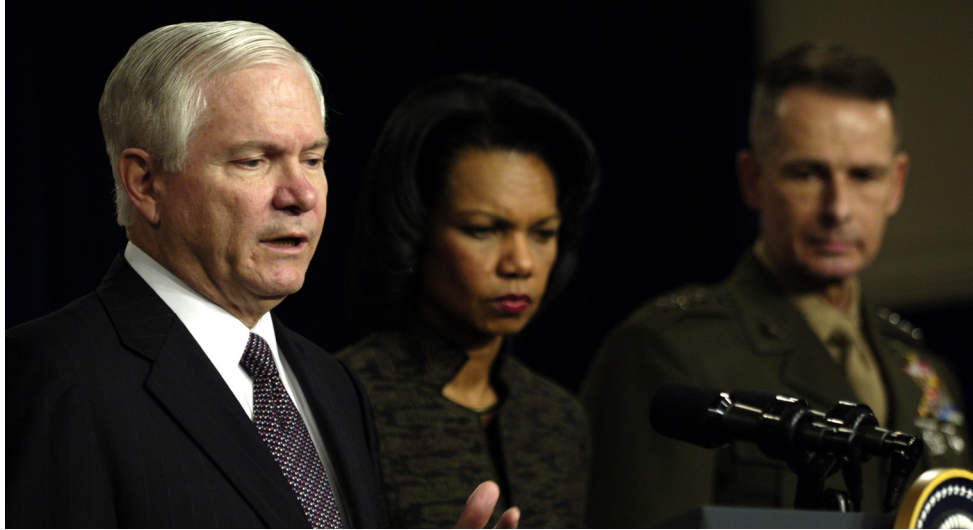


11 January 2007 Secretary of Defense Robert Gates responds to a reporter's question at a news briefing in Washington DC. To his left are Secretary of State Condoleezza Rice and General Peter Pace, Chairman of the US Joint Chiefs of Staff.

Photo courtesy of US Department of Defense



# Expanding the US Army

## Costs, constraints and future commitments

IN A 10 JANUARY 2007 address focusing on Iraq, President George W. Bush stressed the need to increase the end-strength of the US Army and US Marine Corps. In a statement issued the next day, newly-confirmed Secretary of Defense Robert Gates announced that he was recommending an increase of 92,000 troops over the next five years. That number would include and make permanent the previously authorised temporary increases in the strength of these services of 30,000 and 5,000 personnel respectively, and would add another 35,000 soldiers to the active army and 22,000 to the active marine corps. Adding 7,000 and 5,000 soldiers to their ranks in each of the next five years, the two services would reach totals of 547,000 and 202,000, respectively, by 2012.

Most members of Congress have endorsed this policy. Indeed, key members of the Armed Services Committees in the House and the Senate had been calling for increases for some time, in the face of resistance from the Executive Branch. All are aware of the stresses on the US military, with army brigades – some entering their third rotation to Iraq or Afghanistan – now experiencing ‘dwell-time’ at their home station, between rotations, of just a year or less. Although there may be a debate about where to put the funds for the increase (that is, in the large and growing ‘supplementals’ that among other things finance war expenses, or in the ‘core’ defence budget) for the moment, at least, Bush’s announced goals should be enacted without significant delay.

However, it is a matter for debate whether the army, in particular, can reach the given end-strength figure, and, if it can, what costs this will incur both in terms of achieving the target and then paying for a larger force. Furthermore, as those costs become apparent, maintaining the sense of urgency that presently exists will become more important – and more difficult. In sum, that an announcement has been made cannot be taken as a guarantee that

US ground forces will be substantially larger in two or three years, much less five.

### Alternative futures

The rationale for the increase – to help fight the ‘war on terrorism’ – is not as self-evident as would seem. Notwithstanding the current ‘surge’ of troops to Iraq and Afghanistan, few officials today speak of very large US troop deployments to Iraq even two or three years ahead; and many politicians are calling for a drawdown in Iraq starting next year. Hence the immediate and most publicised rationale for the increase may decline as ground forces grow.

That said, trends in conflict may push for still greater ground force requirements. One of the major problems affecting global security – failed or failing states that do or could nurture terrorist organisations – is unlikely to disappear in the near future. Although chastened by the Iraq experience, US policymakers may nonetheless feel compelled to engage in stability operations or counter-insurgency, just as Bush, who promised in 2000 to get US military forces out of the ‘nation-building’ business, felt compelled to send forces into Afghanistan after the terrorist attacks of 11 September 2001. It is possible to imagine circumstances in

which the new ground force size might be too small rather than too large.

Given these variables, and given how long it takes to build effective ground forces, the announced intention to expand them is best seen not as ‘relief’ for forces rotating through Iraq and Afghanistan, but rather as a sensible way of hedging against an uncertain – but very possibly dangerous – future.

### Obtaining the increase

The army has had the most visible recruiting problems in recent years, raising the question of whether that service can reach the new end-strength goal in the five years allotted. While the service just had a good recruiting year, having topped the 80,000 recruiting goal for 2006, it was less successful in 2005, when recruiting fell short of the 80,000 goal by nearly 7,000. Thus the army has yet to fill out the 30,000 temporary increase set for it in 2004; active army end-strength at the end of 2006 was roughly 505,000 – about 7,000 short of the goal of 512,400 set in 2004. The new goal of 547,000 is thus more distant than the recent announcements have implied, while obtaining it by 2012 will require very successful recruiting in the years ahead.

Whether that challenge can be met will partly depend on the US economy,

Active US Army recruiting, retention and end-strength 2002–06

Year	Recruiting: Goal	Recruiting: Actual	Enlisted Retention: Goal	Enlisted Retention: Actual	Authorised Army End-strength	Active Army End-strength
2002	79,500	79,585	56,800	58,207	480,000	486,542
2003	73,800	74,132	51,000	54,151	480,000	499,301
2004	77,000	77,586	56,100	60,010	482,400	499,543
2005	80,000	73,373	64,162	69,512	502,400	492,728
2006*	80,000	80,635	n.a.	64,200	512,400	505,100

Sources: Congressional Budget Office, *Recruiting, Retention, and Future Levels of Military Personnel*, October 2006

\*Unofficial figures

# Expanding the US Army page 2

which competes with all service recruiters for high school graduates. While any future economic downturn would create problems for the US at large, it would be a boon to recruiters. Conversely, continued economic strength would in all likelihood make recruiting more difficult, probably forcing the nation to spend more for each new recruit, in terms of larger recruiting bonuses – which are already rising – more recruiters and expanded advertising campaigns.

However, the increase in end-strength is not solely dependent on recruiting. US Army growth since 2004 has also relied on remarkably high retention rates – testament to the *esprit* and patriotism of US soldiers, but also to retention incentives, including the offer of tax-free bonuses to soldiers who re-enlist in the combat zone. Total army spending on selective re-enlistment bonuses quadrupled from 2004 to 2005, exceeding \$500m. Overall, army recruiting and retention costs rose by 75% between 2000 and 2006, with much of that increase evidently driven by an increase in the size of re-enlistment bonuses and the number of takers. The success of last year's recruiting effort in the face of a strong economy and bad news from Iraq certainly bodes well, but the service must now achieve at least that much recruiting success for several years running while it continues to retain experienced officers and non-commissioned officers (NCOs) at high levels. This is likely to remain a significant challenge.

Retention will be especially crucial in the years ahead, because the units the army seeks to create as part of the higher end-strength will require experienced and 'retained' officers and NCOs: ground forces have to grow 'sideways,' rather than from the bottom up, to avoid large numbers of new recruits, lacking training and leadership, in units thus unable to function as intended. Retention must therefore not only remain high, but be targeted on critical ranks and skills – all of which could potentially have further funding implications.

## Financial repercussions

Although the cost of recruiting and retaining soldiers will probably rise in

the years ahead, the more worrisome expense is the long-term 'carrying cost' of an additional 92,000 soldiers. The rule of thumb is that adding 10,000 soldiers to the US Army or US Marine Corps will add roughly \$1.2 billion to the US defence budget – a figure calculated by dividing what the army (in this case) spends in its 'personnel account' by the total number of soldiers it has in service. By this reckoning, the total of 92,000 additional troops will increase the budget by roughly \$11bn per year – \$7.8bn for the army and \$3.2bn for the marines.

The army figure represents about 8% of that service's FY2006 core defence budget authority, or 5% of the FY2006 total of core and supplemental authority. In either case, it represents a substantial addition to the army's essentially fixed annual costs. Not surprisingly, as stretched as the army has been, its leadership has been reluctant to take on additional end-strength without some adjustment in its budget 'top line'. In fact, while both army and marine corps 'top lines' are rising – as is to be expected during periods of extended ground warfare – how the new soldiers will be financed, especially over the long term, remains to be determined.

For instance, the \$1.2bn per 10,000 rule of thumb is now so established that it has to be seen as being on the low end of the scale, if only because of the effects over time of inflation. Pay rises and increasing medical costs are also driving the figure up, while the figure additionally ignores non-personnel costs, such as new barracks, training, and above all the equipment these new soldiers will carry into war. That last cost, in particular, has grown substantially with equipment modernisation. No-one knows exactly what the real carrying-cost of the new soldiers will be, but it will unquestionably lie well above \$11bn.

Pentagon officials and US military leaders rightly point out that, while high in absolute terms, defence spending consumes only 4% of US GDP. If it was willing to and the need was felt to be present, the US could afford larger ground forces. But defence spending is increasingly under pressure from other budgetary outlays. Spending on Social Security, Medicare, and Medicaid reached 7% of US GDP in the early

1990s, and is expected to consume 8.8% of GDP by 2010. This focuses much attention on even small increases in the defence budget.

## What to buy, and when

At the moment, Congress is willing, even eager, to grant an increase in ground force end-strength. However, the real costs of the move will become apparent before 2012, while US deployments will increase or decrease commensurate with threat perceptions. Given these uncertainties, it is realistic to see the new end-strength numbers less as final requirements and more as a basis by which a process of ground force growth can be initiated – one that will be reviewed and perhaps revised as the years progress.

From this perspective, the timing of service 'purchases' in relation to this newly granted end-strength is of barometric interest. The emphasis in publicly available documents has been on combat units – in the army's case, six brigade combat teams (BCTs), which will add two brigades to the number of active component brigades the army could deploy annually while maintaining two years between such deployments. At roughly 4,000 soldiers per BCT, however, 6 BCTs would not exhaust the 35,000 increase in Army end-strength. But it should not be forgotten that support units need a larger rotation base as well; some are in shorter supply relative to BCTs, and are rotating faster through Iraq and Afghanistan. Although specific information on what else the two services are purchasing is hard to come by at this stage, it appears that both the army and the marine corps will use the additional end-strength to flesh out these so-called 'high-demand, low-density' units by forming more support brigades and by ameliorating chronic staffing shortfalls in existing support units. Furthermore, if it is anticipated that events and trends between now and 2012 could further modify US military planning, it would make even more sense for the services to place what they need most at the front of the queue. This might lead to slower generation of new combat units, but it will leave both ground forces with better balanced forces for future activities. □ IISS