The picture is more mixed when examining high-skill jobs, according to the report: dwell time costs make uniformed personnel more expensive, but "contractor and Federal civilian costs are roughly comparable."

region, rather than reflecting the scope and duties of the job itself. In a post-September 11 era, when more and more responsibility, including decisions with strategic consequences, is being exercised by more junior officers in theater, the Defense Department continues to maintain a top-heavy hierarchy that more reflects 20th century protocols than 21st century realities.⁸

While this “brass creep” Gates and Senator Glenn referred to has occurred since the beginning of the 20th century, the pace of brass creep has accelerated in the 20 years since the Cold War ended, culminating in today’s unprecedented top-heavy force structure. In fact, whether the DOD has expanded or contracted, brass creep has persisted. During the drawdown in the decade following the end of the Cold War, lower ranks were cut much more than higher ranks. In the decade since the war in Afghanistan began, higher ranks have grown at a much faster rate than lower ranks. This is as true within the officer ranks as it is between the enlisted and officer ranks. The top officer ranks, general and flag officers,⁹ have grown faster than lower officer ranks, and three- and four-star positions have increased faster than all other components of the DOD’s force structure—a phenomenon we call star creep. I also want to note that, although my analysis is focused on the period since the end of the Cold War through the present, this is not meant to imply that I believe the ratio of general and flag officers to the uniformed force at the end of the Cold War was necessarily the “correct” ratio.

Since the war in Afghanistan began, every branch of the military has increased its general or flag officer ranks, especially their three- and four-stars, but the disparities between the branches are surprising. The Army and Marines, which bear the greatest burden in the war on terror,¹⁰ have added far fewer top brass than the Navy and Air Force. In fact, the Navy and Air Force have each added more top brass than the Army and Marines combined. Furthermore, the Air Force has a historically low number of planes per general and the Navy is close to having more admirals than ships for them to command.

This progression towards a more top-heavy force is a burden for taxpayers and military commanders. The cost of officers increases markedly with their rank, so taxpayers are overpaying whenever a general or flag officer is in a position that could be filled by a lower ranking officer. The costs involved are more than just compensation for that officer; the subordinate personnel assigned to and overhead associated with a general or flag officer, particularly three- and four-star positions, are the greatest additional expense. Additionally, some military personnel experts say unnecessarily top-heavy organizations with excessive layers of “middle management” hinder military effectiveness as they slow decision cycles.¹¹ Gates claimed that “in some cases the gap between me and an action officer may be as high as 30 layers,” and this results in a “bureaucracy which has the fine motor skills of a dinosaur.”¹²

THERE ARE FEWER DOD PERSONNEL FOR EACH GENERAL AND FLAG OFFICER

Since World War II ended, the number of general or flag officers per uniformed personnel has been increasing¹³—reaching an all-time high in 2010 of nearly 7 gen-

⁸Department of Defense, “DOD News Briefing with Secretary Gates from the Pentagon,” August 9, 2010. <http://www.defense.gov/transcripts/transcript.aspx?transcriptid=4669> (Downloaded September 8, 2011) (hereinafter “DOD News Briefing with Secretary Gates from the Pentagon”)

⁹General and Flag Officers include all Generals in the Air Force, Army, and Marines and all Admirals in the Navy.

¹⁰Defense Manpower Data Center, Data, Analysis and Programs Division, Global War on Terrorism: Casualties by Military Service Component—Active, Guard, and Reserve, October 7, 2001 through August 29, 2011. <http://siadapp.dmdc.osd.mil/personnel/CASUALTY/gwot—component.pdf> (Downloaded September 8, 2011).

¹¹PowerPoint presentation by Retired Army Major Donald E. Vandergriff on Officer Manning: Armies of the past. <http://pogoarchives.org/m/ns/officers—briefing.ppt> (hereinafter Officer Manning: Armies of the past)

¹²John Barry and Evan Thomas, “A War Within: Robert Gates has one last, crucial mission before he leaves office, and it’s not in Afghanistan or Iraq. It’s in Washington—within the hallowed halls of the Pentagon,” September 12, 2010. <http://www.thedailybeast.com/newsweek/2010/09/12/what-gates-plans-to-do-before-he-leaves-office.html> (Downloaded September 8, 2011) (hereinafter “A War Within”)

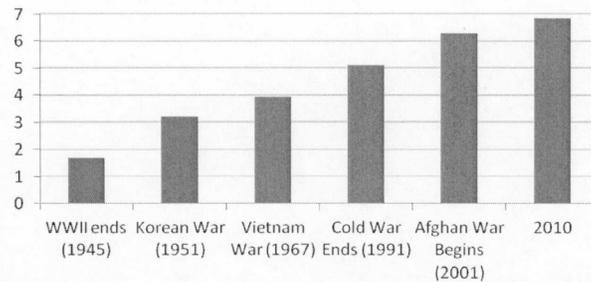
¹³All uniformed personnel data prior to 1989 taken from POGO’s prior officer inflation report (Table 1): Officer Inflation: Its Cost to the Taxpayer and to Military Effectiveness. Data from 1989 to 2005 are from the Selected Manpower Statistics Table 2–15: Department of Defense, Statistical Information Analysis Division, “Workforce Publications.” <http://siadapp.dmdc.osd.mil/personnel/Pubs.htm> (Downloaded September 8, 2011) Uniformed personnel data from 2006 to the present are as of the end of each fiscal year in tables found here: Department of Defense, Statistical Information Analysis Division, “Military Personnel Statistics.” <http://>

Continued

eral and flag officers per every 10,000 uniformed personnel.¹⁴ This is an increase of more than half a general or flag officer per 10,000 uniformed personnel than when the war in Afghanistan began; one and a half more than when the Cold War ended; and five more than when World War II ended, as Figure 1 shows. There has been a fairly constant increase in the ratio of general and flag officers compared to all other uniformed personnel since the end of the Cold War, even though the military underwent a contraction during the 1990s and an expansion following the onset of the wars in Afghanistan and Iraq.

As of April 2011, there were 964 general and flag officers. By comparison, at the end of the Cold War the United States had 1,017 general and flag officers. Thus, there has only been a nominal decrease in general and flag officers even though the number of active duty uniformed personnel has decreased by roughly 28 percent, the Air Force flies 35 percent fewer planes,¹⁵ and the Navy has 46 percent fewer ships in its fleet.¹⁶ In sum, the number of general and flag officers has barely fallen despite double-digit percentage drops in the size of the forces they command.

Figure 1: General and Flag Officers per 10,000 Uniformed Personnel



This trend towards a top-heavy force structure continued during the post-Cold War drawdown from 1991 to 2001. During this time period, the DOD cut just over 600,000 uniformed personnel—a decline of approximately 30 percent—but only 146 general and flag officer positions were eliminated—a decline of less than 15 percent. Thus, the remaining general and flag officers were responsible for commanding far fewer personnel when the war in Afghanistan began, and this trend towards commanding fewer personnel continued even after the conflicts in Afghanistan and Iraq began, as can be seen in Figure 2.

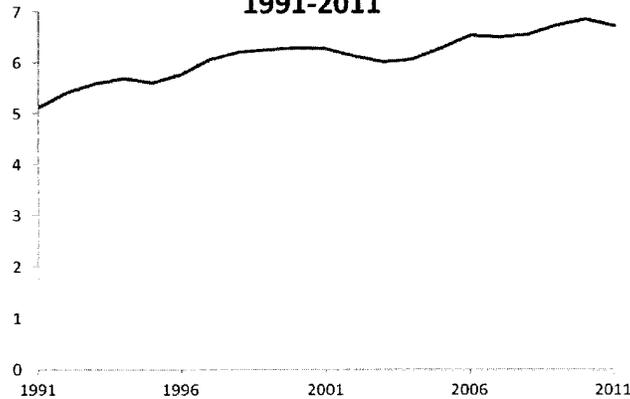
siadapp.dmdc.osd.mil/personnel/MILITARY/miltop.htm (Downloaded September 8, 2011) (hereinafter “Military Personnel Statistics”) All branch specific personnel data taken from the DOD’s “Active Duty Military Personnel by Service by Rank/Grade” tables from September of the year in question, except for 2011 data, which were taken from April (the most current month available as of this writing): “Military Personnel Statistics”

¹⁴This is an all-time high for years in which reliable DOD personnel data are available, which includes only the post-World War II era. This constrained time period is the result of general/flag officer data being publicly unavailable for most years prior to World War II.

¹⁵Air Force Historical Studies Office, “USAF Statistics: USAF Statistical Digests and Summaries.” <http://www.afhso.af.mil/usafstatistics/index.asp> (Downloaded September 8, 2011)

¹⁶Naval History & Heritage Command, “U.S. Navy Active Ship Force Levels, 1886–present.” <http://www.history.navy.mil/branches/org9-4.htm> (Downloaded September 8, 2011) (hereinafter “U.S. Navy Active Ship Force Levels, 1886–present”)

**Figure 2: Generals and Flag Officers
per 10,000 Uniformed Personnel,
1991-2011**



There were 871 general and flag officers when the war in Afghanistan began in 2001, and by April 2011, there were 964.¹⁷ Yet the enlisted ranks have increased at a smaller rate during the conflicts in Iraq and Afghanistan than the growth than general and flag officers. This trend is the opposite of what has occurred in prior major conflicts. This is the first major U.S. conflict in which the military has increased the general and flag officer ranks at a higher rate than all other ranks. From 2001 to April 2011, the DOD added 93 general and flag officers and 47,604 uniformed personnel (17,739 officers and 29,196 enlisted personnel) to its payroll, which amounts to adding one general or flag officer for every 512 uniformed personnel. To put this in perspective, in 2000, the average general or flag officer commanded approximately 1,590 uniformed personnel. In other words, throughout these conflicts the DOD has employed fewer personnel per general or flag officer than it did in peacetime, which is counterintuitive and historically unprecedented.

During peacetime, there are fewer personnel per general or flag officer because a Reserve of lower ranks is not as essential as a Reserve of top commanders. The latter take much longer to groom than all other personnel, thus the military must have a stable of general and flag officers ready in the event a conflict breaks out to train and command forces in that conflict. This is the U.S. mobilization doctrine, which argues that the numbers of officers should be kept top heavy to provide a pool to lead new formations in time of mobilization.¹⁸ During a conflict, conversely, the number of enlisted, lower-level officers, and civilians should, in theory, increase at a faster rate than the top brass.

This pattern has not held during the wars in Iraq and Afghanistan. During the first several years of these conflicts, from 2001 to 2007, the number of DOD uniformed personnel actually decreased by more than 5,500,¹⁹ while the number of general and flag officers increased by 28. From 2007 through April 2011, the U.S. military added over 13,000 officers and just over 39,000 enlisted personnel for a total increase in uniformed personnel of 52,937, a 3.8 percent increase. During this same period, the total number of general and flag officers increased by 65, a 7 percent increase. Thus, during the current conflicts the growth of the top brass has outpaced the growth of the total uniformed force.

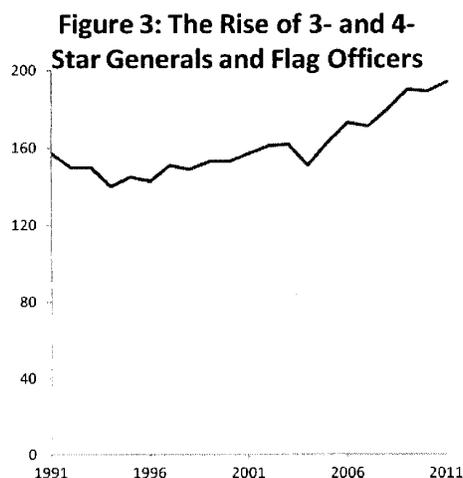
¹⁷ Unless otherwise noted, all data come from the last month (September) of the fiscal year in question. Between September 2010 and April 2011, which was the most recent data available as of this writing, Gates began his efficiency initiatives that reduced the total number of general and flag officers. Thus, the 2011 totals for general and flag officers are lower than the 2010 totals.

¹⁸ Officer Manning: Armies of the past

¹⁹ As we document below, this aggregate figure masks the fact that the Air Force and the Navy cut personnel, while the Army and Marines added personnel.

Growth in the Number of Three- and Four-Star General and Flag Officers

The increase in the very top brass—three- and four-star officers—further illustrates star creep within the DOD. The number of three- and four-star general and flag officers (lieutenant-generals, vice-admirals, generals, and admirals) has increased since the Cold War ended, as depicted in Figure 3. In 1991, there were 157 three- and four-stars.²⁰ By April 2011, they had swollen to 194—an increase of 24 percent. We have more three- and four-stars now that at any point since the Cold War ended. Since 1991, no DOD personnel group has grown at a faster rate. From 1991 through April 2011, officer ranks shrank by more than 56,000 (19 percent) and enlisted personnel decreased by nearly half a million (30 percent).

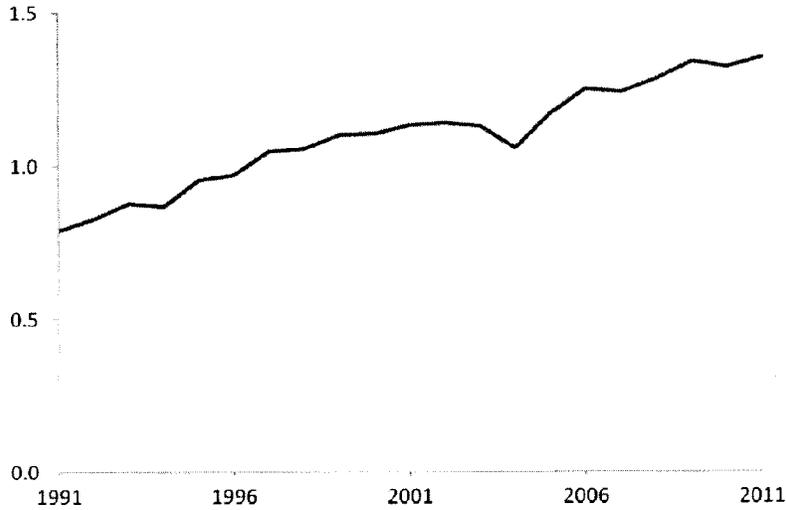


The increase in the very top brass has contributed to the top-heavy nature of the DOD force structure. As depicted in Figure 4, the number of three- and four-star general and flag officers per 10,000 DOD uniformed personnel has increased markedly since 1991. The greatest increase occurred during the 10 years following the end of the Cold War, but even after the war in Afghanistan began the same upward trend continued. As of April 2011, there were 1.37 three- and four-star general and flag officers for every 10,000 uniformed DOD personnel—an increase of nearly 20 percent since the war in Afghanistan began. Currently, the average three- and four-star officer has approximately 7,300 uniformed personnel under their command, yet just 15 years ago the average three- and four-star general or flag officer had more than 10,000 uniformed personnel under their command. Even if the 155,000 service contractors working in Iraq and Afghanistan²¹ are accounted for, the average three- and four-star officer still has far fewer personnel under their command than they did prior to these conflicts.

²⁰From 1989 until the end of the Cold War the number of three- and four-star billets remained constant at 157. In 1994, during the post-Cold War drawdown, this number drops to just 140. Thus, using 1991 data provides a more conservative estimate of the rise in top billets.

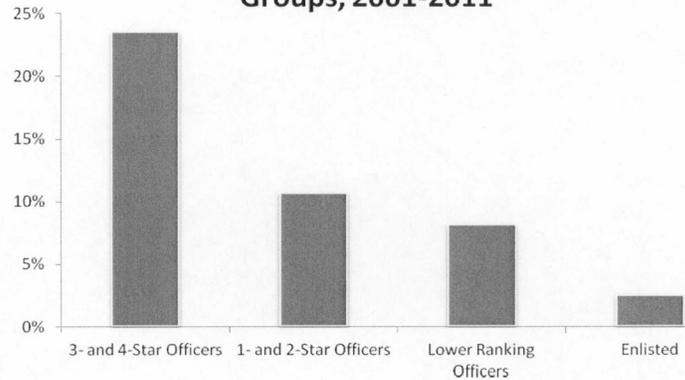
²¹This total service contractor figure is as of March 2011, according to a recent CRS report: Congressional Research Service, Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis (R40764), May 13, 2011. <http://www.fas.org/sgp/crs/natsec/R40764.pdf> (Downloaded September 8, 2011)

Figure 4: 3- and 4-star Generals and Flag Officers per 10,000 Uniformed Personnel: 1991-2011



The rise of the top brass during the current conflicts in Iraq and Afghanistan compared to other DOD personnel is noteworthy. From 2001 to 2011 the number of officers per three- and four-star general or flag officers dropped by 172 and the number of enlisted personnel per three- and four-star officer dropped by 1,253. Figure 5 compares the growth of three- and four-star officers to other categories of military personnel. The three- and four-star ranks have increased twice as fast as one- and two-star general and flag officers, three times as fast as the increase in all officers, and almost 10 times as fast as the increase in enlisted personnel. If you imagine it visually, the shape of U.S. military personnel has shifted from looking like a pyramid to beginning to look more like a skyscraper (i.e. higher ranks having fewer lower ranking personnel under them rather than more).

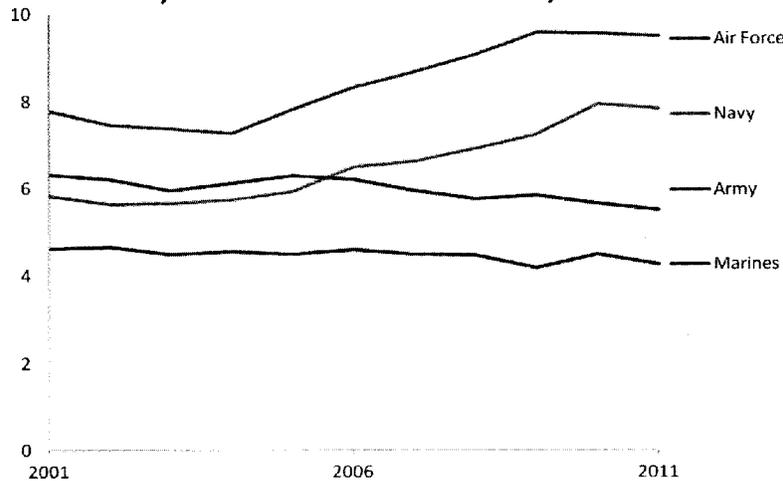
Figure 5: % Increase in Uniformed Personnel Groups, 2001-2011



Star Creep Across the Services Since September 11

While star creep is the general trend across the military, there have been considerable and counterintuitive variances across the Services since September 2001. Figure 6 tracks the number of general and flag officers per 10,000 uniformed personnel in each branch of the military from September 2001 to April 2011.²² The Marines have the fewest generals and are also the leanest force (but still top heavy compared to historical Marine force compositions), averaging just over four generals for every 10,000 uniformed personnel. At the other end of the spectrum, the Air Force is the most top-heavy branch with almost 10 generals for every 10,000 airmen. In other words, the Air Force is two-and-a-half times as top-heavy as the marines, and in absolute terms they have more than three times as many generals as the Marines. With 312 general officers, the Air Force is tied with the Army for most general and flag officers of any Service, even though the Air Force has approximately 237,000 fewer uniformed personnel than the Army.

Figure 6: Generals and Flag Officers per 10,000 Uniformed Personnel, 2001-2011



The general pattern of the Army and Marines becoming leaner, as illustrated in Figure 6, is logical given that the ground wars in Iraq and Afghanistan have placed a much greater burden on the fighting forces in the Marines and Army compared with the Navy and Air Force. The growth in the number of generals or flag officers in each branch during these wars, however, appears to be much less logical. Table 1 lists the total generals or flag officers in each branch as of April 2011, the number added since September 2001, and the number of those additions that were three- and four-stars. The Air Force led the way, adding 40 generals between September 2001 and April 2011, an increase of 15 percent. But, the Navy actually increased its highest ranks at a greater rate than any other branch, adding 36 flag officers (an increase of 17 percent), including 15 three- and four-star admirals (an increase of nearly 40 percent).²³

²² Source for all branch specific general/flag officer ratios: "Military Personnel Statistics," (September of the year in question for all years except 2011). April 2011 was the most recent data available as of this writing. Additionally, the DOD does not break out civilian personnel data for the Marines, thus all branch comparisons are for total uniformed personnel and do not include civilians in each branch.

²³ Source for this and all in grade/rank calculations: "Military Personnel Statistics." The charts are under "Active Duty Military Personnel by Service by Rank/Grade" and all comparisons are between September 2001 and April 2011 (the most recent data available as of this writing).

Every branch added top brass, but the branches engaged in the majority of all combat operations since September 2001 (the Army and Marines) have added far fewer than the other two branches. The Army and Marines, combined, added far less than half the top brass of either the Navy or Air Force. The Navy and Air Force, combined, also added more three- and four-star ranks (20) than did the Army and Marines combined (17). These differences between the services are laid out in Table 1.

On average, there are now approximately 185 fewer enlisted personnel per general in the Air Force and 400 fewer enlisted per admiral in the Navy than there were just 10 years ago.

Similarly, there are more than 40 fewer officers per general or flag officer in both the Air Force and Navy today than there were in 2001.

But this only begins to scratch the surface of this irregularity. During this same time period the Navy and Air Force cut both enlisted personnel (65,205) and officers (5,369), while the Army and Marines added both enlisted personnel (94,401) and officers (23,108). Thus, the Navy and Air Force added more three- and four-stars even as they cut their forces. Meanwhile, the Army and Marines who presided over a growing force increased their three- and four-star billets at a much slower rate.

Table 1: The Rise of General and Flag Officers Since September 2001

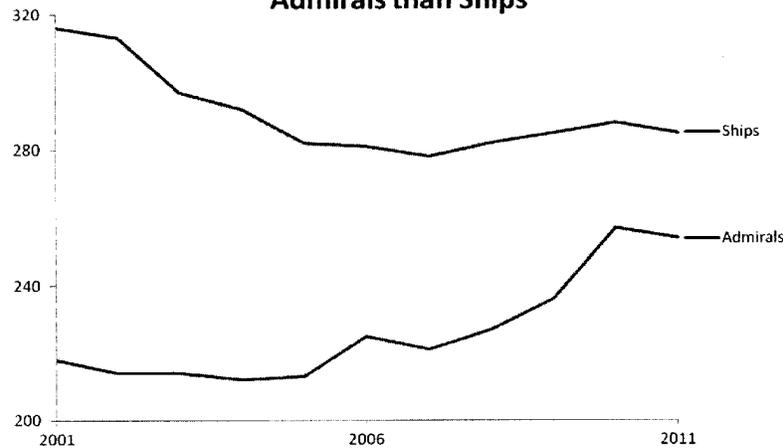
	Army	Navy	Marines	Air Force	Total
April 2011 Total	312	254	86	312	964
Added Since Sept. 2001	11	36	6	40	93
Three- and Four-Stars Added	13	15	4	5	37

There has also been a significant reduction in the number of weapons systems utilized by both the Navy and the Air Force. The Navy now has 32 fewer active ships and the Air Force operates 576 fewer aircraft than they did in 2001.²⁴ If the Navy continues to add admirals as it has throughout the conflicts in Iraq and Afghanistan and reduce the total number of ships in its fleet it will, in the very near future, have more admirals than ships for them to command, as shown in Figure 7. By way of comparison, in 1986 during the Reagan Cold War buildup, there were more than two ships per admiral; when the Vietnam War ended in 1969 there were nearly three ships per admiral; and, when World War II ended there were approximately 130 ships per admiral.²⁵

²⁴All Navy ship figures are from U.S. Navy Active Ship Force Levels tables: "U.S. Navy Active Ship Force Levels, 1886–present." Air Force plane data for 2001 come from Table E-1 of Department of the Air Force, U.S. Air Force Statistical Digest, fiscal year 2001, p. 91. <http://permanent.access.gpo.gov/websites/dodandmilitaryejournals/www.saffm.hq.af.mil/FMC/statdigest/2001/milonly/statdig01.pdf> (Downloaded September 8, 2011); 2011 figure is from Department of Defense Appropriations Bill, Full Committee Report, pp. 8–10. http://appropriations.house.gov/UploadedFiles/fiscal_year—2012—DEFENSE—FULL—COMMITTEE—REPORT.pdf (Downloaded September 8, 2011)

²⁵These statistics are based upon calculations contained in POGO's 1982 report (as revised in 1987) on officer inflation: Officer Inflation: Its Cost to the Taxpayer and to Military Effectiveness.

Figure 7: The Navy is Close to Having More Admirals than Ships



Although not on pace with the Air Force and Navy, star creep within the Army and Marines is also apparent. The Army has decreased its number of one-star generals, while increasing its higher ranking generals. Specifically, the Army cut 13 brigadier generals between September 2001 and April 2011, but added 11 major generals, 11 lieutenant generals, and 2 four-star generals. Thus, even within the general and flag officer ranks, it is the higher ranks that are being added while only brigadier generals are being cut. The Marines' story is very similar: five brigadier generals were cut during this time period, seven major generals were added, and four lieutenant generals were added. Since September 2001, three- and four-star officers in the Army and Marines have increased by 25 and 24 percent, respectively.

THE FINANCIAL COSTS OF STAR CREEP

For taxpayers concerned with an ever-expanding DOD budget, star creep adds to DOD costs. This is due in large degree to the costs that surround general and flag officers, such as staff, contractors, and travel, which tends to increase significantly with higher ranks. Raymond Dubois, former DOD Director of Administration and Management from 2002 to 2005, spoke with Air Force Times directly on this point.²⁶ "A four-star has an airplane. A three-star often doesn't . . . Can a three-star get an airplane when he needs it? Not always. Does a four-star get an airplane when he needs it? Always. Many times he'll already have a G5 sitting on the runway, gassed up. There are the kinds of costs that are fairly significant when you add them all up," according to Dubois.²⁷ At his August 2010 speech on DOD efficiency initiatives, former Secretary of Defense Gates referred to these perks as "the overhead and accoutrements that go with" senior positions, be they military or civilian, within DOD.²⁸ His thoughts on this were elaborated upon in an interview with Newsweek:

Gates grumbles about perks and posh quarters—generally defended by senior officers as a reward for decades of stressful family moves every couple of years—but those are not his real targets. The defense secretary's deeper complaint is about what he calls "brass creep." Roughly translated, it means having generals do what colonels are perfectly capable of doing. Generals require huge staffs and command structures: three-star generals serving four-stars, two-stars serving three, each tended by squadrons of colonels and majors. This sort of elaborate hierarchy may have been called for in Napoleon's day, but in an era of instant communication, Gates thinks

²⁶ Scott Fontaine, "AF has military's highest GO-to-troops ratio," May 9, 2011. <http://www.airforcetimes.com/news/2011/05/air-force-general-officer-troop-ratio-050911w/> (Downloaded September 8, 2011) (hereinafter "AF has military's highest GO-to-troops ratio")

²⁷ "AF has military's highest GO-to-troops ratio"

²⁸ "DOD News Briefing with Secretary Gates from the Pentagon"

the military could benefit from a much flatter, leaner management structure.

These entourages are symbolic of a military leadership that, in the view of its civilian leader, is suffering from an inflated sense of entitlement and a distorted sense of priorities.²⁹

The direct compensation cost of officers also increases with their rank. In just basic pay, when a colonel (Navy captain) with over 20 years experience becomes a brigadier general (rear admiral—lower half), their pay jumps from \$110,674 to \$138,488, an increase of more than \$27,000 per year.³⁰ Costs increase further when other parts of an officer's compensation package are included, such as allowances for subsistence, housing, and tax benefits. A major general (rear admiral) with 30 years of service and a family of four receives a compensation package worth more than \$206,000 annually, and if they are promoted to a three-star lieutenant general (vice admiral) their compensation package increases to over \$225,000.³¹

COMBATING STAR CREEP

It is clear that star creep is costly to taxpayers. To overcome this problem, there are two basic options: elimination or replacement. As Gates demonstrated in his "Track Four Efficiency Initiatives Decisions,"³² issued in March 2011, unnecessary officer positions can be eliminated, and many other tasks that cannot be eliminated can be performed by lower-ranking officers or DOD civilians to reduce costs.

Eliminating General and Flag Officer Positions

The most cost-effective, though not always viable, option for reducing the cost burden of star creep is to completely eliminate general or flag officer positions. This strategy was heavily incorporated into Gates' efficiency initiatives, which eliminated 102 general and flag officers. Twenty-eight of the eliminations are from war-related positions, such as leadership posts in Afghanistan and at the Guantanamo Bay detention center. Unfortunately, the Gates memo does not fully eliminate all of these general and flag officer positions; it keeps them in a "Service Buffer," which can be "used for an encumbered position for a period not to exceed 2 years," and allows requests for even longer terms to be sent to the Under Secretary of Defense for Personnel and Readiness.³³

These cuts only take us a fraction of the way towards getting the top brass back to pre-September 11 levels. As of March 2011, when Gates issued the "Efficiencies" memo, the Pentagon had added five four-star billets since 2001,³⁴ but the memo will only eliminate four of these.³⁵ There were also 32 more three-stars in March 2011 than there were in 2001, yet Gates' plan will eliminate just eight of these after March.³⁶ Overall, Gates' plan for efficiencies in 140 general and flag officer positions targeted three- and four-star billets just 24 times, and only eliminated 21. Inciden-

²⁹"A War Within"

³⁰This is just monetary compensation and does not include housing, healthcare, or any other part of the compensation packages enjoyed by officers. All uniformed personnel salary figures taken from the DOD's Pay Tables: Department of Defense, Defense Finance and Accounting Service, "Military Members," Updated July 27, 2011. <http://www.dfas.mil/dfas/militarymembers.html> (Downloaded September 8, 2011)

³¹The "Regular Military Compensation Calculator" includes basic pay, basic allowance for subsistence, and the basic allowance for housing: Department of Defense, Office of the Secretary, "Regular Military Compensation Calculator." <http://militarypay.defense.gov/mpcalcs/Calculators/RMC.aspx> (Downloaded September 8, 2011) (hereinafter "Regular Military Compensation Calculator")

³²Memorandum from Robert M. Gates, Secretary of Defense, to Secretaries of the Military Departments, et al., regarding Track Four Efficiency Initiatives Decisions, March 14, 2011. <http://www.acq.osd.mil/dpap/pdi/pc/docs/3-14-2011-Track-Four-Efficiency-Initiatives-Decisions.pdf> (Downloaded September 8, 2011) (hereinafter Track Four Efficiency Initiatives Decisions)

³³Track Four Efficiency Initiatives Decisions, p. 30.

³⁴2001 data from Table 2-15: Department of Defense, Defense Manpower Data Center, Statistical Information Analysis Division, Selected Manpower Statistics, fiscal year 2005, Table 2-15. <http://siadapp.dmdc.osd.mil/personnel/M01/fy05/m01fy05.pdf> (Downloaded September 8, 2011). March 2011 data from: Department of Defense, "Active Duty Military Personnel by Rank/Grade," March 31, 2011. <http://siadapp.dmdc.osd.mil/personnel/MILITARY/rg1103.pdf> (Downloaded September 8, 2011).

³⁵The memo eliminates a total of 5 billets, but one had already been completed prior to issue of the memo and the personnel figures referred to here.

³⁶The memo as a whole eliminated nearly twice this number of three-star billets, however, many of these had already been completed, and were thus already accounted for. Additionally, two three-star billets were added by reducing four-star billets to three-star billets.

tally, this is only two more than the three- and four-star positions added under Gates' tenure.³⁷

While Gates' initiatives to eliminate unnecessary top brass are a first step in the battle to control star creep and keep personnel costs down, they may not go far enough. They retain a number of general and flag officer positions that might reasonably be eliminated or performed by lower-ranking officers or civilian personnel.

Replacing General and Flag Officers with Lower Ranks

While some positions should be eliminated, elimination alone is not a panacea for the problem of star creep. Many general and flag officers perform essential tasks and thus someone needs to perform those tasks. In many instances, however, the tasks can be completed just as well by less expensive alternatives within the DOD force structure.

As previously mentioned, officer costs increase with officer rank, so if the work of a higher-level officer can be done by personnel at a lower level, there can be cost savings. This, too, was a key part of Gates' memo from March 2011, where he identified dozens of general and flag officer positions whose grade should be reduced.³⁸ For example, he proposed reducing three legal billets from brigadier general to colonel.³⁹ While no savings figure for these specific cuts is provided, a rough estimate can be obtained using the Regular Military Compensation Calculator.⁴⁰ Assuming 20 years of service and a family of four, the average annual compensation of a brigadier general is approximately \$183,000 and the average annual compensation of a colonel is \$153,000. Thus, decreasing just these three billets by a single rank would save taxpayers nearly \$100,000 annually. Moreover, these three positions are just a fraction of the general and flag officers serving in legal positions. In all, nearly 20 general and flag officers perform legal tasks, typically as judge advocates.⁴¹

As an All-Volunteer Force, the military needs to maximize the combat orientation of uniformed personnel. If a general or flag officer is performing primarily bureaucratic functions, a close review of the justification for the staffing of these functions is warranted, along with a rigorous examination of other staffing alternatives.

A look down the official rosters of general and flag officers reveals a large number of positions that are not combat commands.⁴² For many of these functions, the importance of the activity is clear. What is not always clear is why the activities must be performed by a general or flag officer. Many general and flag officers work as lawyers, doctors, financial managers, comptrollers, legislative assistants/liaisons, public affairs directors, corporate directors, chiefs of staff, and as chaplains. Specifically, in the general or flag officer ranks there are: 8 chaplains, 18 lawyers, 4 public/legislative affairs personnel, and 46 medical personnel, including 2 dentists.

For some of these positions, a general or flag officer serving in the role may be fully justifiable. Senior command leadership may be necessary to perform the functions of a DOD doctor or JAG attorney. But it is not clear that all these positions should be at the general or flag officer level. It is also not clear why there are variances across the service branches in these positions. For example, does the Navy need as much top brass in medical positions as all of the other Services combined? Does the Air Force need more chaplain generals than any of the other branches?

INITIAL CONCLUSIONS

The U.S. military is more top-heavy than it has ever been. The average general or flag officer is commanding fewer personnel than they ever have and many are

³⁷In January 2007, the first full month in which Gates was Secretary of Defense, there were 175 three- and four-star billets, and in April 2011, just prior to Gates' departure, there were 194. January, 2007 data available here: Department of Defense, "Active Duty Military Personnel by Rank/Grade," January 2007. <http://siadapp.dmdc.osd.mil/personnel/MILITARY/rg0701.pdf> (Downloaded September 8, 2011) April, 2011 data available here: Department of Defense, "Active Duty Military Personnel by Rank/Grade," April 30, 2011. <http://siadapp.dmdc.osd.mil/personnel/MILITARY/rg1104.pdf> (Downloaded September 8, 2011)

³⁸Track Four Efficiency Initiatives Decisions

³⁹Page 29 of the "Track Four Efficiency Initiatives Decisions" lists three Air Force Judge Advocate positions that are to be downgraded to the rank of Colonel. Additionally, it is noted that the Air Force did not agree to these changes.

⁴⁰The "Regular Military Compensation Calculator" includes basic pay, basic allowance for subsistence, and the basic allowance for housing.

⁴¹The Flag and General Officers' Network, "Flag/General Officers Public Directories/Selection/Promotion/Orders Lists." <http://www.flagandgeneralofficersnetwork.org/fgosp.html> (Downloaded September 8, 2011) (hereinafter "Flag/General Officers Public Directories/Selection/Promotion/Orders Lists")

⁴²All positions mentioned here are as of March 2011 (the same month Gates' issued the efficiency initiatives memo): "Flag/General Officers Public Directories/Selection/Promotion/Orders Lists"

not commanding troops for battle—they are commanding legislative aides, dentists, lawyers, and chaplains. Moreover, the branches that bear the least burden in the War on Terror—the Navy and the Air Force—have added more general and flag officers than the Army and Marines, and they have done so while cutting lower-ranking officers and enlisted personnel.

This star creep does not appear to be fully justified and it has increased personnel costs at the DOD. Gates' efficiency initiatives are a vital first step towards reducing top brass, but these cuts may not go far enough. There continue to be a number of positions that may not need to have general or flag officers filling them.

PRELIMINARY RECOMMENDATIONS

While POGO believes we do not need as many general and flag officers as there are now, given the current size of our military, cuts should not be made arbitrarily. Many of our recommendations request further studies to determine what positions can be eliminated or downgraded. More fundamentally, we seek to better understand the root causes of brass creep, a desire we believe the subcommittee shares.

1. Secretary of Defense Leon Panetta should address the issue of star creep by first ensuring that Former Secretary Gates' efficiency initiatives are fully implemented, and by exploring elimination of the Service Buffer.
2. Panetta should begin another round of initiatives to identify additional reductions in the general and flag officer ranks. As part of this, Panetta should conduct a roles and missions review, which will help to identify structural components that are driving the demand for general and flag officers.
3. Congressional oversight into the process of joint duty general and flag officer appointments should strive to restrain the unnecessary growth of the number of general and flag officers.
4. The DOD's Director of Cost Assessment and Program Evaluation should be asked to investigate the impact of star creep, and brass creep more broadly, on DOD payroll expenditures and determine if it hinders military effectiveness, as Secretary Gates claimed.
5. The Government Accountability Office should be asked to investigate the root causes of brass creep overall and make further recommendations to eliminate or replace excessive general and flag officers.

Senator WEBB. Thank you, Dr. Freeman.

Again, I would like to express my appreciation to all three of you for your testimony and to note again that your full written testimonies will be entered into the record, along with your oral statements.

Let me begin by asking you, Dr. Stanley, I would assume that Secretary Panetta also supports this process that Secretary Gates put into play?

Dr. STANLEY. That is definitely a valid assumption, Senator Webb. We have embraced this. We have not talked about this specifically, but he is on board and has accepted the policies and the things put in place by his predecessor.

Senator WEBB. Thank you.

Can you give us an overview—maybe, Admiral, you would also like to participate in this—in terms of just how the statutory ceilings work? You mentioned they were a key ingredient in your study. Do they give you overall DOD numbers from which at the OSD level you allocate, or do these numbers come up Service-by-Service so that you are in an approval mode?

Dr. STANLEY. Senator Webb, if I understand your question correctly in terms of statutory ceilings, the number we were dealing with was 952 that was given to us as a statutory ceiling. We worked with that number and the Secretary told us in our narrow scope to work with this particular study by doing it within a very short period of time to reduce by 50 G/FOs. That was our focus on this particular time. This was not a study or anything to look at

for—looking at long-term because we do not know what the emerging requirements—

Senator WEBB. I understand that. In fact, I am going to ask you another question about that in a minute. But just in terms of the process, Admiral, you may want to comment on this.

Admiral GORTNEY. Yes, sir. One of the key assumptions that we made that we had the Secretary approve up front before we went down the study was what was the base number that we would work from, and that was the statutory limits that included the joint pool numbers.

Then the second assumption was how did we want to adjudicate it. Did we want to ask for legislative lowering of the limits or would we want to manage it within the statutory limits that we have right now? He chose to leave the limits where it was and then use his authorities within the joint pool to control the numbers. He felt it was his responsibility to manage DOD with the authorities that he already had.

Senator WEBB. So essentially in terms of how this process works inside DOD, you have a statutory ceiling in terms of the number of flags that can be allocated among the Services. Is that correct?

So then how was it determined which Service has a certain number of those flags, or you seem to have been doing it the other way around, just sort of like trimming rather than—

Admiral GORTNEY. When it comes to the joint pool, each Service has a fair share for their numbers assigned to them within the joint pool, and we used that percentage through the study. But the legislated numbers, or the maximum of four stars/three stars for their Service positions, were the ones that we used.

Senator WEBB. Right. I understand, but you could have a totally different allocation among the Services if the Secretary of Defense, for instance, were to decide—is that a correct assumption—from this statutory ceiling.

Admiral GORTNEY. It is my understanding that the Services each have their own statutory numbers, but I could be wrong.

Senator WEBB. We will get some follow-on input on that.

[The information referred to follows:]

Each Service has a statutory limit to the number of general/flag officers within their respective Service. The statutory limitations are determined in two parts, the actual overall number of general/flag officers and a limit to the number of a specific grade each Service is allowed to manage.

Senator WEBB. You indicated in the study—I will start, Secretary Stanley, with you again—that the objective in this case was not to determine how many G/FOs were required. What would have been your methodology if you actually were to determine how many were required?

Dr. STANLEY. Senator, I do not want to put a hypothetical in here. We were definitely focused on what the Secretary asked us to do. When we looked at the numbers required and where we are, we looked for efficiencies within the G/FO ranks. The conditions on the ground, not only the wars we are fighting, but engaging where we are right there, looking across the Services in DOD, actually got us to your question of what is required because at the end of the day, that is where we ended up in terms of our determination in getting to the actual numbers of what is required. So even though

the Secretary said come up with 50, we identified more than that, actually 103, which gave us the answer to what was actually, we thought, required.

Senator WEBB. Admiral?

Admiral GORTNEY. We were looking for the efficiencies, go after the growth that was out there and any efficiencies that we could eliminate or reduce or transfer to the Senior Executive Service (SES). We did not go after—which from your question, it would imply a roles and mission study.

I think if you wanted to look at what is the true requirement, I think you would need to pick a point in time out, say, 2020–2025, and what are the roles and missions of each one of the Services and what are the roles and missions of the joint commands and joint staffs that happened to be out there. That might lead you to another set of numbers. We did not have the time in order to do that. That was not our tasking from the Secretary.

Senator WEBB. So here is what I am trying to get at. Where is it decided that each of these Services has the justification or the requirement for the flags that we see here? Where is it decided and how is it decided? We may get into this more in the second panel. How is it decided that the Air Force—I am not picking on the Air Force—with 332,000 people should have 151 brigadier generals when the Navy with 328,000 should have 129 and the Army with 569,000 people should have 144? Where is that decided?

Admiral GORTNEY. A fair question, sir. I am not exactly sure where the decision. We have the statutes that we live by. The Services have mandated statutory limits. We have a joint pool and we manage them within those numbers.

[The information referred to follows:]

The overall decision of what each Service maintains in way of grade shape is formed based on statutory authority. Beyond that, the individual Services, working with manpower models which are weighed against mission requirements, have determined their independent grade shape. This action is not done in a vacuum and is routinely reviewed by the Service.

Senator WEBB. So you get overall statutory authority from Congress.

Admiral GORTNEY. I believe so. I believe that is the answer.

Senator WEBB. From there, who is deciding? How do you compare a brigadier general in one Service to another? Who does that?

Admiral GORTNEY. A fair question, sir.

Senator WEBB. That is why we have this hearing.

Senator Graham.

Senator GRAHAM. To build on Senator Webb, this is a good hearing, and I was thinking, we will come in here—I have learned a lot.

One, I think maybe we need to reconstitute this committee to answer that basic question. Somebody has to say 334 versus whatever number and have a reason for it.

But the study group's charter was to find 50 reductions. Right? You came up with 103. But as I understand it from the Vice Admiral, you really did not look at roles and missions. So I am not so sure I agree with you, Secretary Stanley, that you went to what the force needs are because if you do not look at roles and missions 25 years down the road, I am not so sure that is an accurate state-

ment. But the fact of the matter that you are looking at and we are trying to deal with star creep is a very good thing.

I have a unique perspective here being a judge advocate. What I want to try to inform the subcommittee of, and particularly Senator Webb, is that this idea of having a top-heavy force, too many general officers, is something we should be concerned about. I totally agree with that.

But the SES is a designation. It is a high-paid civilian. Right? Does the SES make about the same as a brigadier, or do you know, Dr. Freeman?

Dr. FREEMAN. I am sorry. I do not have that answer.

Senator GRAHAM. I think they do.

Now, here is what the Air Force does, and I do not mean to be overly defensive here. But the Air Force has 10 SES legal support people. They are civilians beyond GS-15 or whatever the top grade is. The Army has 22, 100 percent more. The Navy has 16, about 40 percent more. The Air Force, the Navy, and the Army can tell us why you have more high-paid civilians in one Service than the other, and maybe they can tell us why you have more generals versus less SES.

But the one thing I would say in my little area of the world is that a two-star JAG position did not serve us well during Abu Ghraib and Guantanamo Bay discussions. There is a real tension that this goes beyond party politics between the Office of the General Counsel who serves the Secretary of Defense and each Service Chief—they are civilians—and the military uniformed lawyer loyalty-wise to the commander.

We had a very bad problem in the Bush administration that the Obama administration, quite frankly, has corrected. The civilian lawyers in the Bush administration in my view shut out military legal advice and tried to make a power grab saying that the JAG had to clear their legal advice to their commanders through the civilian Office of General Counsel. That to me was an exercise of control of legal independence. Our commanders need their lawyer.

The Surgeon General was a three-star. The Corps of Engineers professional was a three-star, and we learned during the course of these hearings, Senator Webb, at the two-star rank you got shut out of meetings. You were either sitting on the wall or not in the meeting rather than at the table. Congress decided to elevate the JAGs so they would be in the room.

We, in this committee—and I am very proud of this—have reinforced the idea that the military legal community owes allegiance to their military commander. We all believe in civilian control of the military, but what we do not want is some political appointee being able to shape legal advice to someone whose career is on the line. So that is a tension between responsibilities, political accountability, and rank does matter.

But I think what Senator Webb is trying to do here is very helpful.

Now, on the Air Force side, we have four brigadier generals that service the major commands. Like Air Combat Command, they drop bombs. My belief is that having that brigadier general on the Air Combat commander's staff is probably a very good thing when it comes to rules of engagement interpretations in a kinetic war.

But I am very open-minded about how we can deal with star creep. The one thing I would just suggest to Senator Webb is that we need to look at the SES utilization in terms of cost and why one Service would go heavy on the generals side and light on the civilian side and listen to their rationale. There may be a good reason why you would have 10 Air Force SES lawyers and 4 brigadier generals. The Army has 22 SES attorneys and I think 3 brigadier generals. I would just like to hear from their point of view why they make those decisions. Maybe we could expand, if Senator Webb would entertain this, looking at the SES levels, because that is, I would probably guess, at least the equivalent of brigadier general in terms of compensation, and see why each Service goes the way they do.

But yes, it is a good question. How could somebody have 334 in the Air Force? Who makes that decision? You apparently have a statutory ceiling, and beyond that, you leave it to each Service to make the decisions about how many general officers, and I would like to know more about that.

So, thank you.

[The information referred to follows:]

The total number of general officer positions within each military Service is determined by law. The 2009 National Defense Authorization Act (NDAA) authorized 208 general officer billets in the U.S. Air Force. Of the 208 authorized general officers in Air Force service positions, 6 are currently allocated to be Judge Advocate General (JAG) billets.

The six JAG general officer positions are: the Air Force Judge Advocate General (TJAG), the Deputy Judge Advocate General (DJAG), the commander of the Air Force Legal Operations Agency (AFLOA), the Staff Judge Advocate at Air Combat Command (ACC/SJA), the Staff Judge Advocate at Air Mobility Command (AMC/SJA), and the Staff Judge Advocate at Air Force Materiel Command (AFMC/SJA). There are also three members of the Senior Executive Service (SES) serving in the Air Force JAG Corps. Two of these SESs support the AFMC/SJA and the other serves under the TJAG on the Air Staff.

The Air Force differs from the other Services in that it places O-7 SJAs in key positions at three Major Commands (MAJCOM). The reason behind this is that the Air Force sees great value in having senior JAG expertise in the field where it can better support the mission of the warfighter.

Specifically, the Air Force has general officer JAGs at ACC, AMC, and AFMC. The ACC/SJA advises the ACC Commander (the lead agent for the combat air forces) and the supported combat commanders. The ACC/SJA provides counsel on issues requiring general officer oversight of the numerous legal matters including the employment of airpower against time sensitive targets and issues with rules of engagement. At AFMC, the SJA provides legal oversight to the MAJCOM responsible for one-third of the Air Force's annual budget—a total obligation authority of over \$42 billion in the fiscal year 2012 budget. The AFMC enterprise includes the Air Logistics Centers, Test Centers, Product Centers, and the Air Force Research Laboratory—all of which have major impacts for both the Air Force and Department of Defense at large. The AMC/SJA provides legal advice that is critical to development of national industrial mobilization base for airlift and aerial refueling. The Commander of AMC maintains a fleet of 479 Active Duty tanker and transport aircraft and manages 1,255 aircraft from the Air National Guard and Air Force Reserve. In addition, the command plans, coordinates, and manages the Civil Reserve Air Fleet with civilian partners. The vast responsibilities and strategic importance of each of these three MAJCOMs require that the commanders are supported by the most experienced members of the JAG Corps.

Senator GRAHAM. What I would like to do is actually get the group to go back and look at roles and missions in terms of the general officer force we would need and look at the SES and see how that has been growing or not growing.

So that is it. Thank you.

Senator WEBB. I thank Senator Graham for those comments.

Let me be clear about a couple of things. I totally agree with you. I think that this is an area that we are just beginning to get a look at, and there is a Guard and Reserve component in here that has not been examined. Dr. Freeman mentioned that in his testimony, and I am not one to be sitting here saying that the Air Force is the Army or the Marine Corps. Each Service has its own characteristics, and we are looking forward to hearing—

Senator GRAHAM. Being an Air Force officer, I think the Air Force has some explaining to do.

Senator WEBB. Senator Ayotte, welcome.

Senator AYOTTE. I guess I better say I am married to a Guard and Reserve lieutenant colonel.

I very much appreciate the study that you undertook, Secretary Stanley, and just want to follow up on a couple of things.

Number one, the fact that we did not look at roles and missions. I think that is very important in terms of this analysis so that we get this right because we need in my view to look at our grand strategic environment when we make the decision on what is appropriate in terms of flag grade officers or, of course, everything that we do in the military in terms of readiness.

If you look at where we are post-September 11, we have stood up Strategic Command in October 2002; Africa Command, 2007; CYBERCOM, 2010. So I fully agree that we need to look at this issue of star creep and grade inflation and unwanted growth overall of the Pentagon bureaucracy, but I think also with creating new needs in our strategic environment, if we do not look at roles and missions, we could make some poor decisions in terms of leadership.

So, as Tom Donnelly of the American Enterprise Institute has said, given the threats we face and the wars we are in, it is not surprising that the headquarters require experienced, strategically savvy, and politically sensitive commanders. We are fighting a very different conflict in terms of what we are dealing with.

To what degree did the joint requirements and the creation of the commands I just described and the wars in Iraq and Afghanistan—did we look at that in terms of the growth in the number of flag officers since September 11?

Admiral GORTNEY. Absolutely, ma'am. As we plotted over time from 2001 to today doing the study, it was clear that is where the majority of the growth was, and we have identified those positions to go away. We applied the conditions that those positions will go away. So as long as we are in the fight, they will remain. When they are done, they will fall off.

Additional billets were actually billets that we thought we would identify for elimination, but we transferred them over to CYBERCOM because we were standing up CYBERCOM and we needed to take some of those positions. So we did identify positions for elimination but took those positions and applied them over there.

Senator AYOTTE. Some of this reduction is going to occur naturally based on end strength reductions that are coming as well.

Admiral GORTNEY. That is the next step, is where are we headed into the future, and then we have to continue to study what needs

to go down as the force reduces coming out of Iraq and Afghanistan. Executability of the study was very important to us. How are we going to implement it and the Services asked for 5 years and that is what the Secretary approved, 5 years to implement the changes. That allows them—because the Services control the input and they control the output of their flag and general officers. On an average, 11 or 12 percent can come in, and on an average, 11 or 12 percent go out for the last 5 years. It is mandated by law, by age, or time in grade that they must retire. It allows the Services over 5 years to control that input so that it is less than the output.

Senator AYOTTE. But if we have not looked at roles and missions, how do we know we are going to get this right?

Admiral GORTNEY. Once again, our goal was to find the efficiencies, go after the growth and find the efficiencies that were out there for elimination, reduction, or transfer to the SES. I think one of the reasons we were able to execute our plan as quickly as we did was because we bounded it to that. It is a fairly subjective argument. We were trying to apply objective measures to it as best we could, frame the problem in that regard, and that is why were able to come up with the reductions that we did.

Senator AYOTTE. What are the plans with regard to the SES? What percentage growth have we seen in that service since September 11? What type of analysis are we going to undergo with regard to the SES in terms of making sure that this has not occurred within DOD rather than just focusing on the flag officers?

Dr. STANLEY. The Secretary actually took that into consideration, again not roles and missions. But what he did do was as the G/FO group was meeting, we also had the SES efficiency group meeting. Again, everything was actually focused just on efficiencies, not roles and missions, and quite frankly, they tiered it looking at the technical, looking at the leadership, and looking at the SES, as well as highly qualified experts, and looked at all of those and looked from an efficiency standpoint what are they doing now, which ones are the “nice to have”—it was pretty subjective in that part—and then identifying those, what they called the “easy takes.” They literally identified over 176. We were asked to come up with 150. He gave us a goal. We came up with 176 and actually took a number of those. Some of those billets or those positions had not been filled. Some we knew were going away. Some, the mission had actually changed.

I happened to have sat on both of them as a co-chair in both, as we were talking about the G/FO piece, I could see where we were going with the SESs. But again, not roles and missions. Very bounded in efficiencies. That was it, knowing that we had other studies to do later on.

Senator AYOTTE. So if you sat on both, can you help me? What is the percentage growth among—if you look at the percentage growth post-September 11 among flag officers versus SES over that same period, can you give us some kind of sense of how you compare the two?

Dr. STANLEY. This particular study that we did, we were not looking at the percentage growth in terms of where we were. What we literally were just given here is a number. We know we have

grown, and we knew that going into it. We were looking at some easy efficiencies where we were. The Secretary was anticipating this year in terms of having too many people, a lot of growth, how do we address this, how do you deal with the OCO from the G/FO piece in terms of those who are actually committed now, and letting the conditions on the ground drive that, as well as SES. But it was a very, very quick look at what we were doing in the same period of time. They both ended up at the same time.

Senator AYOTTE. I guess I am trying to understand are we looking at that side of it too, and is it there is a greater percentage of growth there versus what is happening on the—

Dr. FREEMAN. If I may, Senator.

Senator AYOTTE. Yes.

Dr. FREEMAN. Since September 11, we have added over 100,000 DOD civilians total. I do not have the figures for the SES'ers, but their growth rate does rival the growth rate of G/FOs overall. Very comparable growth rates there.

Senator AYOTTE. So in your view, we need to undertake a similar stringent analysis on that end?

Dr. FREEMAN. That is absolutely correct. POGO personally—that is where we are headed next and we certainly hope the committee and the DOD looks at that issue as well.

Senator AYOTTE. I appreciate that and particularly want to make sure that we are not just—and I do not mean to use a term the wrong way—picking on the military side and not doing a similar stringent review on the civilian side.

Dr. STANLEY. Could I just make one comment?

Senator AYOTTE. Yes.

Dr. STANLEY. What we do know is that from the intelligence side, there was a significant increase, and even when we started this part of our study, we did not touch all of those. There were things that happened in the intelligence side that we needed since September 11 and it was not just a matter of percentages as much as we were not going to touch those.

Senator AYOTTE. I am very glad to hear that, of course, because I could appreciate why that would enhance.

May I ask one more brief question?

Senator WEBB. I would remind the Senator we are on a 7-minute rule, but go ahead.

Senator AYOTTE. Just on the JAG officer issue, we have heard a lot of testimony before this committee, particularly in the Navy JAG program, with concerns about the program. I would just, as a comment, echo on Senator Graham's comments to say given the importance of the JAG program, I hope that that is taken into account when you are looking at leadership and making sure that we have the right type of leadership to stress the importance of that program.

Senator WEBB. Thank you, Senator.

Could staff put up slide 2?

[The information referred to follows:]

O-10 Positions (October 1, 2011)				
	Army	Navy	Marine Corps	Air Force
Service Positions	Chief of Staff of the Army Vice Chief of Staff of the Army Commander Army Forces Command Commander Army Materiel Command Commander TRADOC	Chief of Naval Operations Vice Chief of Naval Operations Commander US Pacific Fleet Commander US Naval Forces Europe Commander Naval Nuclear Prop Program Commander US Fleet Forces Command	Commandant of the Marine Corps Vice Commandant of the Marine Corps	Chief of Staff of the Air Force Air Force Vice Chief of Staff of the Air Force Commander Air Mobility Command Commander Air Force Materiel Command Commander Air Combat Command Commander US Air Force Europe Commander Pacific Air Forces Commander Air Force Space Command Commander Air Education and Training Command
Joint	Chairman of the Joint Chiefs of Staff	Vice Chairman of the Joint Chiefs	Commander CENTCOM	Commander SOUTHCOM
And	Commander NORTHCOM	Commander SOCOM	Commander ISAF	Commander STRATCOM
Other	Commander US Forces Korea	Commander EUCOM		Commander TRANSCOM
Assignments	Commander AFRICOM Commander US Forces Iraq	Commander PACOM		Chief, National Guard Bureau
	Commander US Cyber Command			

Senator WEBB. Just as a clarification, to reemphasize where we were at the beginning of this hearing, there was a discussion on growth in the joint commands. One of the questions that we have on this hearing is the number of G/FOs inside what we call the institutional Services. One of the things that was brought to the attention at the beginning of the hearing is the number of Air Force four-star generals who are in what is called the institutional Service and also Navy, by the way, compared to their overall strength. We have nine general officers in the Air Force in institutional positions, meaning inside the Air Force, as compared to the numbers that you see: two in the Marine Corps; five in the Army; and six in the Navy.

Was this issue addressed during your study, Dr. Stanley?

Dr. STANLEY. It was but in a very limited scope. What we did, Senator, was actually—first of all, as we looked at the different Services and where they were, we were more focused in terms of not only what was happening within the headquarters but combatant commands (COCOM) headquarters and what the—

Senator WEBB. So this is something that you would be continuing to examine as we put the—

Dr. STANLEY. Absolutely.

Senator WEBB. I would think because, quite frankly, I do not think there is anybody in DOD who, if given a choice between being a four-star and being an SES, would pick being an SES.

Thank you very much for your testimony. We will now hear from the second panel.

We now welcome the second panel: General Peter Chiarelli, Vice Chief of Staff of the Army; Admiral Mark Ferguson III, Vice Chief of Naval Operations; General Dunford, Assistant Commandant of the Marine Corps; and General Breedlove, Vice Chief of Staff of the Air Force.

I would like to proceed again reminding the witnesses if you could summarize your testimony within 5 minutes. Your full written statement is a part of the record. Then we will have a 7-minute round of questions afterwards.

General Chiarelli, welcome.

STATEMENT OF GEN PETER W. CHIARELLI, USA, VICE CHIEF OF STAFF, U.S. ARMY

General CHIARELLI. Chairman Webb, Ranking Member Graham, distinguished members of the subcommittee, I thank you for the opportunity to appear before you today to discuss the issue of general officer requirements in the U.S. Army. On behalf of Secretary McHugh, our new Chief, General Ray Odierno, and the more than 1.1 million men and women serving on Active Duty and in the U.S. Army Reserves and Army National Guard, Army civilians and their families, I want to thank you for your continued and strong support over the past decade. It is largely through your efforts that we have had the resources and manpower required to sustain us in the current fight while simultaneously preparing and training soldiers for the next fight.

We are all aware of the challenges posed by the current fiscal crisis, and I can assure you your Army remains committed to instilling a culture of cost savings and accountability. This includes force

structure and manpower authorization specific to our general officer corps.

For 13 years, from 1995 to 2008, our authorized general officer Active Duty end strength remained unchanged at 302. Over the past 4 years, per directives issued by Congress and by senior leaders of DOD, the Army incrementally increased our general officer end strength to meet the requirements for senior leadership in Iraq and Afghanistan and also to assure our ability to meet internal Army and joint requirements. These additional authorizations have proven absolutely critical to ensuring our force is able and capable of meeting the demands of the current environment both at home and in theater.

Looking ahead, as we draw down operations in Iraq and eventually in Afghanistan, we recognize the Military Services will be required to make reductions to end strength to include within our flag and general officer ranks. I assure the members of the subcommittee the Army's senior leaders are prepared to do our part. By 2014, as a result of the Secretary of Defense's efficiencies review and reductions in our joint pool minimum, we will reduce our internal general officer authorizations by 11 and our joint contribution from 102 to a minimum of 82, for a projected total general officer end strength of 301, one below the end strength in place from 1995 to 2008. We believe this projected end strength will be sufficient to meet our need for senior leadership both internal to the Army and across DOD.

That said, any further reductions or acceleration of planned reductions would jeopardize our ability to effectively meet those requirements. Bottom line, as we look at making reductions for force structure in coming days, we must ensure we remain a flexible force with a general officer population capable of leading institutional change while concurrently providing needed skills to our combatant commanders.

Mr. Chairman and members of the subcommittee, I thank you again for your continued and generous support and demonstrated commitment on behalf of the outstanding men and women of the United States Army and their families.

I look forward to your questions.

[The prepared statement of General Chiarelli follows:]

PREPARED STATEMENT BY GEN PETER W. CHIARELLI, USA

INTRODUCTION

Chairman Webb, Ranking Member Graham, and distinguished members of the subcommittee, on behalf of our Secretary, the Honorable John McHugh; our Chief of Staff, General Raymond Odierno; and the over 1.1 million soldiers who serve in our Active component, Army National Guard, and U.S. Army Reserves, as well as our Army civilians and family members, I thank you for this opportunity to appear before you to discuss the U.S. Army's general officer requirements.

First, I want to thank this subcommittee for its steadfast support and demonstrated commitment to our men and women in uniform. I appreciate the genuine concern the subcommittee and its members demonstrate for our soldiers, Army civilians, family members, and the overall personnel readiness of our force. It is largely through your support that we have the resources and manpower required to sustain us in the current fight, while simultaneously preparing and training soldiers for the next fight. We are deeply grateful and appreciative of your continued, strong support.

You called us here today to discuss the current flag and general officer requirements of our respective Services in the context of increasingly constrained budgets

and changes to force structure. Let me assure you upfront, your Army remains committed to instilling a culture of savings and accountability; and this includes force structure and manpower authorizations specific to our General Officer Corps. The Army promotes officers to its authorized general officer end strength in accordance with law and the Office of the Secretary of Defense policy. We do this in a very deliberate manner. Each year, our Army's senior leaders commit time to reviewing and validating each internal Army general officer position. While our validated requirements exceed our title 10 general officer authorizations, we are able to provide the requisite leadership by assigning our colonels selected for brigadier general and pending promotion to these positions.

For 13 years, from 1995 until 2008, the Active Army's authorized general officer strength remained unchanged at 302. In 2008, Secretary Geren appointed the "Special Commission on Army Acquisition and Program Management in Expeditionary Operations" to review contracting linked to the war effort. Dr. Jacques Gansler, former Under Secretary of Defense for Acquisition, Technology and Logistics, headed the six-member commission. As a result of the commission's findings, the Army's general officer authorization increased by five in 2008 to ensure needed senior leader expertise in contracting. In 2009, the advent of the "Joint Pool" established a limit of 230 internal Army billets and required the Army to fill a minimum of 85 billets, bringing the Army's general officer end strength to 315. In 2010, the Army's fair share of Joint requirements increased from 85 to 102 to provide the Services the ability to support temporary general officer requirements associated with or in support of Iraq and Afghanistan. Most recently, the Secretary of Defense conducted a general and flag officer efficiencies study group which, by policy, will require the Army to reduce its internal general officer authorizations by 11 and its joint contribution will change from a fair share of 102 to a minimum of 82, by 2014.

Once all planned general officer reductions are implemented, we believe we will have sufficient general officer authorizations to meet our projected need for senior leadership both internal to the Army and across the Department of Defense. At the same time, any further reductions or acceleration of planned reductions would reduce the Army's flexibility in meeting general officer requirements across the Department of Defense.

As you well know, America's Army has been operating at a tremendous pace for over 10 years. As a result of combat operations in Iraq and Afghanistan, the Army's general officer authorizations increased to provide the most capable and decisive land force in the world. With the recent end of combat operations in Iraq, and as a result of the Secretary of Defense's efficiency review, the Army will see a noticeable reduction in the number of general officers between now and 2014.

PRIMARY CHALLENGES

As we look at making reductions to our force structure in coming days, to include reductions in the number of general officer authorizations, we must ensure that we remain a flexible force, with a general officer population capable of leading institutional change while concurrently providing needed skills to our combatant commands.

Our primary challenge is managing the elimination of eleven Army general officer authorizations set forth in the Secretary of Defense Efficiency review, bringing the Army's internal general officer authorizations from 230 to 219. This is coupled with the concurrent requirement to draw down the number of general officers currently serving in Joint requirements, largely in temporary positions supporting contingency operations in Iraq and Afghanistan.

For the past 4 years, the Army has incrementally increased the General Officer Corps to meet the requirements for senior leadership in Iraq and Afghanistan and assure our ability to meet internal Army and joint requirements. Between now and fiscal year 2014 the Army will incrementally decrease the general officer end strength. In an environment where we must meet the directives established by the Secretary of Defense's efficiencies study and simultaneously reduce the number of general officers serving in Iraq, the Army will need to increase the number of general officer retirements per year in order to prevent delays in promoting officers on promotion lists. The increased retirements must be managed in such a fashion so as to assure continued development of a diverse and talented group of general officers to serve in the most senior leadership positions across the Department of Defense.

DOING OUR PART

In order to maintain the appropriate force structure, and achieve our goal to provide a tailorable and scalable force capable of meeting our national security require-

ments, the Army's senior Leaders recognize we must do our part. To date, the Army has eliminated three internal Army general officer requirements and has downgraded the Commanding General, U.S. Army Europe from O-10 to O-9. The Army will eliminate eight additional internal Army general officer requirements as directed by the Secretary of Defense. In addition, the Army leadership continues to identify cost saving measures and efficiencies throughout the force.

CLOSING

These continue to be challenging times for our Nation and for our military. That said, I assure the members of this subcommittee—your Army's senior leaders remain focused and committed to effectively addressing current challenges, while also determining the needs of the Force for the future.

Mr. Chairman, members of the subcommittee, I thank you again for your steadfast and generous support of the outstanding men and women of the U.S. Army, Army civilians, and their families. I look forward to your questions.

Active Component General Officer Strength
as of 2 Sep 11

Branch Category	Branch	Pay Grade				Total
		O07	O08	O09	O10	
FORCE SUSTAINMENT						
Force Sustainment	Comptroller	1				1
	Acquisition	11	6	2		19
	Human Resources	3	2			5
	Finance	3	1	1		5
	Logistics	16	12	2	1	31
FS Total		34	21	5	1	61
MANEUVERS, FIRES, & EFFECTS						
Maneuver, Fires and Effects (MFE)	Information Operations	1				1
	Civil Affairs	1				1
	Public Affairs	2				2
	Air Defense	4	3	2		9
	Armor	11	12	6	4	33
	Aviation	8	9			17
	Chemical	1	1			2
	Engineer	8	11	2		21
	Field Artillery	7	12	3	1	23
	Infantry	28	23	19	4	74
	Military Police	3	1			4
	Special Forces	5	7	2		14
	MFE Total		79	79	34	9
OPERATIONAL SUPPORT						
Operational Support (OS)	Space Operations	1				1
	Foreign Area Officer	3				3
	ORSA	2	1			3
	Force Management	3				3
	Strategist	1				1
	Military Intelligence	7	5	2	1	15
	Signal	6	4	3		13
OS Total		23	10	5	1	39
PROFESSIONAL BRANCHES						
Professional Branches (PB)	Nurse		1			1
	Chaplain	1	1			2
	Dental		1			1
	Judge Advocate	4	1	1		6
	Medical Corps	6	4	1		11
	Medical Service	1	1			2
	Vetrinary Corps	1				1
PB Total		13	9	2	0	24
TOTALS						
Grand Total		149	119	46	11	325
Exemptions	527 OCO Exemption (-)		4			4
	528 Intel Exemption (-)			1		1
	601 Transition Exempt (-)	2	4			6
	Joint Pool Exemption (-)	44	22	15	6	87
Exemption Total		46	30	16	6	98
Adjusted Total		103	89	30	5	227

As of 2 Sep 11

Senator WEBB. Thank you very much, General Chiarelli.
Admiral Ferguson, welcome.

STATEMENT OF ADM MARK E. FERGUSON III, USN, VICE CHIEF OF NAVAL OPERATIONS, U.S. NAVY

Admiral FERGUSON. Chairman Webb, Ranking Member Graham, and distinguished members of the subcommittee, thank you for the opportunity to discuss the Navy's flag officer end strength as part of DOD's efficiencies study and efforts.

From September 11, 2001, until today, the additional demands for flag officers have resulted in additional growth of flag positions

for the United States Navy. This growth has occurred primarily in additional joint billets supporting ongoing operations and meeting new mission areas in areas such as cyber, explosive ordnance disposal, special operations, and intelligence.

Contrasting what we have experienced in the joint arena, Navy in-service flag numbers over the past decade have essentially remained flat at approximately 160 officers. Our in-service flags serve as both operational commanders of naval forces dispersed around the globe and on their operating staffs or are associated with the Title 10 responsibilities to man, train, and equip the force.

Within our current authorized end strength, we believe we have the flexibility both to seek greater efficiencies as well as more effective staff alignments, as well as respond to emerging operational demands.

This Navy flag end strength also supports the United States Marine Corps in the form of senior health care executives and flag officers, chaplain corps officers, JAG corps, and acquisition professionals that provide support for the entire Department of the Navy.

Our participation in the Secretary of Defense's flag officer review resulted in changes to approximately 25 positions for the Navy. This review eliminated 11 Navy flag officer positions resulting in a projected end strength of approximately 149 flag officers assigned to the Service when the efficiencies measures are completed. An additional 14 flags were reduced as part of our joint contribution, leaving a total of 60 in the referred to joint pool. In addition, we downgraded 50 officers. Flag positions were converted then to SES.

We fully support these reductions and believe that we are appropriately sized for our current tasking. We have begun planning for the reductions and execution and we use adjustments in both promotion opportunity for flags, as well as retirements, to meet these new end strength targets.

In the future, we remain absolutely committed to create a more agile, flexible, and effective flag officer staff structure for the Navy to deliver the finest naval forces that we can to the Nation.

On behalf of the Secretary and the Chief of the Naval Operations Center, thank you for the support of the committee, and we look forward to answering your questions.

[The prepared statement of Admiral Ferguson follows:]

PREPARED STATEMENT BY ADM MARK E. FERGUSON III, USN

EXECUTIVE SUMMARY

In the decade since September 11, 2001, Navy has experienced growth in flag officer positions, primarily due to an increased number of flag officers provided to the joint force in the execution of ongoing combat operations and in support of new mission areas. In 2001 the Navy has an authorized level of 161 in service and 59 joint positions.

The Navy is unique in that it provides flag officer leaders in support of the U.S. Marine Corps, such as Senior Health Care Executives, Chaplain Corps officers, Judge Advocate General Corps officers, and Acquisition Professionals.

The Department of Defense efficiency review recommended the elimination of 11 in-service flag positions and 14 joint positions allocated to Navy. Following the full implementation of these changes, Navy will have an active duty billet structure of 149 in-service flag positions, 60 joint positions, and 4 exempt flag positions as authorized by law. The review also authorized a total of 48 Reserve flag officers with 3 filling designated joint positions.

Navy supports these efficiency actions and anticipates additional review to reduce or merge flag officer positions. Navy is taking a phased approach to lowering flag inventory through the reduction of promotion opportunities and retirements.

Chairman Webb, Ranking Member Graham, and distinguished members of the committee, thank you the opportunity to testify regarding the Navy's flag officer end strength as a part of the Department of Defense's efficiency efforts.

Navy has been fully supportive of the effort to identify savings that can be reallocated for investments in high priority warfighting capabilities and programs to prepare and equip our sailors for current and future challenges. While the budgetary savings from the review of flag officer end strength is modest when compared to other implemented changes, we believe the actions were necessary and set us on a path of having a flatter and more agile staff structure.

BACKGROUND

Prior to September 11, 2001, the Navy had 220 flag officers—161 in-service and 59 joint positions—with an end strength of 377,810 sailors. This is a total ratio of 1 flag officer to every 1,717 sailors. If only flag officers assigned to in-service Navy billets (non-joint flag) are compared against the Navy end strength, then the ratio is 1 flag officer to every 2,347 sailors.

While we do not include USMC end strength in this calculation, Navy continues to provide flag officer staff support for the U.S. Marine Corps as Senior Health Care Executives, Chaplain Corps officers, Judge Advocate General Corps officers, and Acquisition Professionals. This provides a more efficient means to deliver support to both the Navy and Marine Corps.

For example, the close coordination between our two services allows the Department of the Navy (DoN), to operate a single Systems Command for procurement of aircraft and support equipment. Led by a Navy flag officer, the Naval Air Systems Command (NAVAIR) is the Aircraft Controlling Custodian for all DoN test aircraft regardless of service. Each of NAVAIR's five affiliated Program Executive Offices (PEOs) are led by flag officers.

Similarly, Naval Sea Systems Command is responsible for not only the procurement and in-service maintenance planning for all Navy ships, but is also accountable for the Landing Craft Air Cushion (LCAC) Service Life Extension Program, the development and procurement of the LCAC replacement and the Ship-to-Shore Connector.

Lastly, the PEOs for Enterprise Information Systems and PEO C4I are both responsible for Navy and USMC systems that enable information dominance and the command and control of maritime forces.

Since September 11, 2001 the Department of Defense has added two new combatant commands and additional Joint Task Forces to meet emerging operational missions. As required, Navy has provided flag officers to fill these leadership positions for the Joint Force. In addition to flag positions allocated to the service at U.S. Africa Command and U.S. Northern Command, Navy flag officers have served in Joint Task Forces to include: Commander, Joint Task Force Guantanamo; Commander, Joint Task Force Horn of Africa; Chief, Office of Defense Representative-Pakistan; Director, Communications and Strategic Effects-Afghanistan; and Chief Medical Advisor, International Security Assistance Force, Afghanistan.

During this time the Navy has also undergone additional mission growth. The SEAL and Explosive Ordnance Disposal communities have risen in importance, with an increase in those communities' representation in joint assignments. Similarly, to keep pace with the rapidly growing prominence of information (dominance), the Navy created flag officer positions in the Intelligence, Information Warfare, Information Professional community.

To reflect these changes in the joint force, the National Defense Authorization Act (NDAA) for Fiscal Year 2010 directed changes to general and flag officer end strength. This legislation capped the Navy at 160 flag officers, but increased our "fair share" contribution to the "Joint Pool" from 60 in 2001 to 74 in 2010. At present, the Navy is filling 78 joint billets. The changes specified in the 2010 NDAA codified joint flag officer increases while keeping the Navy "in-service" numbers flat at 160.

EXEMPTIONS

As authorized by law, Navy is permitted exemptions to flag officer end strength that count neither against the 160 in-service nor the 74, "Joint Pool" billets. Currently, the Navy has 18 exemptions. Four are filled by active duty officers and 14

by mobilized reservists. Of these exempt positions, eight are in-service billets, seven are “Joint Pool” and three billets are designated for the Chairman of the Joint Chiefs. The four active duty exemptions are the Superintendent of the Naval Academy, the Director of the Nurse Corps, the Director of the Medical Service Corps and the Attending Physician to Congress. Eleven of these 18 exemptions were provided for by Congress in the NDAA for Fiscal Year 2010, Public Law 111–84, which amended sections 525 and 526 of U.S.C. Title 10.

EFFICIENCY REVIEW

In the summer of 2010, Navy participated in the Secretary of Defense flag officer efficiency review. Navy entered the general and flag officer manning efficiency review having experienced essentially zero growth in the in-service flag end strength, with contributions to joint billets as the principal driver of flag officer growth. Our review resulted in the recommended elimination or reduction of 25 flag officers. This action eliminated 11 in-service flag officer positions, resulting in an effective end-strength of 149 in-service. An additional 14 flag officers were reduced from joint billets, reducing our future contribution to a total of 60. This represents a reversal of the 2010 NDAA directed growth. Following the full implementation of the recommended position eliminations, and using a targeted end strength of approximately 328,000 sailors by 2017, Navy will have a total ratio of 1 flag officer to every 1,571 sailors and a non-joint, in-service ratio of 1 flag officer to every 2,201 sailors.

IMPLEMENTATION

The Navy has begun implementing these changes in a phased approach. In doing so, we have focused on two tasks; alignment of the billet structure and the adjustment of flag officer inventory. Beginning in fiscal year 2012, our billet structure will begin to reflect the elimination or reduction of the paygrade required for identified positions, for example: from O–8 to O–7 or from O–7 to SES or O–6. At this point, we intend to make the position modifications as incumbents are relieved, and should be complete by fiscal year 2013.

As this change will occur less than 2 years after the authorized end strength increase, we are planning for a near equivalent reduction through adjustments in promotions and retirements. Under current policy, flag officers may serve for up to 5 years after initial selection and promotion. To meet the required reduction goals, near-term O–7 and O–8 selection opportunities will be reduced. We anticipate that we will meet the required reductions within the 5 year period, and believe a measured approach will minimize disruption and allow an effective transition to lower manning levels.

NAVY RESERVE

Finally, U.S. Navy Reserve officers play an important role in our overall flag manning. In 2001, Reserve flag officer end strength was 48 flag officers, with 4 filling designated Chairman’s Reserve positions and counted within the Active component. At that time, the Navy Reserve held 87,913 sailors with a ratio of 1 flag officer to 1,690 sailors.

The Navy “fair share” allocation of joint duty positions, authorized in the 2010 NDAA, also provided the authority for Reserve Force components to participate in the Joint Pool assignment processes to fill critical roles in excess of the Chairman’s Reserve positions. As seen with the Active component over this time period, the Reserve component flag end-strength also experienced zero in-service growth. Upon full implementation of the efficiencies initiatives in 2017, the Navy Reserve will have 48 flag officers with 3 filling designated joint or Chairman’s Reserve positions. The planned end strength of 61,254 sailors will result in a ratio of 1 flag officer to every 1,201 sailors.

CONCLUSION

We remain committed to creating a more efficient and economical staff structure. We anticipate we will continue to reduce or merge flag officer positions. We look forward to working with Congress to create a more efficient and agile force structure.



Navy Flag Officers as of September 1, 2011



Active Duty Flag Officers 01 Sep 11

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Staff	19																

Unrestricted Line- URL
Restricted Line- RL
Chairman's Reserve Pool- CRP

Navy	168(8 exempt IAW 10 USCS 525/6)
JT Pool	85(7 exempt IAW 10 USCS 525/6)
CRP	3 (exempt IAW 10 USCS 526)
	256
<u>Exempt - 18</u>	
	238 (4 over JT Pool fair share (74))



Unrestricted Line (URL) Flag Balance

URL		
2011	Inv	Exempt Inv
O-8 and above	87	5
O-7	76	4
Total	163	9

URL community comprises Aviation, Surface Warfare, Submarine, Naval Special Warfare, Explosive Ordnance Disposal and Full Time Support



Restricted Line (RL) Flag Balance

2011	AED	ED	INTEL	IW	PAO	HR	IP	OCEANO	FAO	Total
O-8 and above	2	4	3	2	0	1	2	1	0	15
O-7	4	6	4	3	3 w/1 exempt	2 w/1 exempt	3	1	1	27
Total	6	10	7	5	3 w/1 exempt	3 w/1 exempt	5	2	1	42

Aerospace Engineering Duty- AED
 Engineering Duty- ED
 Intelligence- Intel
 Information Warfare- IW
 Public Affairs Officer- PAO
 Human Resources- HR
 Information Professional- IP
 Oceanography- OCEANO
 Foreign Area Officer- FAO



Staff Flag Balance

2011	SHCE	SC	CEC	JAGC	CHC	Total
O-8 and above	9 w/3 exempt	5	2	2	1	19
O-7	9 w/2 exempt	9 w/2 exempt	3	1	1	23
Total	18 w/5 exempt	14 w/2 exempt	5	3	2	42

Senior Health Care Executive - SHCE
 Supply Corps- SC
 Civil Engineering Corps- CEC
 Judge Advocate General Corps- JAGC
 Chaplain Corps- CHC



Reserve Flag Balance

Authorized	
2011	All
O-8 and above	*23
O-7	*25
Total	48

*Typical distribution but not required by law

Reserve Flags		
2011	Inv	Exempt Inv
O-8 and above	16	3
O-7	27	7
Total	43	10

Senator WEBB. Thank you very much, Admiral.
 General Dunford, welcome.

**STATEMENT OF GEN. JOSEPH F. DUNFORD, JR., USMC,
 ASSISTANT COMMANDANT, U.S. MARINE CORPS**

General DUNFORD. Chairman Webb, Ranking Member Graham, distinguished members of the subcommittee, I appreciate the op-

portunity to address the impact of the efficiencies initiatives affecting general officer and SES authorizations within the Marine Corps.

Currently the Marine Corps' authorized Active Duty end strength is 202,100. Of those, 87 are general officers.

Title 10 limits the number of general officers on Active Duty internal to the Marine Corps at 60. The Staff Judge Advocate to the Commandant of the Marine Corps is exempt from internal Active Duty general officer limitations. Counting the Staff Judge Advocate, there are 61 generals supporting internal Marine Corps requirements. General officers currently comprise .04 percent of the Active component of the Marine Corps. Our internal ratio of Active Duty general officers is 1 for every 3,300 Active Duty marines.

General officers serving in joint assignments, as authorized by the Secretary of Defense, are not counted against the internal general officer numbers. Our current fair share to the joint pool is 26, and that number is expected to be reduced to 21 by 2015.

Our overall ratio of Active general officers is currently 1 for every 2,300 Active Duty marines when you count that joint authorization. That ratio will change to 1 to 2,500 when our joint requirement is reduced.

The current mix of Marine Corps general officers represents the proper balance to support Marine Corps operating forces and supporting element demands across the globe, and we are satisfied with our joint representation.

Civilian senior executives perform an invaluable role to the Marine Corps total force team. They provide crucial leadership to ensure continuity in vision and policy in the midst of Active Duty general officer rotations.

The Marine Corps currently has 22 SES billets and 2 Senior Leader billets. The efficiencies review resulted in the elimination of one Marine Corps SES position. The incumbent vacated this position in August 2011 and the position was eliminated. We also believe we have the right mix of senior executives to support our requirements.

Thank you for the opportunity to be here. I look forward to your questions.

[The prepared statement of General Dunford follows:]

PREPARED STATEMENT BY GEN. JOSEPH F. DUNFORD, JR., USMC

INTRODUCTION

Chairman Webb, Senator Graham, and distinguished members of this subcommittee, I am honored to appear here today. I want to thank you for your continued support to our sailors, marines, their families, and our civilian marines, and I appreciate the opportunity to address General and Flag Officer (G/FO) and Senior Executive Service (SES) authorizations.

On August 16, 2010, then Secretary of Defense Robert Gates directed a series of initiatives designed to reduce duplication, overhead, and excess, and instill a culture of savings and cost accountability across the Department. The Marine Corps supported the Secretary of Defense mission to identify areas in which the Department could create efficiencies.

In a memorandum dated March 14, 2011, Secretary Gates directed immediate implementation of certain identified efficiencies. Among the efficiencies were the elimination, reallocation, reduction, or legislative change to 140 G/FO positions. The efficiencies effectively validated current Marine Corps general officer (GO) requirements by recommending no change to Marine Corps GO levels.

In addition to the G/FO positions, Secretary Gates identified efficiencies within the Civilian Senior Executive (CSE) roles, eliminating 176 CSE positions and 33 highly qualified experts. The review resulted in the elimination of one Marine Corps SES position, the Business Enterprise Director, Installation and Logistics. The incumbent vacated this position on August 7, 2011, and the position was then eliminated. The Marine Corps currently has 22 SES billets and 2 Senior Leader billets.

GENERAL OFFICERS

Title 10 limits the number of GOs on active duty internal to the Marine Corps at 60. It also generally prescribes the following maximum limits: 2 officers in the grade of general, 13 officers in the grade of lieutenant general and 22 officers in the grade of major general. The Staff Judge Advocate to the Commandant of the Marine Corps is exempt from internal active duty GO limitations. As well, GOs serving in joint duty assignments as authorized by the Secretary of Defense are not counted against the internal GO numbers.

Currently, the Marine Corps authorized active duty end strength is 202,100. Of those, 87 are GOs. The breakdown of the 87 GOs includes 61 assignments to internal Marine Corps billets (including the Staff Judge Advocate to the Commandant of the Marine Corps) and 26 joint billets. General Officers presently comprise .04 percent of the Active component of the Marine Corps—approximately 1 Active Duty general officer for every 2,300 Active Duty marines.

Table 1 describes overall actual GO levels within the Active and Reserve components within the Marine Corps.

Table 1	Active	Active %	Reserve	Reserve %
Generals	87	0.04%	10	0.02%
Officers	22,020	10.98%	3,804	9.44%
Enlisted	178,409	88.97%	36,476	90.56%
Total	200,516	100.00%	40,280	100.00%

Table 2 describes the Marine Corps' actual distribution of general officers.

Table 2	Active	Internal	Title 10	Joint	SJA
0-10	4	2	2	2	0
0-9	18	13	13	5	0
0-8	33	21	21	11	1
0-7	32	24	24	8	0
Total	87	60	60	26	1

The current mix of Marine Corps GOs represents the proper balance to support Marine Operating Forces and supporting element demands across the globe. The Marine Corps has a history of frugality throughout the Corps—GOs are no exception. The last increase in Marine Corps GOs (from 80 to 81) was authorized by the National Defense Authorization Act for Fiscal Year 2009. This coincided with the overall end strength increase to 202,100. Similarly, as we begin to rebalance the Marine Corps for the future, we ask for the committee's support in retaining the proper number of GOs.

Our current fair share to the Joint Pool is 26; and that number is expected to be reduced to 21 by 2015. The Marine Corps seeks to place GOs into joint billets that leverage the individual officer's personal experience or expertise, providing the greatest utility to the force overall. This challenging task requires close management and coordination within the headquarters, as our joint requirement is a relatively high proportion of our total GO structure. As our fair share comes down we expect this task to become less onerous.

SENIOR EXECUTIVES

CSE perform an invaluable role to the Marine Corps Total Force team. They provide crucial leadership to ensure continuity in vision and policy in the midst of Active Duty general officer rotations.

The Marine Corps currently has 22 SES billets and 2 Senior Leader billets. The leadership roles filled by these positions include Assistant Deputy Commandants (ADC) within Headquarters, Marine Corps, subordinate senior leadership to the ADCs, and senior civilian leadership at major commands such as Marine Corps Systems Command, Marine Corps Logistics Command and Marine Forces Reserve.

When Secretary Gates identified efficiencies within the CSE roles—totaling more than 200 positions across DOD—the review resulted in the elimination of 1 Marine Corps SES position: the Business Enterprise Director, Installation and Logistics. The incumbent vacated this position on August 7, 2011, and the position was then eliminated.

POSTURING FOR THE FUTURE

In the fall of 2010, the Marine Corps conducted an overarching organizational review to evaluate and refine the organization, posture and capabilities required of America's Expeditionary Force in Readiness in a post-Operation Enduring Freedom-Afghanistan security environment. We understood in conducting this review that the future is going to be further challenged by fiscal constraints. Of necessity, our future force structure represents many judiciously considered factors and makes pragmatic tradeoffs in capabilities and capacities to achieve a posture that creates opportunity and enables flexibility and rapid response to crisis.

Our intent is to rebalance the Corps for the future by reconstituting an active force of approximately 186,800 marines with 39,600 in the Selected Marine Corps Reserve. The ratio of GOs to other marines will then increase from 1:2,300 to approximately 1:2,150. As we prepare to restructure the force for the post-OEF security environment, we expect the current GO balance to meet the needs of this future force structure. We ask for the committee's support as we move forward with these changes.

CONCLUSION

Based on our analysis through the Force Structure Review, the Marine Corps has planned for a force with the right capabilities and capacities to provide the Nation with the world's most capable expeditionary force in readiness. With your continued support, the Marine Corps will remain a force that is ready to respond to today's crises with today's forces, today. Thank you for the opportunity to be here today; I look forward to answering your questions.

Senator WEBB. Thank you very much, General Dunford.
General Breedlove, welcome.

STATEMENT OF GEN. PHILIP M. BREEDLOVE, USAF, VICE CHIEF OF STAFF, U.S. AIR FORCE

General BREEDLOVE. Chairman Webb, Ranking Member Graham, Senator, thank you for this opportunity to speak to this important subject today, and thank you for your continued support.

The United States continues to need a strong and agile military to confront a dynamic international security environment composed of a diverse range of threats. With our joint partners, the Air Force defends and advances the interests of the United States by providing unique capabilities across the full spectrum of conflict in order to succeed in today's wars and in future conflicts. I thank you and this committee for your strong and continued support of our Air Force as it does this mission.

A key element of the Air Force's continued ability to provide combat power to the joint team is the depth and breadth of its senior leadership team. Our senior leadership consists of two different but mutually supportive elements: Air Force general officers and SES civilians. We rely on our general officers for their years of command experience and military judgment. Our SES civilians bring broad area expertise, as well as stability and continuity not achievable under the current military promotion system.

Due to their comparable level of job complexity, scope of responsibility, span of control, inherent authority, and influence on joint and national security matters, the Air Force advocates a deliberate and balanced approach to flag-level leadership as we believe that

general officers and SESs should be viewed as partners as we move forward.

According to the 2009 National Defense Authorization Act, the Air Force is authorized 300 general officer billets with 208 of those being Service positions and 92 being in the joint service. Of the total SES authorizations allocated to DOD, the Air Force has been apportioned 197 SES billets.

In response to Secretary Gates' efficiencies study earlier this year, the Air Force has targeted 39 general officer positions and nine SES positions for elimination. When these reductions are complete in 2014, the Air Force senior leadership will consist of 261 general officers and 188 SESs, a level lower than that of the Air Force senior leadership team on September 11, 2001, and the lowest level of Air Force general officers ever. When normalized to its end strength, the Air Force senior leadership size is in line with the Service requirement and those of our sister Services. Ultimately, we believe that we have the correct mix of military officers and civilian executives to provide the Air Force with the best leadership team.

As America's source for air and space power, the Air Force remains a reliable partner in the joint team. Along with our sister Services, we have reevaluated our senior leadership team and have taken targeted reductions in order to reduce overhead. Our team of general officers and senior executive civilians provides the Air Force with an extensive breadth and depth of expertise to provide America global vigilance, reach, and power.

I look forward to your questions, sir.

[The prepared statement of General Breedlove follows:]

PREPARED STATEMENT BY GEN. PHILIP M. BREEDLOVE, USAF

The United States continues to need a strong and agile military to confront a dynamic international security environment composed of a diverse range of threats. With our joint partners, the Air Force defends and advances the interests of the United States by providing unique capabilities across the full spectrum of conflict in order to succeed in today's wars and prevent future conflicts. The Air Force remains a mission-oriented and highly prepared force—not an easy task after more than 20 years of constant combat operations.

A key element of the Air Force's continued ability to provide combat power to the Joint team is the depth and breadth of its senior leadership team. This team is responsible for not only organizing, training, and equipping the current force, but must also envision and develop a future Air Force that continues to provide air, space, and cyber power for America. Our senior leadership consists of two different, but mutually supportive, elements: Air Force general officers (GO) and Senior Executive Service (SES) civilians. We rely on our general officers for their years of command experience and military judgment. Our SES civilians bring broad area expertise as well as a stability and continuity not achievable under the current military promotion system.

In order to develop a Total Force and achieve mission success, we must ensure that there is a level of interchangeability between our senior military and civilian leaders. Due to their comparable level of job complexity, scope of responsibility, span of control, inherent authority, and influence on joint and national security matters, the Air Force advocates a deliberate and balanced approach to flag-level leadership, and we believe that GOs and SESs should be viewed as equal partners as we move forward in this process. Accordingly, Air Force senior management structure merges these two groups into a unified team; to consider them separately does not give an accurate picture of our leadership corps.

The 2009 National Defense Authorization Act authorized 300 general officer billets (208 Service, 92 Joint) for the Air Force. Of the total SES authorizations allocated to the Department of Defense (DOD) by the Office of Personnel Management,

DOD has apportioned 197 SES¹ (170 Service, 27 joint) authorizations to the Air Force. For a detailed breakdown of Air Force senior leadership by rank, see Appendix 1.

Although current authorizations are slightly larger than they were a decade ago, they are small historically. In 1955, the Air Force was authorized 425 GOs, and by 1991, that number had shrunk to 326. Between 1991 and 2001, Air Force GO authorizations were reduced by an additional 44. On September 11, 2001, the Air Force was authorized 282 GOs and 171 SESs. Since that date, the Air Force has taken on new and expanded missions including the global war on terror; manning the newly established U.S. Cyber Command and U.S. Africa Command; and building partner capacity. As a result, the Air Force has slightly increased its Service and Joint GO authorizations (4 percent increase in Air Force billets, 12 percent increase in Joint billets). However, despite a substantial increase in missions as well as an increased Joint billet requirement, the Air Force has only added 18 new GO authorizations since 2001 (6 percent increase in total GO billets).

Secretary Gates' efficiency study in March 2011 sought a review of DOD for opportunities to reduce duplication, overhead, and excess. In response, the three military Departments were tasked to identify 10 percent of their total general or flag officers for reductions and to review the level of their SES workforce. As a result of this study, the Air Force has targeted 39 GO positions (22 Service, 17 Joint) and 9 SES positions for elimination. When these reductions are complete in 2014, the Air Force senior leadership will consist of 261 GOs and 188 SESs—a level lower than that of the Air 50 Force senior leadership team on September 11, 2001, and the lowest level of Air Force general officers ever. When normalized to its end strength, Air Force senior leadership size is in line with the other Services both before and after the efficiency study reductions. Ultimately, we believe that we have the correct mix of military officers and civilian executives to provide the Air Force with the best senior leadership team.

As America's source for air and space power, the Air Force remains a reliable partner in the joint team. Along with our sister Services, we have re-evaluated our senior leadership team and have taken targeted reductions in order to reduce overhead. Our team of general officers and senior executive service civilians provide the Air Force with a breadth and depth of experience that is most effective when considered in concert. While this mix of these two groups varies between the Services, the ratio of Air Force senior leaders to airmen is broadly in line with the other Services. Together, our leadership team remains committed to the joint fight and remains ready to provide global vigilance, reach, and power for America.

APPENDIX 1

This appendix includes the senior leadership levels of the Air Force in 2001, 2011, and the projected levels in 2014 as directed by the efficiency study. Over the past decade, the Joint GO positions considered exempted billets (those posts which are not counted under a Service's Title 10 GO end strength limit) have changed. In order to make the most accurate comparison, these exempted positions are not counted in the totals below. Finally, this data reflects total authorized positions since the actual number of senior leaders constantly fluctuates due to promotion, accession, and retirement.

2001 Senior Leadership

In the fall of 2001, the Air Force was authorized 282 GO billets, of which 200 were Service GO billets and 82 were Joint GO billets. The breakdown of authorized GOs was 10 Generals, 34 Lieutenant Generals, 97 Major Generals, and 141 Brigadier Generals. There were a total of 171 Air Force SES members in the fall of 2001, of which 162 were Service SESs and 9 were Joint SESs. In sum, we were authorized 453 Air Force senior leaders on September 11, 2001.

¹This number includes SESs only and does not include Senior Level (SL), Defense Intelligence Senior Level (DISL), or Scientific and Professional (ST) positions.

Current and Future Senior Leadership

Current Senior Leadership end strength (Summer 2011)

	GO	GO JT	GO Total	AF SES	SES JT	SES Total	Senior Leader Total
4*/T4	9	3	12	0	0	0	12
3*/T3	34	10	44	17	0	17	61
2*/T2	73	28	101	54	8	62	163
1*/T1	92	51	143	99	19	118	261
Total	208	92	300	170	27	197	497

Post Efficiency Study end strength (Summer 2014)

	GO	GO JT	GO Total	AF SES	SES JT	SES Total	Senior Leader Total
4*/T4	9	3	12	0	0	0	12
3*/T3	34	10	44	17	0	17	61
2*/T2	63	23	86	50	8	58	144
1*/T1	80	39	119	91	22	113	232
Total	186	75	261	158	30	188	449

Notes:

Totals highlighted in blue reflect 10 U.S.C. § 526 authorizations
 Joint Pool data includes Air National Guard and Air Force Reserve GOs
 Joint numbers and Post Efficiency Study numbers are notional

Senator WEBB. Thank you very much, General Breedlove.

Again, I would like to thank all of you for your oral statements and repeat that your full written statements will be entered into the record along with your oral statements.

Let me begin by asking General Breedlove and Admiral Ferguson both to discuss the number of four stars inside your institutional Services which are both higher than the Army and considerably higher than the Marine Corps. General Breedlove, maybe you can begin by just explaining how this process was examined and who makes the decisions.

General BREEDLOVE. Senator, thanks for the opportunity.

Of course, in that 13-general-officer team, 1 is the Chief of the National Guard Bureau which will rotate out of the Air Force next summer and will rotate to a sister Service. We are about one-quarter of the Guard force strength. So we can expect that to rotate back to us in about four positions down the line.

As far as the other nine general officers in our institutional force, which rightly was your concern as you began your discussion, our sister Services typically organize themselves along regional or functional lines, and I will allow them to talk to that.

In the Air Force, we have aligned along both because of the responsiveness required to the combatant commanders and the responsibilities of those functional commands.

Let me talk first to the regional commands, the Pacific Air Forces and U.S. Air Force Europe (USAFE). The scope and breadth of their requirements of the air forces that they deal with, all being led by very senior officers, led the combatant commander to advo-

cate strongly that he needed a four-star airman in order to carry on airmen's business in his area of responsibility. Each of the major air forces in the Pacific region are typically led by four stars and for an Air Force airman to be at the table on behalf of the Commander of Pacific Command (PACOM), he would have to be a four star, and so there was strong advocacy.

In that theater, there are multiple three-star joint force air component commanders who would lead the fight if we had one for Korea, who would lead the fight if we had one in the South China Sea, who would lead the fight, God forbid if we ever had another one, in or around Japan. So in order to lead those three-star joint force air component commanders that are part of the COCOM's force structure, he asked for four-star airmen to be there.

In USAFE, it is much the same. The USAFE Commander wears four North Atlantic Treaty Organization (NATO) hats, all of them commanding NATO forces. As the Commander of Headquarters Allied Joint Force Command, Brunssum, the Theater Missile and Air Defense Commander, and also as you saw, responding in Libya. In the near future, as we build the phase-adaptive approach, which is the missile defense of Europe, you had heard Admiral Stavridis advocate that the United States needs to lead that effort because it will be primarily an Air Force force defending in that missile defense piece. So as the other allied nations in Europe are four stars, we are advocating for a four-star U.S. commander to be able to do that.

Across the functional commands, we have four-stars leading them.

Air Education and Training Command, by itself is the fourth largest air force in the world.

Air Force Materiel Command, a huge portfolio, including all of our depots, all of our nuclear business, all of our acquisition business, all of that is in the Air Force. We have sought a four-star to lead that business.

Air Mobility Command, which moves all of the air freight all around the world, takes our soldiers to and from the battle, and responds to every combatant commander in our military, we have led with a four-star.

Then finally, Air Force Space Command, which takes care of space for far more than just the U.S. Air Force, as you are aware, for all the other users of space in the U.S. Government, has been led by a four-star.

Sir, the bottom line, we have looked at both a functional alignment and a regional alignment and the scope and breadth and depth of the requirements of those, and over time, the combatant commanders in each case have advocated through the various NDAAs that four stars lead those Services.

Senator WEBB. Where is it that the decision is made that these are four-star billets? Is it the Secretary of the Air Force, Secretary of Defense? I would assume the Secretary of Defense.

General BREEDLOVE. Sir, it is not the Secretary of the Air Force. I cannot tell you that it is the Secretary of Defense. I just do not know that answer. We need to get back to you on that.

Senator WEBB. All right. Thank you.

[The information referred to follows:]

The total number of general officer positions within each military Service is determined by law. The 2009 National Defense Authorization Act (NDAA) authorized 208 general officer billets in the U.S. Air Force. The 2009 NDAA also established limits for the number of officers in the grades of O-10s. Specifically for the Air Force, the 2009 NDAA authorized nine O-10s.

Of the nine O-10 positions in the U.S. Air Force, title 10 of the U.S. Code specifies two: the positions of the Chief of Staff (CSAF) and that of the Vice Chief of Staff (VCSAF). The remaining seven O-10 positions are allocated based on the discretion of the CSAF and the Secretary of the Air Force (SECAF). The Air Force allocates these seven O-10 general officer billets to be commanders of seven of the Air Force's nine Major Commands (MAJCOMs). The allocation of O-10 billets to these seven MAJCOM positions was done by assessing the span of control, the scope of resources managed, the level of accountability required, as well as the political-military interactions and the inter-service coordination required for each of these senior leadership billets.

The O-10 positions are subject to review and approval each time a new officer is nominated to fill one of these key leadership billets. The CSAF advises the SECAF as to which specific officer should fill a given O-10 position in the Air Force. The SECAF recommends the officer to the President of the United States (through the Chairman of the Joint Chiefs of Staff and the Secretary of Defense). The President then nominates the officer to the Senate and requests confirmation to a position of importance and responsibility authorized to carry the grade of general under the provisions of 10 U.S.C. section 601. The nomination is subject to review and scrutiny at each step in the process.

Senator WEBB. Admiral Ferguson?

Admiral FERGUSON. Chairman Webb, for the Navy alignments, obviously, two of the four stars are the Chief of Naval Operations and the Vice Chief. When you look at our other four-star positions, they evolve historically either by the nature of our geographic dispersal in the fleets—so we have the Atlantic fleet, which is Norfolk, Commander of Fleet Forces Command, and then we have the Pacific fleet in Hawaii, which evolved historically and being geographically dispersed and working for the combatant commanders that direct operational forces in their major theaters.

The other two four-stars, one was the Director of Naval Reactors who was dual-hatted with the Department of Energy, was created as a four-star by an act of Congress to oversee the safe operation of all nuclear propulsion plants. That has been a historical mission and specified term lengths and responsibilities by Congress and is dual-hatted.

The other one is Commander of Naval Forces Europe who is also dual-hatted as a NATO four-star commander for the Southern Region. So that is an agreed upon flag specified by NATO and authorized by Congress. He is also, for example, involved in the Libya operations currently ongoing but commands NATO forces in the south.

Senator WEBB. Thank you.

General Chiarelli, let me ask you one question before I run out of my time here. To what extent is the question that the gentleman from POGO raised about growth of general officers in the Guard and Reserve a portion of the Army situation here? In other words, how much have they grown in the Army Guard and Reserve and how does that interact with the numbers that you have here on the Active Duty side?

General CHIARELLI. I am going to have to get back to you on that because we did a review of Guard and Reserve component general officer positions last time and did not raise the number. They were looking for a redistribution of numbers.

I can tell you right now we have on full-time support today 81, and 36 of those have a nexus to Operation Enduring Freedom or Operation Iraqi Freedom. So they are on Active Duty today. Because if you look at the numbers, my numbers really are not 569,000 if you take a look at how many folks we have mobilized today. We are upwards of 700,000 soldiers that are currently on Active Duty, and those numbers go up and down based on mobilizations.

I might be able to help you on your answer at least from the Army's standpoint. The Army recently reduced a four-star. We went from six internal four stars. We are authorized seven. We have been authorized seven by law for the longest period of time. We only had six filled. We reduced our U.S. Army Europe (USAREUR) Commander to a three-star position, Lieutenant General Mark Hertling, who is currently in that position, and in doing that, we coordinated with the Secretary of Defense who gave us the authority to go ahead and reduce down to five of our seven internal, taking the USAREUR position and making it a three-star position.

Senator WEBB. So it would be your view that the Secretary of Defense has the authority under the legislative umbrella to declare that to be a four star?

General CHIARELLI. Not being a lawyer, I would not want to say that definitively, but I was part of that particular process and working it, and I know it was coordinated through the Secretary of Defense.

Senator WEBB. It is rather interesting that we do not really have an answer to that question today.

To the other question, if I understand you right, you are saying that the Guard and Reserve situation does not really have an impact on your numbers of Active Duty general officers.

General CHIARELLI. No. We use Guard and Reserve officers in certain positions. We currently have a total of 81 that are on full-time support today, but that is basically being caused by deployments in Iraq and Afghanistan.

Senator WEBB. Yes, but you are saying that that number has not really changed.

General CHIARELLI. No. It goes up and down depending on the number of Reserve component soldiers we have mobilized and the requirements down range.

Senator WEBB. But in terms of Guard and Reserve numbers themselves?

General CHIARELLI. No. I am going to have to go back and check that, but I do not believe it has. They were looking for a redistribution here not too long ago, and we did a very extensive study of Guard and Reserve general officer positions.

[The information referred to follows:]

Current law, policy, and management practices do not result in growing Army Reserve general officer end strength. Aside from temporary growth authorized to meet current contingency operations, the Army Reserve general officer force has neither grown nor increased the Active Army general officer force. Current law, 10 U.S.C. section 12004, and policy restrict the Army to 207 Army Reserve component general officers, of those officers the Army Reserve has been allocated 115 general officers and the Army National Guard 92 general officers. The Army Reserve is also authorized one three-star as the Chief, Army Reserve by 10 U.S.C. section 3038. To meet

the demands of current contingency operations, the Army Reserve experienced temporary growth in the Army Reserve general officer population. This temporary growth is authorized by 10 U.S.C. section 527 and rigorously controlled by the Chief of Staff, Army using the General Officer Management Office.

The Army Reserve components have also experienced restricted, temporary growth to fill requirements in the Joint Pool and the Chairman's Reserve Program as authorized, and restricted, by 10 U.S.C. section 526. The restrictions within section 526 combined with the application of assignment tenures to one-star and two-star Reserve generals using 10 U.S.C. section 14314 prevents the cumulative growth to either the Army numbers in section 526 or the Army Reserve numbers in section 12004. Under current law, the Army may exempt up to 20 percent of Reserve component general officer authorizations for those serving in joint duty assignments. This means that the Army National Guard can exempt up to 18 general officers and the Army Reserve can exempt 23 general officers.

Upon the completion of Joint Pool or Chairman's Reserve Program tenured assignment the Reserve general officers are typically transferred to the Standby Reserve or to the Retired Reserve. If the officer is subsequently assigned to a non-joint traditional Reserve billet, the officer moves back to the rigorous management control procedures maintained in the Army general officer management office to comply with Reserve general officer end strengths as prescribed by section 12004. In each case the officer ceases to remain on Active Duty.

The Army Reserve currently has 125 general officers, 34 of whom are performing Active Duty tours. The Army National Guard current has 117 general officers, 35 of whom are performing Active Duty tours. As outlined previously, the general officers performing Active Duty tours are programmed to self-terminate from Active Duty orders upon completion of temporary tours authorized by section 526 and section 527. These officers will transfer to the Standby Reserve, the retired Reserve or return to accounting within section 12004 as a Reserve officer. This management practice does not result in permanently growing Army general officer end strength.

Senator WEBB. Thank you very much.

Senator Graham.

Senator GRAHAM. This has been fascinating. I am trying to figure out how you become a four-star general, not that that is going to happen to me anytime soon. But the whole idea of how you become a four-star general—I would assume the Secretary of the particular Service has to nominate you, right? Is that correct?

Admiral FERGUSON. That is correct, Senator, but it is a process where the Service Chief—the Service Secretary goes to the Chairman to the Secretary of Defense and then to the Senate for confirmation after the President endorses the nomination.

Senator GRAHAM. Okay. So this process—the Secretary of Defense has to sign off on it.

Admiral FERGUSON. Yes, that is correct.

Senator GRAHAM. Just like any other promotion from major to lieutenant colonel.

General CHIARELLI. Even in our internal positions, the Secretary of Defense signs off on it. Sometimes the Service will go ahead and nominate an individual to take even an internal position—

Senator WEBB. Let me add an observation as a former Secretary of the Navy. The decision to move forward with a nomination is the President's decision based on a Service Secretary recommendation to the Secretary of Defense and then to the White House. Really, the question I was trying to get at is who decides that this position is four stars and who decides that it is not?

Senator GRAHAM. That is what I am trying to say. How do you become a four-star general versus just a general officer. I guess the Service Secretary will say, yes, I need a four-star general at USAFE. I need a four-star admiral as Commander, PACOM. Right?

General CHIARELLI. By law, in the U.S. Army, the Vice and the Chief of Staff of the Army are four-star generals. U.S. Army Materiel Command (AMC) commander, U.S. Army Forces Command commander—

Senator GRAHAM. So you got statutory positions.

General CHIARELLI. Two out of our five that we currently have.

Senator GRAHAM. Okay. How many in the Air Force?

General BREEDLOVE. Two.

Senator GRAHAM. So Congress has created two. All right.

So beyond those two, it seems to me that someone has to decide this command or this function or this region deserves a four-star commander. That comes from the Service Secretary to the Secretary of Defense. Is that right? Because that is Senator Webb's question. Do we know? If we do not know—the answer is okay to say we do not know. His question is a good question. How do you determine whether or not USAFE—you gave an explanation that makes sense to me. I just want to know how do you determine that is a four-star billet versus a three-star billet. You told us in the Army, U.S. Army Europe—you have gone from four to three. Somebody decided to do that. Who decided to do that?

General CHIARELLI. The Chief of Staff of the Army decided to make that recommendation to the Secretary of Defense based not only on ratios, because we think ratios lead you to some false comparisons—

Senator GRAHAM. Yes, and I am going to talk about that in a minute.

So the point is if you give up a slot in that process, I assume that is how you add a slot. So if you wanted to go from a three- to a four-star in U.S. Army Europe, you would go through the same process.

General CHIARELLI. In the Army, we look at mission analysis, resource analysis, the number of not only military but civilians and Reserve component soldiers that are under that command. All those things go into an analysis. But we have three and we have had three forever other than the statutory ones. That is U.S. Army Forces Command commander, U.S. Army Training and Doctrine Command commander, and AMC commander.

Senator GRAHAM. I got you. I think I understand better now.

Let us look at roles and missions for a lack of a better term. When we leave Iraq, we will have, I hope, some force left behind in 2012. I hope it is enough to do the job, but whether it is 3,000 or 10,000 or 15,000, it is going to be a lot smaller than 100,000. General, what kind of level of command would you want to lead that force? What rank do you think would be appropriate given that commander's job in Iraq and with the Iraqi Government?

General CHIARELLI. He will be supported by whoever the chief of the OSC is, as I understand it, which I understand is a three-star position.

Senator GRAHAM. What is OSC?

General CHIARELLI. Operation and Security Cooperation.

Senator GRAHAM. So that would be a three-star billet?

General CHIARELLI. That is my understanding.

Senator GRAHAM. Now, normally we would not have a three-star general commanding 3,000 people.

General CHIARELLI. No, but there will be a commander for those individuals.

Senator GRAHAM. So I am saying that is a role or a mission that we believe from a national security point of view you have to have somebody with sufficient rank to deal with that position. That would be a three-star billet. Right?

General CHIARELLI. Which one is that, sir?

Senator GRAHAM. The OSC.

General CHIARELLI. Yes.

Senator GRAHAM. Now, under him, you will have an actual operational commander.

General CHIARELLI. Yes, you will.

Senator GRAHAM. What rank do you think that person will be?

General CHIARELLI. It depends on the number of folks.

Senator GRAHAM. Let us say it is 10,000.

General CHIARELLI. If the decision is made to leave a division headquarters there, they would leave a two-star general. If all that is left is a brigade headquarters and that is the decision of interaction with the Iraqis, it would be a colonel, I would imagine, unless special provisions were made.

Senator GRAHAM. Would that be a case where you would want special provisions to have a general officer?

General CHIARELLI. It would be one I would think that would be looked at because of the interaction with the Iraqi army.

Senator GRAHAM. Mr. Chairman, one special situation. The rule of law programs in Afghanistan were incredibly disjointed, inter-agency, all kinds of cats and dogs agencies, every alphabet soup agency spending on rule of law. The administration decided to create an ambassador for the rule of law, Ambassador Clem, and he has a one-star military deputy because the civilian-military partnership is the future of all conflicts. That is just a case where I think the general officer made sense in terms of roles and missions. I bet you we could find some situations where it is the other way too, that the general officer billet just really does not make sense in terms of what the mission is.

I appreciate the thoroughness. I think we need to ask more questions. The Air Force has 10 SES billets for legal advisors. Now, the continuity—you are right. An SES person is just going to be there from administration to administration, from retirement to new people coming in. It gives you continuity. The brigadier general would have some operational experience where the uniform brings different aspects to the job.

The Navy has 22. Do you know why the Navy has 22 SES personnel in their legal department and the Air Force would have 10? I do not mean to put you on the spot. I am just curious.

Admiral FERGUSON. Senator, I would have to defer to the general counsel to answer that.

Senator GRAHAM. Yes, but I think that the purpose of this hearing is to find out why we have picked one and not the other and why we are growing so fast. I just think some jobs require rank. Some jobs may just have been created for general officers just because that seems to be the trend.

I know the Air Force pretty well. I think I understand their reasoning. The fact that they have 10 SES attorneys, the lowest of the

group, probably explains the 1 or 2 additional brigadier generals. I do not know if that is the right model. It is just something to consider.

From an Air Force point of view, how do you balance that? What are you looking at?

General BREEDLOVE. Senator, in preparing for this hearing, I have learned an awful lot about lawyers in the Air Force. I guess the thing that was most instructive to me—

Senator WEBB. You should have been here 2 months ago.

General BREEDLOVE. It might actually help my Navy compatriot answer his question. What I learned was that the three Services do law very, very differently. There are basically eight major functions that either JAGs or General Counsels (GC) do in all three of the Services. In one of the Services, the JAG Corps does three of those and the GC does five. In another Service, the JAG Corps does five of those and the GC does three. In my Service, the JAG Corps does eight of those and the GC does one. So that explains a little difference, the number and difference of general officers and SESs across the four Services because we do very different things with our lawyers within our own Service construct.

Senator GRAHAM. Mr. Chairman, I am willing to relook at that construct, if it makes sense.

Senator WEBB. Thank you very much, Senator Graham.

Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I appreciate the work that all of you do and thank you all for your service and your leadership.

I wanted each of you to help me by telling me whether you are confident that we will not be increasing the legal risk that we are undertaking by cutting the JAG Corps field grade officers. I am really concerned that we have strong JAG Corps. So given this analysis and the efficiency initiatives that you are undertaking, where is this going to leave our JAG Corps overall in terms of leadership and importance?

General CHIARELLI. I believe the JAG Corps will probably assume a certain portion of the cuts as the Army gets smaller down to 520,000, but no more than any other branch would given a reduction in the number of forces we have and the size of its officer corps.

Admiral FERGUSON. Senator, I would say for the Navy and the program that we are submitting, we will be growing the JAG Corps in response to commissions that are taking place down at Guantanamo—

Senator AYOTTE. Glad to hear that.

Admiral FERGUSON.—and in response to the recent commission that we have. So you will see the number of officers grow over our program in a phased approach. I do not believe we have any leadership reductions planned at the senior levels presently.

Senator AYOTTE. Thank you.

General DUNFORD. Senator, we did not grow the JAG Corps when we grew the Marine Corps, and we do not have any intention of reducing the JAG Corps as we draw down.

General BREEDLOVE. Senator, I cannot answer the broader JAG question. I can answer two things that we have been focusing on.

First of all, we have come through a period in the Air Force where we focused on acquisition excellence and recapturing some integrity pieces in our acquisition business. So we are focusing law into the acquisition business.

The other place we will not be shrinking is in what I would call our rule of war law. We are continuing to focus on giving not only our air commanders but our joint force commanders, who typically the Air Force serves under in these COCOMs, the right kind of advice as we apply lethal force.

Senator AYOTTE. Since we have all of you before this committee, this is not on the topic of this hearing but I really want to hear from all of you on it, and that is, we had the nominee for the Deputy Secretary of Defense, Ash Carter, before the Armed Services Committee yesterday.

You represent the branches of our Armed Forces. You are undertaking an analysis to cut between \$400 billion and \$450 billion over the next 10 years, and thereafter if, for some reason, Congress fails to undertake its responsibility with the Super Committee and further funds were sequestered as a result of the failure of the Super Committee to act, what is the impact on each of your forces?

General BREEDLOVE. Senator, I will jump in here first.

As we look at what we now understand to be \$450 billion or more across 10 years, it is going to affect our Service. In previous testimony, all four of us together have had the same concerns, and that is, as we were beginning to look at this process when the cut was in the range of \$300 billion to \$350 billion, we thought that we could constrict our force, our Air Force, and continue to do all of the mission sets that we are currently asked to do, in other words, to draw down capacity, but not change the complexion or character of the Air Force. Then that drawdown in capacity would manifest itself in increased risk in those missions that we are called to do, especially if we had to swing to a high-end conflict from the current counterinsurgency fight that we are focused on now.

In previous testimony, I also said if we go past \$350 billion, that we would begin to have to look at not being able to just constrict capacity, but we might have to look at the character and what kind of missions we would provide America through her Air Force. I believe that we are to the point now where we are going to have to look at that. What are those missions that we may not be able to do that we have formerly provided? That will then bring risk again into the equation as we look at how we service our joint force commanders around the world. I think that we can meet the requirements, but the risk will be very much increased.

General DUNFORD. Senator, Secretary Panetta has described any cuts beyond \$450 billion as catastrophic, and I do not know what the specific impact would be on the Marine Corps. But the only place that we could go to cut—General Breedlove alluded to—in the Marine Corps' case is capacity. Seventy percent of the money that we spend is on people. So if we were caused to reduce the size of the force, it would be capacity. We would see the impact of that capacity reduction would be in our ability to meet the needs of the combatant commander on a day-to-day basis, as well as crisis response and contingency response. But it is hard to scope that with-

out knowing the exact cuts that would come the Marine Corps' way if the cuts exceeded the \$450 billion that you referred to.

Admiral FERGUSON. Senator, I would echo what Secretary Panetta and the other Vice Chiefs have said. It begins to affect the ability of the Services to meet the national defense strategy. It implies increased response time to crises, conflicts, and disasters. It starts to affect the ability to be forward deployed and engaged around the globe, and it starts to introduce higher levels of risk in ongoing operations when you go to those larger levels of cuts that are discussed. It starts to affect the ability for force training and readiness and force generation capacity, and a sequestration would affect cuts in programs and start to affect the industrial base. That is of concern to us for the generation of our future capacity.

So, our priority is to sustain the best Navy in the world and deliver for the Nation on that, and so the specifics of it we are still assessing based upon how events unfold.

General CHIARELLI. \$400 billion is challenging, but it is workable, and that is what we are doing. I think I would only echo what Secretary Panetta said, that if we were to go into sequestration, it would hollow out the force, and that is our big worry. Our big worry is that whatever ramp you put us on, if it is down to 520,000, that it be a ramp that we can sustain the force and ensure that it is not hollowed out. After the Gulf War, we took 100,000 out in a year. What we ended up with was a very, very hollow force because when you take those kinds of numbers out so quickly, you basically take it out of whoever you can get to leave rather than ensuring you have the right numbers in the military occupational specialties to ensure that you have a balanced force. So for us, that is absolutely critical, given that we are a people-based organization.

Senator AYOTTE. Thank you.

I firmly believe that we should not undermine our national security from our failure to make the tough decisions here and deal with the entire budget. So I appreciate your answering my question.

Senator WEBB. Thank you very much, Senator Ayotte.

I thank all of you for your testimony today. It has been, I think, a very interesting hearing. As I have frequently said, this has been valuable not only to people who are here but to a number of staff people who will examine your testimony very carefully. We will probably have a continuing conversation on a number of these issues. Again, this has been very valuable to our committee. Thank you.

This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JIM WEBB

CRITERIA FOR ESTABLISHING GENERAL AND FLAG OFFICER POSITIONS

1. Senator WEBB. Secretary Stanley, section 525 of title 10, U.S.C., establishes the maximum number of O-8s, O-9s, and O-10s each Service may have in their institutional force. Section 526 of title 10 establishes the total maximum number of general and flag officers each may have in its institutional force, as well as a total maximum of general or flag officers available for the joint pool, which is then allocated to the Services by the Secretary of Defense. While each Service is required by law to have a Chief and Vice Chief of Staff (or Commandant and Assistant Commandant in the

case of the Marine Corps) at the rank of O-10, other O-10 allocations are discretionary. How does the Department of Defense (DOD) determine which Service positions should be filled by O-10s?

Secretary STANLEY. The criteria used for determining which Service positions should be filled by O-10s are developed in the same manner as for all general or flag officer positions. Based upon a review of any statutory requirements, duties and responsibilities, and the mission of each individual position, each of the military departments will make a determination and recommendation to the Secretary of Defense that a specific position warrants designation as a position of importance and responsibility as an O-10 position.

2. Senator WEBB. Secretary Stanley, what are the criteria or standards used to make this determination, and what is the approval process?

Secretary STANLEY. The criteria used for determining which Service positions should be filled by O-10s are developed in the same manner as for all general or flag officer positions. Based upon a review of any statutory requirements, duties and responsibilities, and the mission of each individual position, each of the military departments will make a determination that a specific position warrants designation as a position of importance and responsibility as an O-10 position and will make that recommendation to the Secretary of Defense through the Chairman of the Joint Chiefs of Staff and the Under Secretary for Personnel and Readiness.

Although not all-encompassing, below are some of the criteria and standards used when considering designation of any new general or flag position:

Nature of the position:

- Characteristics of function: type of command, scope, and level of function
- Grade and position of: superior, principal subordinates, and lateral points of coordination; a consideration of the military or governmental structure within which the manpower requirement function is performed
- Supervision over position: proximity of supervision and the degree of independence of operation
- Official relations with U.S. and foreign governmental officials and with the public: nature, extent, and level
- Reflection of national emphasis and determination: relationship of position to national objectives and programs, special conditions under which the position was first established or other reasons why position reflects national will
- Special qualifications required by the position

Magnitude of responsibilities:

- Missions of organization and special requirements of the position
- Number, type, and value of resources managed and employed
- Military forces
- Personnel
- Value of equipment and properties
- Total obligational authority and foreign resources
- Geographic area of responsibilities
- Authority to make decisions and commit resources
- Auxiliary authorities and responsibilities inherent in the position
- Development of policy
- National commitment to international agreements

Significance of actions and decisions:

- Impact on national security of other national interests
- Importance to present and future effectiveness and efficiency of the national defense establishment
- Effect on the prestige of the Nation or the Armed Forces

3. Senator WEBB. Secretary Stanley, please provide a comparison of the criteria and standards of each of the Services for determining which positions warrant a general or flag officer of a given rank and describe DOD's oversight process to avoid grade creep.

Secretary STANLEY. Each of the Services has different processes through which they determine which positions warrant a general or flag officer of a given rank, but each of the Services and the Department generally use the same criteria for validation of a position. They assess any statutory requirements; the nature of the position's duties and magnitude of its responsibilities; the span of control and scope of resources managed; and the significance of actions and decisions required by the position along with the importance of the position's mission accomplishment to na-

tional security and other national interests. These categories are broad in nature to provide latitude to the Service senior leadership when making these decisions. A description of each individual Service criteria and validation process is attached.

Title 10, section 525, delineates the total number of authorized general and flag officer positions by both Service and individual grades. While the Services are granted leeway to manage their general and flag officer populations within legislative limits, the Department does closely monitor to ensure a Service does not grow beyond its legal limit.

Army:

When making a recommendation to the Secretary of Defense on which positions should be filled by a general officer, the Army conducts a holistic review of the position and considers the statutory requirements (if they apply), the duties and responsibilities, and the mission. For operating force units, the Army uses doctrine to determine unit designs including the level of command. The allocation of operating force units between the Active and Reserve components, including general officer commands, is influenced by supported commander requirements and resource availability as recommended by the Total Army Analysis Process. The Army also conducts a manpower analysis to determine the number of military, civilian, and/or contractor personnel who fall under the position/command. As part of the process in determining and/or validating the need for a general officer position, the Army conducts an annual, internal-Army General Officer Requirements Review. Requirements are sent to Army Commands, Direct Reporting Units, Army Service Component Commands, and Army Staff Principals for validation and prioritization. During the review, commands/agencies may also make recommendations or requests to add, delete, change the grade and/or civilianize general officer positions. Commands/agencies may also make these recommendations/requests throughout the year, as requirements emerge or change. For new general officer positions, the command/agency must justify the position and identify an offset/billpayer. For a deletion, the command/agency must identify where/how the previously held responsibilities will be transferred, to include how the position should be filled (military or civilian) and at what level/rank. All general officer requirements are adjudicated at the four-star level. In every case, general officer requirements, and the fill of general officer positions, are predicated upon best enabling the Army to complete its missions and to take care of its soldiers, civilians, and their families.

Air Force:

Based on statutory authorizations, the Air Force allocates general officer billets among the various leadership positions based on the responsibilities at the Air Staff, the Major Commands (MAJCOMs) and other functions. This allocation is done consistently by assessing the span of control, the scope of resources managed, the level of accountability, the political-military interactions, and the inter-service coordination required for each of these senior leadership billets.

The nine leadership positions in the U.S. Air Force filled by four-star generals are: the Chief of Staff, the Vice Chief of Staff, the Commander of Air Combat Command (ACC), the Commander of Air Education and Training Command (AETC), the Commander of Air Force Materiel Command (AFMC), the Commander of Air Force Space Command (AFSPC), the Commander of Air Mobility Command (AMC), the Commander of Pacific Air Forces (PACAF), and the Commander of U.S. Air Forces in Europe (USAFE). The Chief of Staff and Vice Chief of Staff are commensurate with the top two leadership positions in each of the other Services. The seven other four-stars in the Air Force are MAJCOM commanders and they have responsibilities, spans of control, and political-military interactions that require the most senior grade of general officer.

There are typically 36 Air Force senior leadership positions filled by three-star officers. One third of these positions are on the Air Staff and these billets include the Assistant Vice Chief of Staff, the various Deputy Chiefs of Staff (Manpower, Intelligence, Operations, Logistics, Information, Plans, and Programming), the Military Deputy for Acquisition, the Inspector General, the Judge Advocate General, and the Surgeon General. The other three-star positions are allocated to major Numbered Air Force (NAF) commanders, the vice commanders of the seven four-star MAJCOMs as well as the commanders of Air Force Special Operations Command and Air Force Global Strike Command. The Commander of Air University and the Superintendent of the U.S. Air Force Academy are also three-star positions.

The two-star positions in the Air Force are typically used for the MAJCOM-level staff directorates, the commanders of smaller NAFs, the vice commanders for MAJCOMs commanded by 3-star officer, and combat task force commanders. In addition, the Director of Legislative Liaison, the Air Force Civil Engineer, and the dep-

uties for key three-star Deputy Chiefs of Staff on the Air Staff are two-star billets. The senior contracting officer and the senior budget officer of the Air Force are also general officers of two-star rank as are the Program Executive Officers (PEOs) for major acquisition efforts. Unique functions such as commanders for the Air Force Intelligence Surveillance and Reconnaissance Agency, the Air Force Operational Test and Evaluation Center, the Air Force Flight Test Center, and the Air Force Personnel Center are two-star billets as well.

The remaining general officer authorizations in the Air Force are at the grade of one-star. Positions here include some wing command positions, the head of Air Force Security Forces, the director of the Air Force Office of Special Investigation, deputy directors on MAJCOM staffs, acquisition PEOs, vice commanders of major NAFs, and both the Commandant and Dean of Faculty (if a military officer) at U.S. Air Force Academy. Inspector Generals, Judge Advocate Generals, and Surgeon Generals at some MAJCOMs are one-star officers.

Navy:

For Navy one- and two-star positions, the Secretary of the Navy is the approval authority for flag officer positions. These billets are designated based on the following criteria:

- International agreements on rank structure, such as within the North Atlantic Treaty Organization (NATO).
- Nature of the Position. This includes characteristics of billet function (e.g. command, general or coordinating staff, et cetera), consideration of the military and governmental structure within which the billet is assigned, official relations with U.S. and foreign governmental officials, and importance of the position to national security objectives.
- Scope of Responsibilities. This involves the missions of the organization and any special requirements, the number, type, and value of resources managed and employed, size of the geographical area of responsibility, national commitment to international agreements, and seniority of subordinate commanders.
- Importance of mission accomplishment to national security and other national interests.

For Navy three- and four-star positions, the Secretary of the Navy nominates flag officers to the President via the Secretary of Defense and Chairman of the Joint Chiefs of Staff. The positions have been previously vetted using, but not limited to, the aforementioned criteria. In addition, as provided for by title 10 U.S.C. section 601, with the advice and consent of the Senate, the President designates all three- and four-star billets as positions of importance and responsibility authorized to carry the grade of admiral or vice admiral.

The Navy does not make recommendations regarding flag officer requirements to joint flag officer billets. It responds to requests for nominations from the Joint Staff, General/Flag Officer Matters Office.

Marine Corps:

There are no defined, written, or objective criteria for making recommendations to the Secretary of Defense regarding general officer billets in the Marine Corps. Historical precedence and professional judgment drive the selection of general officer billets. This task falls upon the Commandant of the Marine Corps who approves every general officer requirement for the Marine Corps. Precedence informs professional judgment with regard to appropriate span of control and authority, degree of independence and autonomy from other suitable command authorities, roles and missions of the command, and the operational/strategic impact of the billet. The Marine Corps does not fill a position with a general officer solely on historical precedence, however, we do consider that factor an important consideration. The current mix of Marine Corps general officers represents the proper balance of postings to Marine Corps operating forces, supporting elements, and joint requirements.

4. Senator WEBB. General Chiarelli, Admiral Ferguson, General Dunford, and General Breedlove, what criteria do you use when making recommendations to the Secretary of Defense on which positions should be filled by a general or flag officer?

General CHIARELLI. When making a recommendation to the Secretary of Defense on which positions should be filled by a general officer, the Army conducts a holistic review of the position and considers the statutory requirements (if they apply), the duties and responsibilities, and the mission. For operating force units, the Army uses doctrine to determine unit designs including the level of command. The allocation of operating force units between the Active and Reserve components, including

general officer commands, is influenced by supported commander requirements and resource availability as recommended by the Total Army Analysis Process.

The Army also conducts a manpower analysis to determine the number of military, civilian, and/or contractor personnel who fall under the position and command. As part of the process in determining and validating the need for a general officer position, the Army conducts an annual, internal Army General Officer Requirements Review. Requirements are sent to Army Commands, Direct Reporting Units, Army Service Component Commands, and Army Staff Principals for validation and prioritization. During the review, commands or agencies may also make recommendations or requests to add, delete, change the grade, or civilianize general officer positions. Commands or agencies may also make recommendations throughout the year, as requirements emerge or change. For new general officer positions, the command or agency must justify the position and identify an offset. For a deletion, the command or agency must identify how the previously held responsibilities will be transferred, to include how the position should be filled (military or civilian) and at what level or rank. All general officer requirements are adjudicated at the four-star level. In every case, general officer requirements, and the fill of general officer positions, are predicated upon best enabling the Army to complete its missions and to take care of its soldiers, civilians, and their families.

Admiral FERGUSON. For Navy one- and two-star positions, the Secretary of the Navy is the approval authority for flag officer positions. These billets are designated based on the following criteria:

- International agreements on rank structure, such as within NATO.
- Nature of the Position. This includes characteristics of billet function (e.g. command, general or coordinating staff, et cetera), consideration of the military and governmental structure within which the billet is assigned, official relations with U.S. and foreign governmental officials, and importance of the position to national security objectives.
- Scope of Responsibilities. This involves the missions of the organization and any special requirements, the number, type, and value of resources managed and employed, size of the geographical area of responsibility, national commitment to international agreements, and seniority of subordinate commanders.
- Importance of mission accomplishment to national security and other national interests.

For Navy three- and four-star positions, the Secretary of the Navy nominates flag officers to the President via the Secretary of Defense and Chairman of the Joint Chiefs of Staff. The positions have been previously vetted using, but not limited to, the aforementioned criteria. In addition, as provided for by title 10 U.S.C. section 601, with the advice and consent of the Senate, the President designates all three- and four-star billets as positions of importance and responsibility authorized to carry the grade of admiral or vice admiral.

The Navy does not make recommendations regarding flag officer requirements to joint flag officer billets. It responds to requests for nominations from the Joint Staff, General/Flag Officer Matters Office.

General DUNFORD. There are no defined, written, or objective criteria for making recommendations to the Secretary of Defense regarding general officer billets in the Marine Corps. Historical precedence and professional judgment drive the selection of general officer billets. This task falls upon the Commandant of the Marine Corps who approves every general officer requirement for the Marine Corps. Precedence informs professional judgment with regard to appropriate span of control and authority, degree of independence and autonomy from other suitable command authorities, roles and missions of the command, and the operational/strategic impact of the billet. The Marine Corps does not fill a position with a general officer solely on historical precedence, however, we do consider that factor an important consideration. The current mix of Marine Corps general officers represents the proper balance of postings to Marine Corps operating forces, supporting elements, and joint requirements.

General BREEDLOVE. When providing recommendations to the Secretary of Defense as to which positions will be filled by general officers, the U.S. Air Force carefully assesses the responsibilities of the position being considered and then fills that billet with an officer with the appropriate rank. The Chief of Staff of the Air Force considers a number of factors when determining whether a position warrants an O-10, an O-9, an O-8, or an O-7.

The primary factor when considering if a position merits a general officer is the span of control required to execute the mission of the unit or staff function in question. Some leadership positions demand a far-ranging and complex span of control

and the Air Force places more experienced general officers (and thus higher ranking) into these billets.

In addition, the Air Force considers the value of the managed resources when making determinations for general officer positions. Commands, programs, and staff functions responsible for large amounts of service resources have increased accountability to not only the Air Staff, but also to DOD, Congress, and the White House. Because of this key factor, the Air Force will place general officers of higher rank into positions that require a greater responsibility for Air Force resources.

The Air Force also looks at the level of international interaction required in each billet when making a determination as to which general officer grade will fill that position. Political-military relationships in the international arena are critical to the accomplishment of our national security objectives. For the general officer positions that deal with international relationships, the Air Force seeks to ensure that the positions are at a rank commensurate with the counterparts. This helps ensure success as we build and maintain our strategic partnerships around the globe.

5. Senator WEBB. General Chiarelli, Admiral Ferguson, General Dunford, and General Breedlove, what criteria do you use when making recommendations concerning positions that should be filled by O-10s?

General CHIARELLI. The criteria used for making recommendations concerning positions that should be filled by O-10s are developed in the same manner described earlier for all Army general officer positions. The duties and responsibilities of the position and the mission of the unit must warrant leadership at the O-10 level. Additionally, when recommending candidates for the Secretary of Defense to forward to the President for nomination to the Senate, the Secretary of the Army and Chief of Staff, Army, with input and recommendations from the Army's four-stars, consider each candidate's background, experience, and potential for service (or continued service) as an O-10. Ultimately, whether for an internal-Army or joint O-10 position, the imperative is ensuring the most capable senior leaders in uniform are placed in positions of importance and responsibility so as to ensure the Army and DOD carry out their responsibilities in the most effective, efficient manner possible. Of note, the Army has not requested a new, internal-Service O-10 position since the Continental Army Command was inactivated and, on July 1, 1973, U.S. Army Forces Command and U.S. Army Training and Doctrine Command were activated.

Admiral FERGUSON. The Navy has six in-Service positions that are filled by O-10 flag officers. Those positions are: (1) The Chief of Naval Operations, (2) The Vice Chief of Naval Operations, (3) Director, Naval Nuclear Propulsion, (4) Commander, Fleet Forces Command, (5) Commander, Pacific Fleet, and (6) Commander, U.S. Naval Forces Europe/Commander, U.S. Naval Forces, Africa/Commander, Allied Joint Force Command Naples.

Chief of Naval Operations and Vice Chief of Naval Operations

The Chief of Naval Operations and the Vice Chief of Naval Operations are provided for in title 10 U.S.C. sections 5033 and 5035. For these positions, the law dictates that both officers while so serving have the grade of admiral without vacating permanent grade.

Director, Naval Nuclear Propulsion Program

In conjunction with title 42 U.S.C. section 7158, Executive Order No. 12344 section 4 states that an officer of the U.S. Navy appointed as Director of the Naval Nuclear Propulsion Program shall be nominated for the grade of admiral.

Commander, U.S. Fleet Forces Command and Commander, U.S. Pacific Fleet

Subject to flag officer end strength limits established for the Navy in title 10 U.S.C. section 525, the Chief of Naval Operations has designated three Geographic Fleet Commanders positions be filled by O-10 flag officers commensurate with the scope of command authority and responsibility their organizations have over their subordinate commands. Supporting the Chief of Naval Operation in his title 10 responsibilities, the U.S. Navy's CONUS-based forces are divided into two geographic regions: U.S. Fleet Forces Command (formerly Atlantic Fleet) and U.S. Pacific Fleet. Each command effectively comprises one half of the entire U.S. Navy operating forces. The O-10 grade for both positions is commensurate with the scope and span of their responsibilities.

Commander, U.S. Naval Forces Europe; Commander, U.S. Naval Forces, Africa; Commander, Allied Joint Force Command, Naples

Commander, U.S. Naval Forces, Europe and Commander, U.S. Naval Forces, Africa has additional and distinct responsibilities within the NATO as the Commander, Allied Joint Force Command Naples (JFC-Naples). JFC-Naples is one of NATO's

three operational commands, the others being Allied Joint Force Command Brunssum and Allied Joint Force Command Lisbon. The billet is designated as a four-star billet by NATO.

Each of the three components under JFC-Naples: Allied Air Command Izmir (AC Izmir), Allied Maritime Command Naples (MC Naples), and Allied Force Command Madrid (AC Madrid) is led by a three-star flag or general officer.

In addition to four-star level military responsibilities within NATO, this billet has significant engagement responsibilities involving interaction at the highest diplomatic and political levels with senior governmental officials from the 28 NATO nations and 22 Partnership for Peace nations. Additionally, the ongoing NATO Command Structure revision will reduce the Joint Force Commands from three to two, of which this billet will be one.

General DUNFORD. There are no defined, written, or objective criteria for making recommendations to the Secretary of Defense concerning positions filled with O-10 general officers in the Marine Corps. The Marine Corps only has two O-10 billets which are the Commandant of the Marine Corps and the Assistant Commandant of the Marine Corps. Traditionally we have also provided two O-10 general officers to joint commands. Historical precedence and the professional judgment of the most senior Marine Corps leadership develop the recommendation criteria for promotion selection to O-10.

General BREEDLOVE. There are nine positions in the United States Air Force filled by four-star generals. These are the Chief of Staff (CSAF), the Vice Chief of Staff (VCSAF), the Commander of Air Combat Command (ACC), the Commander of Air Education and Training Command (AETC), the Commander of Air Force Materiel Command (AFMC), the Commander of Air Force Space Command (AFSPC), the Commander of Air Mobility Command (AMC), the Commander of Pacific Air Forces (PACAF), and the Commander of U.S. Air Forces in Europe (USAFE). Title 10 of the U.S.C. specifies the CSAF and VCSAF positions, and these positions are commensurate with the top two leadership positions in each of the other Services. The seven other four-stars in the U.S. Air Force are Major Command (MAJCOM) commanders and they have responsibilities, spans of control, and political-military interactions that require the most senior grade of general officer. Because of the complex and broad responsibilities for management, execution, and the commitment of war-time and training resources, these seven MAJCOMs clearly warrant the four-star grade of general. The effectiveness of daily operations in each one of these seven MAJCOMs has critical and direct impacts to the Nation's security. The Nation's capability to field a credible military force in any arena of conflict, regardless of the scope of warfare involved, is essential to our national security aims. Because of the responsibilities vested in each of the MAJCOMs, the Air Force feels strongly that the commanders of ACC, AETC, AFMC, AFSPC, AMC, PACAF, and USAFE should remain as four-star generals.

NEED FOR ROLES/MISSIONS STUDY

6. Senator WEBB. Secretary Stanley and Admiral Gortney, the General and Flag Officer Efficiency Study Group that you co-chaired conducted a fiscal year 2010 baseline review of all Active Duty general and flag officer positions, but did not seek to determine how many general/flag officers are required given our force today. Do you believe that a roles and missions study is warranted that would look at the needs of the Services and the joint community to determine actual requirements for general and flag officers? If not, why not?

Secretary STANLEY. Although the Efficiency Study Group was not charged with determining how many general/flag officers are required within the force, we did compare a number of like Service organizations to determine how the Services were alike or dissimilar. DOD also had recently conducted the 2009 Quadrennial Roles and Missions (QRM) review. Within this review, DOD defined its core missions and linked those missions areas with its capabilities development processes by identifying nine core competencies: force application; command and control; battle space awareness; net centric; building partnerships; protection; logistics; force support; and corporate management and support. The Services used those core competencies to inform the categorization of their individual general and flag officer positions which became the basis of the Efficiency Study Group's efforts.

While the QRM review laid a foundation for understanding DOD's roles and responsibilities in today's complex security environment, there is still much work to be done. We will keep roles and missions at the forefront of our upcoming review of Reserve component general and flag officer positions.

Admiral GORTNEY. Although the Efficiency Study Group did not determine how many general/flag officers are required within the force, we did compare a number of like Service organizations. These similarities showed that there simply wasn't enough time to do the top-down level of review that is required to truly determine the impact of current general/flag officer strength. A roles and missions study, although extraordinarily complex and time consuming, would provide much needed clarity with regard to maintaining proper general/flag officer-to-troop ratios. The financial expense requires a fair amount of planning and will take a significant amount of time to engage. Should we move in that direction, deliberate planning would have to begin immediately.

7. Senator WEBB. Secretary Stanley and Admiral Gortney, what is the plan to review the general and flag officer requirements in the Reserve components?

Secretary STANLEY. We are planning to begin our review of Reserve component position since the review of Active component general and flag officer positions is complete. Currently, the Joint Staff is in the process of validating all previously joint positions that lack joint credit certification and incorporating them into the Joint Staff manning document. After this is completed, the Reserve Chiefs and the Chief of the National Guard Bureau (NGB) will tier and categorize all Reserve component positions, similar to the way we did the Active component review, to ensure we have a good starting baseline from which to evaluate the positions. Once we have that information, a determined top-to-bottom review of Reserve/Guard general and flag officer billets will be conducted, with overarching responsibility given to the Reserve Chiefs and Chief, NGB General Officer Management Office.

Admiral GORTNEY. Our first step was to validate and establish within joint personnel systems all previously joint positions that lack joint credit certification. Over the last several months many joint positions that are specifically Reserve/Guard in nature have been incorporated into the Joint Staff manning document. Purposefully, we next plan to request the Reserve and Guard tier/categorize all joint positions to ensure whatever the specific requirement necessary to develop our Reserve/Guard general officers is being met. It is true that a formalized process helmed by an outside organization is not on our scope. Rather, a determined top-to-bottom review of Reserve/Guard general/flag officer billets, with overarching responsibility given to the Reserve Chiefs and Director NGB General Officer Management Office.

8. Senator WEBB. Secretary Stanley and Admiral Gortney, each Service has a Chief and Vice Chief, but beyond that there appears to be little consistency across the Services with respect to what military department major subordinate commands or activities require a four-star general or flag officer level of leadership or structure. For example, each of the Services has a command that manages the readiness and availability for deployment of its uncommitted forces: the Army has Forces Command, the Navy has Fleet Forces Command, but the Air Force has Air Combat Command, Air Mobility Command, and arguably Space Command. Also, note that the Army's Training and Doctrine Command and the Air Force's Education and Training Command have four-star generals, but the Navy's Education and Training Command is led by a two-star rear admiral and the Marine Corps Training and Education Command is commanded by a major general. Does DOD have a plan to review the current O-10 positions to determine whether these positions warrant general and flag officers in that grade?

Secretary STANLEY. As part of our recent Efficiency Study, we reviewed each of the Services' structures and general/flag officer positions and identified those whose structure appeared anomalous when compared to the other Services. We, in fact, took a very determined look at the Education and Training Commands across DOD. The military departments were very detailed in their explanations of why organic commands maintain grades that are divergent from the other Services. It's also important to note that each Service varies in size, scope, and mission. Although training and education for ground forces is detailed and extraordinarily complex, it also differs greatly from what the Air Force faces with regard to aircraft and weapons platforms.

Beyond this, there is not a plan to conduct another review of current O-10 positions; however, any request for a new O-10 position will be assessed on its merits when submitted.

Admiral GORTNEY. We presently have no plan to review current O-10 positions, however we have very recently taken a detailed review of Service general/flag officer positions. During the Secretary of Defense's mandated Efficiency Study, all grades and positions were put on the table. We, in fact, took a very determined look at the Education and Training Commands across all Services. The Services were very detailed in their explanations of why organic commands maintain grades that are di-

vergent from the other Services. It's also important to note that each Service varies in size, scope, and mission. Although training and education for ground forces is detailed and extraordinarily complex, it also differs greatly from what the Air Force faces with regard to aircraft and weapons platforms.

9. Senator WEBB. Admiral Ferguson and General Breedlove, the Army has recently reduced the grade of the Commander of U.S. Army Europe to a lieutenant general while the commanders of U.S. Naval Forces Europe and U.S. Air Force Europe continue to be O-10 positions. Has your Service reviewed your European Command position to determine whether it should remain an O-10 position?

Admiral FERGUSON. We have reviewed the position and determined that, given the scope and significance of the duties assigned, it is appropriate and necessary to retain the position in the grade of O-10. The U.S. Naval Forces Europe billet is a four-star billet due to designation by NATO, as the officer is also dual-designated as the Commander, Allied Joint Forces Command Naples (JFC-Naples). JFC-Naples is one of NATO's three operational four-star commands. The Commander of U.S. Army Forces Europe does not have NATO-command responsibilities for a region.

General BREEDLOVE. Yes, the Air Force has reviewed the position of Commander, U.S. Air Forces in Europe and has determined it should remain an O-10 position for the near future.

10. Senator WEBB. Admiral Ferguson and General Breedlove, how do you justify retaining it as an O-10 position in light of the Army decision that the Commander of U.S. Army Europe is a lieutenant general?

Admiral FERGUSON. Unlike Commander U.S. Army Europe, Commander U.S. Naval Forces Europe also has responsibilities within NATO as the Commander, Allied JFC-Naples under Supreme Headquarters Allied Powers Europe. JFC-Naples is one of NATO's three operational commands, the others being Allied Joint Force Command Brunssum and Allied Joint Force Command Lisbon.

Each of the three components under JFC-Naples: Allied Air Command Izmir (AC Izmir), Allied Maritime Command Naples (MC Naples) and Allied Force Command Madrid (AC Madrid) is led by three-star flag or general officers. The designation of JFC-Naples as a four-star billet was approved by all NATO nations.

In addition to four-star level military responsibilities within NATO, this billet has significant international and alliance engagement responsibilities involving interaction at the highest diplomatic and political levels with senior governmental officials from the 28 NATO nations and 22 Partnership for Peace nations. Additionally, the NATO Command Structure revision will reduce the Joint Force Commands from three to two, of which this billet will be one.

General BREEDLOVE. The Commander of U.S. Air Forces Europe (USAFE) delivers full spectrum air power options to the combatant commanders of both U.S. European Command (EUCOM) and U.S. Africa Command (AFRICOM)—AORs that comprise 51 and 54 nations respectively. USAFE leads and supports joint, coalition, and NATO operations as well as promoting regional stability in these two expansive and diverse continents. In addition, the USAFE commander also serves in a NATO leadership role and wears four different hats: within the NATO command structure, the USAFE Commander serves as the Commander Headquarters Allied Air Command, the Air Commander for the Joint Forces Command at Brunssum, the Air Defense Commander, and the Regional Airspace Control Authority. As the Commander of Allied Air Command, the USAFE commander is directly responsible to the Supreme Allied Commander (SACEUR) for ensuring the security, peace, stability, and territorial integrity of the NATO alliance. Within the responsibilities as the Air Defense Commander and the Regional Airspace Control Authority for NATO, the USAFE Commander is directly responsible for the control and management of the Ballistic Missile Defense (BMD) mission in Europe.

If the USAFE Commander position were to be downgraded, these critical command positions in the NATO alliance would transition to a four-star airman from another NATO nation. This would mean that that BMD in Europe—a capability comprised largely of U.S. assets—would not be commanded by a U.S. Air Force officer. This would also mean that the overall leadership of allied airpower in the vast and dynamic EUCOM and AFRICOM AORs would also transition away from the United States. The U.S. Air Force feels strongly that these are not palatable options for regional security and that we must continue to maintain the USAFE Commander as an O-10 position.

COMBATANT COMMANDS AND SERVICE COMPONENT COMMANDS

11. Senator WEBB. Secretary Stanley and Admiral Gortney, DOD has more than a dozen geographic and functional combatant commands. While all of these combatant commands are commanded by a four-star general or flag officer, the Service components of these commands are led by a mix of one-, two-, three-, and four-star general or flag officers. There appears to be little, if any, consistency in DOD's staffing of these components and, in many cases, the grade of the officer leading these entities seems to be driven more by history or tradition than the responsibility of the position. The impact of three- or four-star general or flag officers leading these various component commands may further be leading to an inflation of the headquarters staff. In your view, are the grades of those officers serving on combatant command and Service component staffs inflated?

Secretary STANLEY. No, I've seen no evidence to indicate that that the grades of those officers serving on combatant command and Service component staffs are inflated. The comprehensive review that VADM Gortney and I conducted on behalf of Secretary Gates allowed us to independently evaluate these positions. I would note that many of the positions have multiple responsibilities, both Service and Joint. In some cases, some officers have as many as five positions which they hold simultaneously. Variances in duties and responsibilities necessitate that the grade of the position be derived from the scope and breadth of its responsibilities, which vary significantly. The potential for grade creep may exist; however, our military systems have mechanisms in place for validation and establishment of specific grades.

Admiral GORTNEY. No, the grades of the officers serving in COCOMs and Service component staffs are based on the scope of responsibilities and were deemed appropriate by the Secretary and Chief at the time. Discretion, sound judgment based on experience, and duty responsibilities is incorporated in the determination of a position's grade. The potential for grade creep may exist; however our military systems have mechanisms in place for validation and establishment of specific grades.

12. Senator WEBB. Secretary Stanley and Admiral Gortney, does the presence of a four-star commander unnecessarily lead to inflated grades of the principal staff officers and is further study of this required?

Secretary STANLEY. Generally speaking, four-star commands have more responsibility than three-star commands and thus are more likely to have principal staff officers of higher grades. But specifically no, a four-star's presence is not directly proportional to principal staff officer staff grade inflation. The grade structure of each individual command is largely dictated by the scope of responsibility assigned to the various positions and commands. Resource allocation is monitored and managed by the Joint Staff and each Service. Appropriate resource-controlled mechanisms are employed by each Service which mitigates grade inflation.

Admiral GORTNEY. No. A four-star's presence is not directly proportional to staff grade inflation. Resource allocation is monitored and managed by the Joint Staff and each Service. Appropriate resource-controlled mechanisms are employed by each Service which mitigates grade inflation. Each Service has a table of organization that denotes structure requirements.

 QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

RESERVE READINESS

13. Senator AYOTTE. Secretary Stanley, the next Chairman of the Joint Chiefs of Staff, General Dempsey, recently stated that the future fiscal environment will present significant challenges in preserving the readiness gains of the Reserve component. General Dempsey also stated that the Reserve component of our Armed Forces has transformed from an "exclusively strategic Reserve to one that also provides operational, full-spectrum capabilities to the Nation." Repeated combat deployments, as well as peacekeeping, humanitarian relief, and Homeland defense missions, have produced a Reserve component far more operationally capable and experienced than at any time in our Nation's history. How have reductions to date in general and flag officers impacted our critical Reserve component?

Secretary STANLEY. Although National Guard and Reserve general and flag officer authorizations were not evaluated in the Secretary's efficiency review, they will be evaluated in the next DOD review, which is anticipated to commence in the coming months. While all of the efficiencies were Active component positions, lost authorizations will provide fewer opportunities for Reserve component general and flag officers to serve in extended Active Duty positions.

14. Senator AYOTTE. Secretary Stanley, how will future reductions in general and flag officer levels impact our critical Reserve component?

Secretary STANLEY. Any reductions beyond those already planned for the Active Forces may affect training and development of future leaders for Joint and Service staff positions.

15. Senator AYOTTE. Secretary Stanley, what portion of flag officer cuts or eliminations will come from the Reserve component?

Secretary STANLEY. Until DOD completes its review of Reserve component general and flag officer positions which are anticipated to commence in the coming months, we do not have the applicable information to determine the portion of flag officer cuts or eliminations from the Reserve component.

SENIOR EXECUTIVE SERVICE

16. Senator AYOTTE. Secretary Stanley, what has been the percentage growth in Senior Executive Service (SES) since September 11, 2001? Please include specific numbers in your answers, including annual numbers by Service and the Office of the Secretary of Defense (OSD).

Secretary STANLEY. In September 2001, DOD held 1,342 SES allocations. As far as percentage growth, that number has grown 6 percent to 1,423 SES allocations as of today. The table below details the annual numbers for DOD, the Services, and OSD.

Senior Executive Service	2000/2001	2002/2003	2004/2005	2006/2007	2008/2009	2010/2011
Army	289	289	286	288	291	296
Air Force	170	170	161	161	165	170
Navy	333	333	324	324	324	329
4th Estate/OSD	550	550	580	585	588	584
Combatant Commands	N/A	N/A	28	33	44	44
Total OPM Authorization	1,342	1,342	1,379	1,391	1,412	1,423

17. Senator AYOTTE. Secretary Stanley, how does this percentage compare to the growth in flag grade officers over the same period?

Secretary STANLEY. Active component general and flag officer authorizations were reduced by 34 percent between 1970 and 2000 (from 1,339 to 879), and then increased by 8 percent (from 879 to 952) after the general and flag officer Joint Pool legislation was enacted by the 2009 and 2010 NDAA's. Over the same period, SES allocations have grown by 6 percent.

18. Senator AYOTTE. Secretary Stanley, how will the efficiencies initiatives decrease the number of the SES positions in DOD? Please provide specific numbers.

Secretary STANLEY. The goals of the efficiencies initiative regarding SES positions were to identify and eliminate redundancies and obsolete positions, and to identify and properly classify over-graded positions, if any. Therefore, DOD conducted a bottom-up review and identified 97 such SES positions that will be eliminated or downgraded. In addition, during the review, newly identified or emerging needs were evaluated to ascertain enduring needs. As a result of this evaluation, DOD identified 70 previously unrecognized mission-critical or mission-support positions. Accordingly, while the overall distribution of SES positions across DOD has not dramatically decreased, the efficiencies initiative has ensured the overall requirements identified across DOD are more appropriately aligned, classified, and structured.

For fiscal years 2012 to 2013, DOD's SES positions are allocated as follows:

Senior Executive Service	Fiscal Years 2012 to 2013
Army	302
Air Force	165
Navy	317
4th Estate/OSD	591
Combatant Commands	48
Total DOD Authorization from OPM	1,423

19. Senator AYOTTE. Secretary Stanley, to what degree does OSD oversee the quantity and use of SES positions by the Services?

Secretary STANLEY. OSD recognizes that the Services, fourth estate, and the combatant commands are in the best position to know their mission requirements. Therefore, they are responsible for identifying, establishing, and classifying their SES position needs. However, their on-board capacity is limited to the number SES allocations provided to them by the USD(P&R).

After the Services, the combatant commands and the fourth estate have identified their SES requirements needed to fulfill their missions, the Office of the Under Secretary of Defense (Personnel and Readiness) is responsible for evaluating requests received from the Services, fourth estate, and the combatant commands. USD(P&R) then submits DOD requirements to the U.S. Office of Personnel Management (OPM) for all SES allocations throughout DOD. It should be noted that these requirements are considered on a biennial basis in response to the request from OPM, which serves as the distributing authority for all SES allocations government-wide. At the end of each biennial allocation process, the USD(P&R) is responsible for distribution of DOD's authorized SES allocations received from OPM across DOD. During the biennial allocation process, the Services, the fourth estate, and the combatant commands may request any allocation changes and may submit an out-of-cycle request through the USD(P&R).

20. Senator AYOTTE. Secretary Stanley, is there standard OSD guidance as to when a position should be filled by a flag grade officer as opposed to an SES?

Secretary STANLEY. Each of the Services has different processes through which they determine which positions warrant a general or flag officer or a civilian senior executive, but each of the Services and DOD generally use the same criteria for validation of a position: nature of the position, magnitude of the responsibilities, and significance of actions and decisions required by the position. These categories are broad in nature to provide latitude to the Service senior leadership when making these decisions. General and flag officer positions are warfighter-oriented, whereas civilian senior executive positions tend to be more business-oriented.

[Whereupon, at 3:30 p.m., the subcommittee adjourned.]

