The Army could take several other approaches to address the shortcomings in its current structure. To reduce the need for lots of support personnel in its ranks and massive amounts of transportation to move equipment to an overseas conflict, the Army could increase its reliance on the host nation—the country for whose defense it was supplying combat troops—to provide logistical support early in a conflict. Alternately, to reduce its reliance on reserve forces in the early stages of a regional conflict or in small peacetime operations, the Army could create more support forces among its active-duty troops. Finally, it could reduce the cost of maintaining its forces in peacetime by cutting the size of the active force and relying more heavily on reserve combat forces to fight in a second major conflict, should one erupt.

CBO constructed four specific alternatives that illustrate how the Army might change if it followed those alternative strategies (see Table 1). Recognizing today's fiscal constraints, none of the alternatives would increase the overall size of the Army or any of its three major parts (active, Guard, or Reserve). Nor would any of the alternatives increase the size of the Army at the expense of the Navy or the Air Force. In addition, CBO focused solely on options that would change the composition of the forces that make up the Army's deployable units. None of the alternatives would reduce the size of the institutional Army, which is composed of forces that are not deployable, to make more forces available to fight in regional conflicts.

TABLE 1. ALTERNATIVES FOR MODIFYING THE ARMY'S FORCE STRUCTURE

	Rely on Host-Nation Support	Change in Number of People in Deployable Units[a]			
		Active Component		Reserve Component	
		Combat	Support	Combat	Support
Army's Plan	No	0	0	-42,700	42,700
Alternative I	Yes	0	0	-58,000 (4 divisions)	0
Alternative II	No	-33,000 (2 divisions)	33,000	-15,000 (1 division)	15,000
Alternative III	Yes	-33,000 (2 divisions)	33,000	-58,000 (4 divisions)	-35,000
Alternative IV	Yes	-50,000 (3⅓ divisions)	0	-58,000 (4 divisions)	0

SOURCE: Congressional Budget Office.

a. From levels planned for 1999.

For options that would reduce the size of the Army's force structure (Alternatives I, III, and IV), CBO estimated the savings that would result both directly and indirectly from those cuts. Direct savings come from avoiding costs to operate and support the deployable forces that would be eliminated. Indirect savings come from reductions in the Army's infrastructure that might be possible because of the cuts in force structure. In other words, indirect savings reflect the potentially reduced need for medical support, training, repair facilities, and other support associated with a smaller Army. As such, they reflect cuts in the number of both Army civilians and nondeployable forces. CBO's estimates of the indirect savings associated with Alternatives I, III, and IV are based on planning factors derived from previous years' budgets and could change in later CBO publications on the Army's force structure.

Alternative I: Increase Reliance on Host-Nation Support and Civilian Contractors

The first option would address the Army's need to have support forces in theater early in a conflict—and the requirement for large numbers of ships and planes to get them there—by relying on the receiving country and civilian contractors to provide support for early-arriving U.S. troops. The United States has used that type of assistance in the past. During the Korean War, the Army relied on the services of hundreds of thousands of Korean civilians and Japanese employees. More recently,

the Saudis assisted the Army during the Persian Gulf War by providing petroleum products and trucks to transport them.

Both Saudi Arabia and Korea—commonly considered to be likely theaters for any major conflict involving U.S. forces in the near future—have civilian infrastructures that are more than capable of providing significant amounts of host-nation support, thus eliminating the need to transport tens of thousands of U.S. support troops and their equipment to those theaters. Civilian contractors operating in theater also have the potential to provide services, such as laundry and food, that would otherwise have to be supplied by U.S. soldiers. Civilian contractors provided support services during the Persian Gulf War, are providing them in Bosnia, and are on retainer to the Army to provide such services worldwide. The combined contributions of host-nation support and civilian contractors during two MRCs could potentially replace the support and services provided by 62,000 Army soldiers.

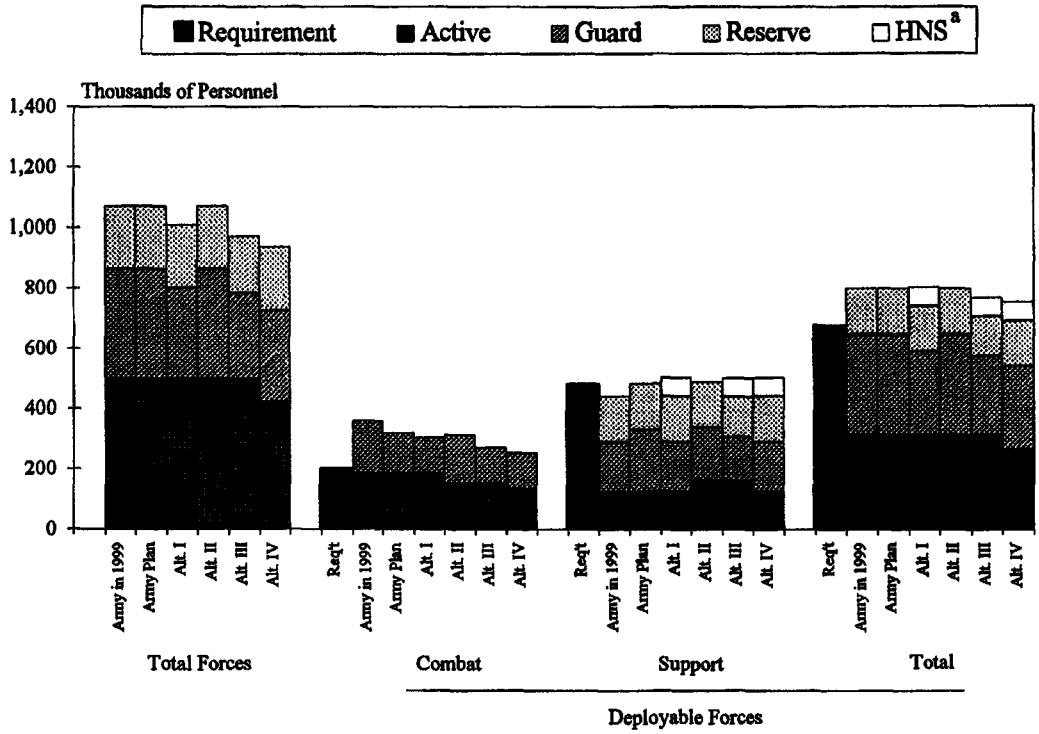
In terms of force structure, Alternative I would eliminate four combat divisions from the Army's reserve component, thus reducing the size of the Guard by about 58,000 personnel (see Table 1 on page 14). It would eliminate another 3,000 Guard members from the institutional Army who indirectly support those divisions. This alternative would also cancel the Army's plan to convert Guard combat units to support units. Instead, it would rely on the ability of host nations and civilian contractors to provide early support in two MRCs. Such support could theoretically

reduce the Army's requirements for support personnel by an equivalent number of soldiers. That would eliminate both the service's perceived shortfall in support troops and the need to reorganize Guard combat units into support units (see Figure 3).

Advantages. Alternative I would have two advantages over the Army's plan. First, by cutting about four divisions from the National Guard and avoiding the costs of reorganizing Guard combat units into support units, the Army could save roughly $1.4 billion a year once all the divisions had been disbanded—$800 million in direct costs and $600 million in indirect costs. Second, this alternative would reduce the amount of equipment to be shipped overseas for two MRCs by more than 10 percent. The reason is that support equipment from the host nation would already be in place, and civilian contractors generally provide services by subcontracting with local suppliers that are also already in the country. Any transportation from the United States that the contractors might need would generally be arranged through the commercial sector. As a result, the Army would be able to get all of its forces in place for each regional conflict 20 to 40 days earlier than under the Army's plan because it would need to transport less equipment overseas (see Table 2).

Disadvantages. Adopting Alternative I would have some disadvantages, although they are roughly the same as those associated with the Army's current force structure. Relying on host nations and civilian contractors to provide support for Army

FIGURE 3. TOTAL ARMY FORCES UNDER THE 1999 STRUCTURE, THE ARMY'S PLAN, AND FOUR ALTERNATIVES



SOURCE: Congressional Budget Office

a. Refers to host-nation support and civilian contractors.

TABLE 2. EFFECT OF THE ARMY'S PLAN AND FOUR ALTERNATIVES ON DEPLOYMENT TIMES AND ANNUAL COSTS

	Deployment Time[a] (Days after start of first conflict)		Average Annual Savings or Costs (-) Compared with the 1999 Structure[b] (In millions of 1997 dollars)	
	First Theater	Second Theater[c]	1998-2010	After 2010
Army in 1999	130	200[d]	n.a.	n.a.
Army's Plan	130	240	-200 to -400 (-200 to -400)	0[e] (0)
Alternative I	110	200	1,200 (700)	1,400 (800)
Alternative II	130	240	-200 (-200)	100 (100)
Alternative III	110	200	1,550 (850)	2,150 (1,300)
Alternative IV	110	200	4,750 (2,650)	5,750 (3,200)

SOURCE: Congressional Budget Office.

NOTE: n.a. = not applicable.

a. Time required to deliver all forces and equipment needed to fight each of the two major regional conflicts.

b. The top numbers include both direct and indirect savings; the numbers in parentheses are direct savings only. Indirect savings result from reducing the size of the institutional Army (both military and civilian), which provides training, administrative, medical, and other support to the Army's deployable forces.

c. Assumes that the second conflict starts 45 days after the first.

d. The Army does not now have all of the forces it needs to fight and support two major regional conflicts. Delivery of the additional 58,000 support forces that the Army says it needs would take approximately 40 more days.

e. The Army would incur costs of $200 million a year through 2016 if it spent only $200 million a year between 1998 and 2010 to carry out its plan.

operations overseas—which the Army would also be forced to do if it had to fight two MRCs now—entails some risks. Army planners cannot always predict where a conflict is going to break out, and the civilian infrastructure may not exist to support operations in some remote locations. Some host nations might be reluctant or unable to provide such assistance, as was the case with Somalia. And even though civilian contractors cost little to retain in peacetime, their services could come at a premium during a conflict, when responsiveness, not cost, is the primary concern. Furthermore, civilian contractors may be unwilling or unable to provide services during some conflicts because of potential exposure to harm, particularly from chemical or biological weapons. For all of those reasons, the Army prefers to keep all the support forces it might need within its own ranks.

Alternative II: Create Additional Support Forces in the Active Army

A second option would create additional support structure in the active-duty Army by converting two active divisions with their roughly 33,000 combat forces to support units. It would also create approximately 15,000 additional support forces in the reserves by switching one Guard division to support units. As a result of those changes, the Army's combat forces would comprise eight active divisions and seven Guard divisions (see Table 3).

TABLE 3. EFFECT OF THE ARMY'S PLAN AND FOUR ALTERNATIVES ON THE NUMBER OF DEPLOYABLE FORCES

	Combat Divisions		Support Forces	
	Active	National Guard	Active	Reserve Component
Army in 1999	10	8	126,400	313,300
Army's Plan[a]	10	6[b]	126,400	356,000
Alternative I	10	4	126,400	313,300
Alternative II	8	7	159,400	328,300
Alternative III	8	4	159,400	278,300
Alternative IV	7[c]	4	126,400	313,300

SOURCE: Congressional Budget Office.

NOTE: The active Army also includes three separate brigades known as armored cavalry regiments. Except where noted in the Army's plan, the Guard also includes 18 separate combat brigades, 15 of which the Administration plans to maintain at enhanced readiness.

a. Sometime after 2009 when reconfiguration is complete.

b. Although the Army's plan would retain six divisions in the Guard, it would reduce the number of separate combat brigades from 18 to 12, an additional reduction equivalent to two combat divisions.

c. Alternative IV would also eliminate one of the Army's three active armored cavalry regiments.

This alternative would take advantage of the long time required to deliver equipment for two MRCs by using that time to train and prepare reserve combat units to deploy overseas to the second theater. CBO's analysis shows that building up the forces necessary to fight two major conflicts nearly simultaneously could take up to 240 days. According to Administration statements, the Guard's ERBs could be ready for combat in 90 days. Alternative II would retain enough active-duty combat forces so the Army could provide 3⅓ active divisions early in the second MRC to halt an impending invasion. Thus, the Army would need to draw on six Guard combat brigades to make up the full 5⅓ division complement of combat troops for the second conflict. (A brigade contains roughly one-third of the combat forces included in a division.) The Army should be able to train and deploy six of the 15 ERBs in the National Guard during that 240-day window. Given the availability of a significant number of active-duty combat forces to provide the critical initial response during a second conflict, and the long delays to complete deployments to the second theater, relying on Guard units to fill out the combat forces could be an efficient use of the Army's resources.

Advantages. This alternative would address at least two of the issues raised about the Army's current force structure. It would erase the shortfall in support personnel that the Army has identified (see Figure 3 on page 18). And by creating more support forces in the active Army, it would reduce the service's reliance on the reserves to provide significant amounts of support forces on short notice during the

early stages of an initial MRC. If placed in the appropriate units, the additional active-duty support personnel would also eliminate the need to rely on reserve units during small peacetime operations. Finally, by converting a total of three combat divisions to support units, Alternative II would reduce the amount of excess combat structure in the Army.

Disadvantages. Adopting this alternative would have some disadvantages, however. It would require the National Guard to provide the equivalent of two divisions' worth of combat units (forces that would come from the active Army today) for a second major conflict should one erupt shortly after the first. Some observers would argue that National Guard forces could not be ready to play a combat role on such short notice. In fact, some studies have concluded that readying just one Guard combat brigade for deployment overseas would take more than 90 days. Training all six brigades needed to form the minimum combat force that the Army plans for a second MRC under Alternative II could take at least 159 days, according to a study by RAND. Any delays in calling up the reserves would further lengthen the time before Guard brigades could be available.

This alternative would not provide the same capability for the second MRC as the Army's plan, even if the Guard combat brigades were fully trained when they entered the theater. The reason is that six separate combat brigades—although containing roughly the same number of combat forces as two divisions—do not

provide the same capability as the two divisions they would replace in this alternative. Divisions contain many units besides combat brigades, including those dedicated to providing command and control, artillery, logistics, and aviation support. Those units support and enhance the combat potential of the combat brigades. Thus, although six separate combat brigades from the Guard could be attached to the three active divisions that would be sent to the second conflict under this alternative, the resulting force would not have the same capability as one composed of five full divisions.

Another potential drawback is that adopting Alternative II would make it harder for the Army to provide the same number of combat forces for a second MRC as it would under its own plan. The Total Army Analysis 2003 called for deploying six reinforcing combat brigades for the second conflict in addition to the initial 5⅓ combat divisions. Preparing a total of 12 combat brigades from the Guard (six to fill out the initial combat force and six for reinforcements) to participate in even the second MRC might be impossible given the relatively short expected duration of such a conflict.

In addition, because Alternative II would not reduce the size of either the active or reserve part of the Army, it would not produce significant savings compared with the Army's plan. In fact, converting combat units to support units would cost an estimated $400 million per year for more than 10 years. Those costs would be

partially offset, however, because creating additional active support forces would allow the Army to avoid the expense of activating reserves in peacetime to take part in small contingencies. As a result, after 2009 (when the restucturing envisioned in this alternative would be complete), the Army would save only about $100 million a year compared with its plan (see Table 2).

Alternative III: Rely More on Host-Nation Support and Also Create Additional Support Forces in the Active Army

The Army could, of course, adopt both strategies embodied in the two previous alternatives at the same time. The resulting, more ambitious, option would depend on the host nation and civilian contractors to provide support early in a conflict and would create additional support forces in the active Army. By relying on the host nation and civilian contractors, the Army would erase its perceived shortfall in support forces. Thus, it would have no need to convert Guard combat units to support units, as it now plans. Instead, this alternative would cut four Guard divisions from the Army's force structure. It would also create additional active support forces by converting combat units now in the active component to support units (see Table 1). Reconfiguring two active combat divisions would create 33,000 support forces in the active Army. In turn, this alternative would eliminate a similar number of support forces from the reserve component, equally divided between the

Guard and the Reserve. Those changes would leave the Army with 12 combat divisions—eight in the active component and four in the Guard (see Table 3).

Advantages. Alternative III, which would reduce the size of the reserve component significantly, would have several advantages over the Army's plan. It would increase the number of support personnel—both active Army and civilians in theater—that would be available early in a conflict. It would also reduce the amount of materiel that the Army would have to transport overseas to conduct a major conflict. Thus, the Army could have all of the forces it needed in the theater about 20 to 40 days sooner than under the Army's plan (see Table 2). Finally, even though this alternative would incur costs associated with reconfiguring combat units to support units, it could still save the Army more than $1.5 billion a year in the near term, with about $850 million coming directly from savings associated with a smaller reserve force, and the rest coming from indirect savings. After 2010, savings could total $2.2 billion a year —about $1.3 billion in direct savings and $850 in indirect savings—by retaining a reserve component that was roughly 20 percent smaller than the one planned for 1999.

Disadvantages. Adopting Alternative III would entail some risk, however. It would mean that the Army would not have enough forces in its own ranks to support two MRCs nearly simultaneously. Instead, the Army would have to rely on the host

nation and civilian contractors, and no guarantee exists that such support would be available in the event of a conflict.

A greater risk, however, might be associated with cutting the size of active combat forces and relying on reserve combat units to augment them in the case of a second conflict. Like the previous option, Alternative III would require the Guard to deploy at least six brigades to the second theater. As noted above, those brigades would have less capability than the two full active divisions they were replacing, and their lack of associated divisional support structure might make them less effective in combat.

Having to train and prepare six Guard combat brigades for deployment to the second MRC might extend the time required to assemble all of the necessary forces in that theater. The time available for readying and transporting those six brigades would already be slightly shorter than under Alternative II—200 days rather than 240 days—because the contributions of in-country support would reduce the need to deliver U.S. equipment to that theater (see Table 2). Thus, all six Guard brigades might not be ready to deploy in time to arrive in theater with the rest of the forces. (In order to arrive in 200 days, those brigades would have to be ready to deploy in about 180 days to allow enough travel time.) Training and deploying an additional six combat brigades from the Guard to act as reinforcements would take even more time. Delays in preparing reserve units for combat could in turn cause delays in

amassing enough forces in the theater to conduct military operations such as counterattacks. Alternatively, it might cause the rushing of unprepared brigades into the theater and, possibly, into combat.

Alternative IV: Rely More Heavily on the Reserve Component to Conduct the Second MRC

A final option would put more reliance on the Army's reserve component to fight a second major regional conflict. That approach might be appealing if planners considered the outbreak of a second conflict in the midst of a first to be possible but not very likely. If such a conflict did occur, this alternative would depend on a small number of active combat units to deploy to the second theater and stabilize the combat situation in order to give reserve units time to train and prepare for combat.

Alternative IV would cut the number of combat forces in the Army and rely on outside sources to provide some support during MRCs. Specifically, consistent with the recommendation of the Commission on Roles and Missions to reduce the number of excess combat forces in the Army, it would eliminate almost 110,000 excess combat troops in the form of 3⅓ active divisions and four Guard divisions (see Table 1 on page 14). No new support forces would be created in either

component, so this option would, like Alternatives I and III, rely on host nations and civilian contractors to provide some logistical support for both MRCs.

Adopting this alternative would still leave the Army with more than enough combat forces to fight two MRCs nearly simultaneously. Today, the Army fields the equivalent of 25 combat divisions in its active and reserve components combined. That is more than twice as many combat troops as it considers necessary to conduct two MRCs at once (each one is assumed to require 5⅓ divisions). After making the cuts in Alternative IV, the Army would still have the equivalent of almost 18 divisions—or more than 56,000 combat troops above and beyond the 195,000 it says it plans to deploy overseas for two major regional conflicts (see Figure 3).

This alternative would require the Army to train and prepare a significant number of the Guard's enhanced readiness brigades for combat in a relatively short time. Specifically, the Guard would have to deploy 10 of its 15 ERBs—or the equivalent of 3⅓ combat divisions—overseas within 200 days in order not to delay the buildup of forces in the second theater. The Army does have a strategy for preparing 10 Guard combat brigades to deploy in 160 days or less; indeed, according to its plan, five of them could be ready in 90 days. If the Army can meet the schedules it has laid out, those brigades should be able to play a significant role in a second MRC.

Advantages. The biggest advantage of Alternative IV would be the substantial savings—about $5.8 billion a year once all of the changes had been made—in the cost to operate and support the Army. Approximately $3.2 billion of those savings would come directly from eliminating 3⅓ divisions from the active Army and four divisions from the Guard. The other $2.6 billion would be realized indirectly by reducing the size of the institutional Army. Although an orderly drawdown could take several years to complete, thus delaying the Army's realization of the full savings associated with this alternative, annual savings in the near term would still be substantial (see Table 2 on page 19).

Most of the savings from this alternative—more than $4 billion a year when fully implemented—would result from reducing the size of the active combat force and relying on Guard combat units for help in fighting the second MRC. The rest would come from cutting the size of the Guard and depending on host nations and civilian contractors to provide support.

Host-nation support could reduce the amount of equipment the Army would need to ship overseas for the MRCs, thus shortening the time required to assemble all forces in the theaters. Even so, CBO's analysis suggests that delivering all of the Army's equipment to separate theaters for two nearly simultaneous conflicts could take at least 200 days (see Table 2). The Army could use that delay to ready reserve units for combat.

Disadvantages. The biggest disadvantage of adopting Alternative IV would be the increased risk associated with relying heavily on reserve units to conduct major regional conflicts. As in its own plan, the Army would need to use large numbers of support forces from the reserves to fight just one MRC. Perhaps of more concern, though, would be the Army's heavy reliance on the reserve component for combat forces for a second conflict. Although the Army would retain two active combat divisions that could deploy to a second MRC, an additional 3⅓ divisions would have to come from the reserves. The Army has made provisions to train and ready 10 Guard brigades in less than 160 days, but those plans are not its preferred strategy. They would mean training more than one brigade at some training sites, would require resources that some analysts doubt are available, and would produce two brigades that would be prepared for rear-area security but not frontline combat. Furthermore, any delays in calling up the reserves would make it difficult, if not impossible, to have 10 fully trained combat brigades from the Guard in the second theater within 200 days.

As with Alternatives II and III, this option—which would substitute three Guard brigades for each active division it eliminated—would reduce the overall combat capability provided to the second conflict. That effect would probably be greater with this alternative, however, because it would eliminate one more active Army division than the others would. Furthermore, Alternative IV would require the two active divisions and the corps organization assigned to the second MRC to

support and control a total of 10 separate brigades from the National Guard. That task could be significantly harder than the one assumed in the two previous alternatives: having three active divisons and a corps controlling and supporting only six Guard brigades.

Another disadvantage of Alternative IV is that it would leave the Army with a smaller pool of Guard combat forces to act as reinforcements for a second MRC than the Army's plan would. Only five ERBs from the Guard would be available to reinforce the 5⅓ divisions sent to a second conflict, compared with six under the Army's plan. (The Total Army Analysis 2003 assumed that the service would not send nine of the Guard's enhanced brigades to either conflict.) Furthermore, those last five ERBs might not be available for combat until 270 days after the start of the first MRC. Thus, this option might both reduce the number of brigades readily available to reinforce U.S. troops in a second conflict and delay their arrival. Although that might not significantly affect the conduct of the second conflict, it is a risk associated with placing more reliance on Guard combat units.

The Army, like the rest of DoD, is facing a serious dilemma in the next decade. It wants to maintain a large number of ready and well-equipped forces so it can fight two wars similar in size to Operation Desert Storm nearly simultaneously without relying heavily on allies or civilian support. However, the funds to pay for and equip the forces that the Army would like to keep are becoming increasingly hard to come by.

The Army plans to retain all of the forces it needs to conduct two major regional conflicts, relying primarily on the active component for combat forces and the reserve component for support forces. It would also keep additional combat forces in the National Guard, which have no clear role in those conflicts, to act as a strategic hedge and to provide troops to the states in event of domestic emergencies.

Alternatives to the Army's plan that would generally entail increased risk in prosecuting the second (and perhaps less likely) conflict could save the Army money, provide more support forces earlier for the first conflict, or both. Creating more active support forces at the expense of active combat forces, as illustrated by Alternative II, would give the Army the most support personnel who would be available during peacetime and would be ready to deploy early in a major conflict. But that approach would save very little money from the Army's plan, and it could even cost more than the current force structure in the short term.

A riskier approach, illustrated by Alternative IV, would reduce the number of active-duty troops in the Army. Instead, it would rely somewhat on U.S. allies and very heavily on reserve forces to fight a second conflict. That approach would save the Army significant amounts of money—almost $5.8 billion a year compared with the Army's plan. It would also maintain combat forces in the National Guard that, although not as ready as those of the active Army, could be prepared within several months to defend U.S. interests.

Less radical approaches, represented by Alternatives I and III, would save less money ($1.4 billion to $2.2 billion a year when fully carried out) and entail varying degrees of risk. However, all of the alternatives represent viable choices that differ from the Army's risk-averse but potentially unaffordable plan.