

Exposing Corruption *Exploring Solutions*
Project On Government Oversight

**Testimony of
Benjamin Freeman, Ph.D., National Security Fellow
Project On Government Oversight
before the
Senate Armed Service Committee
Subcommittee on Personnel
on
“General and Flag Officer Requirements”
September 14, 2011**

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.

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)

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.

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”)

The logo for Project On Government Oversight. It features a dark red rectangular box on the left containing the words "Exposing Corruption" in a small, white, serif font, and "Project On" in a large, white, serif font. To the right of this box, the words "Exploring Solutions" are written in a green, italicized, serif font, followed by "Government Oversight" in a large, black, serif font.

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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 the Department of Defense (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

⁵ Project 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*)

⁶ Goldwater-Nichols Act of 1986, U.S. Code, Title 10, Subtitle A, Part I, Chapter 5. http://www.au.af.mil/au/awc/awcgate/congress/title_10.htm (Downloaded September 8, 2011)

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 region, rather than reflecting the scope and duties of the job itself. And in a post-9/11 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 twentieth century, the pace of brass creep has accelerated in the 20 years since the Cold War

⁷ Commission 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."

⁸ Department 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")

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 seven general and flag officers

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

¹⁰ 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)

¹¹ 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)

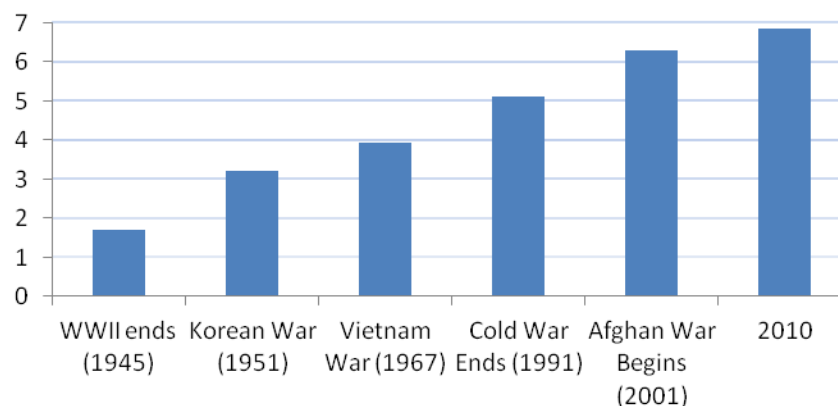
¹² John Barry and Evan Thomas, "A War Within: Robert Gates has one last, crucial mission before he leaves office, and it's not in Afghanistan or Iraq. It's in Washington—within the hallowed halls of the Pentagon," September 12, 2010. <http://www.thedailybeast.com/newsweek/2010/09/12/what-gates-plans-to-do-before-he-leaves-office.html>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

¹³ All 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

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 U.S. 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

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://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”

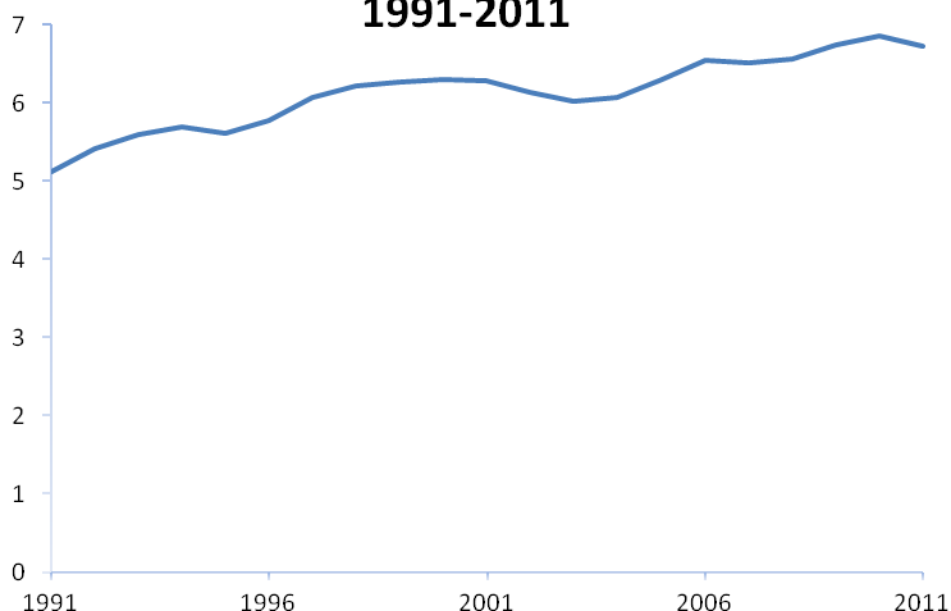
¹⁴ This is an all-time high for years in which reliable DoD personnel data are available, which includes only the post-World War II era. This constrained time period is the result of general/flag officer data being publicly unavailable for most years prior to World War II.

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

¹⁶ Naval 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”)

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.

**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.

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.

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.

GROWTH IN THE NUMBER OF THREE- AND FOUR-STAR GENERAL AND FLAG OFFICERS

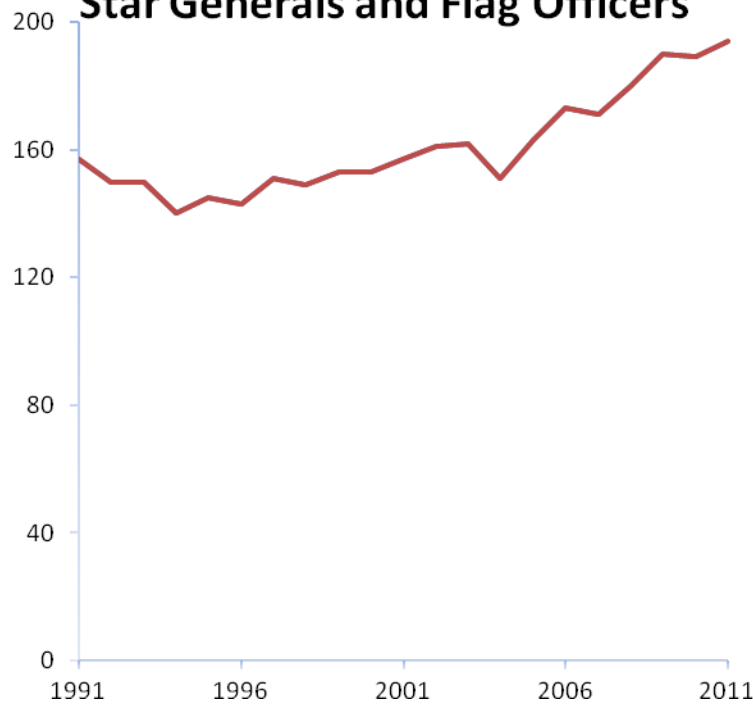
The increase in the very top brass—three- and four-star officers—further illustrates star creep within the DoD. The number of three- and four-star general and flag officers (lieutenant-generals, vice-admirals, generals, and admirals) has increased since the Cold War ended, as depicted in Figure 3. In 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 than 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).

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.

²⁰ From 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.

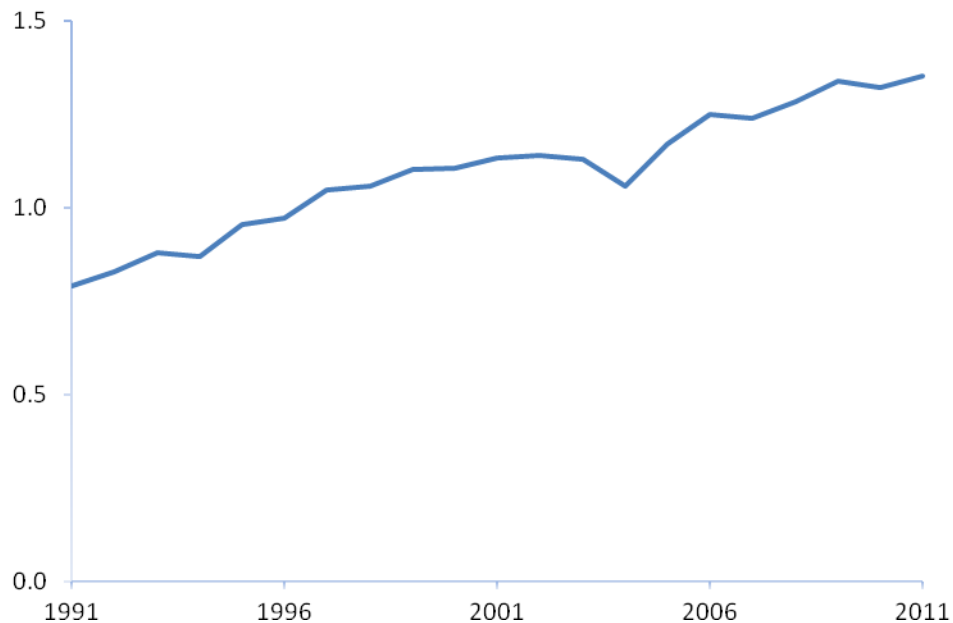
Figure 3: The Rise of 3- and 4-Star Generals and Flag Officers



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 ten 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.

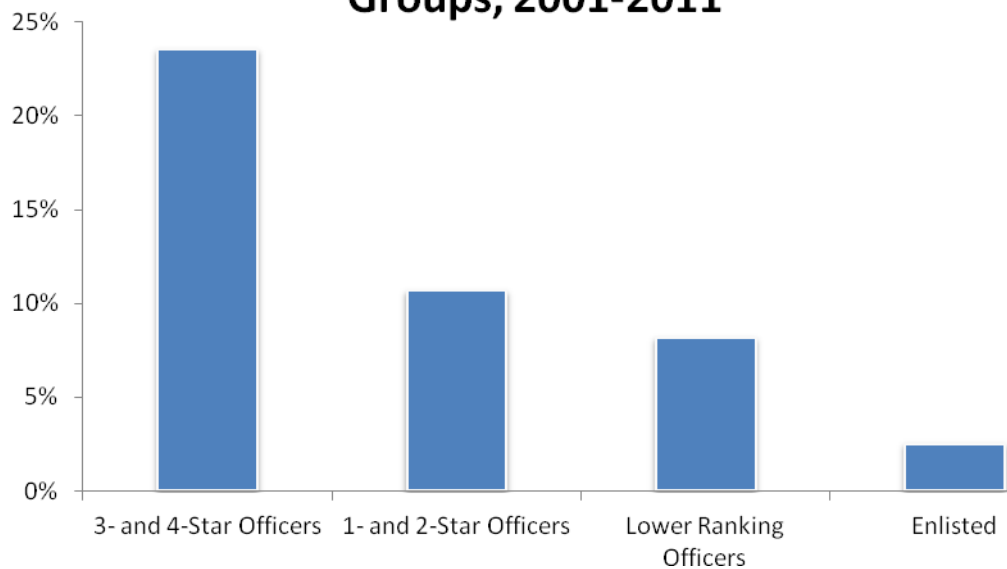
²¹ This total service contractor figure is as of March 2011, according to a recent CRS report: Congressional Research Service, *Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis* (R40764), May 13, 2011. <http://www.fas.org/sgp/crs/natsec/R40764.pdf> (Downloaded September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

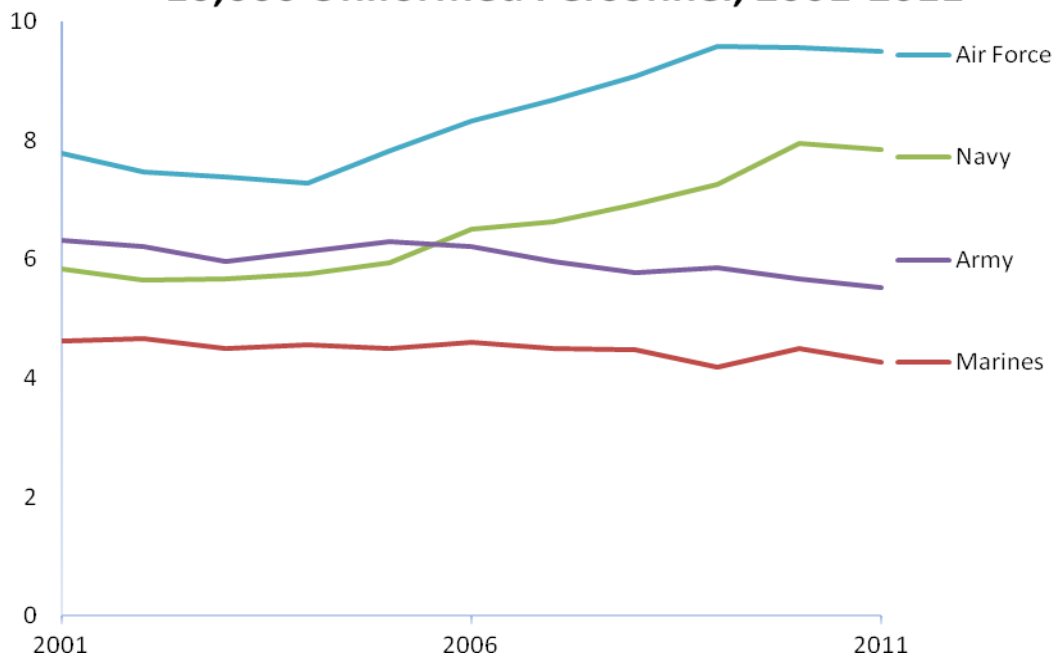


STAR CREEP ACROSS THE SERVICES SINCE 9/11

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 ten 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.

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.

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

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 ten years ago.

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).

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

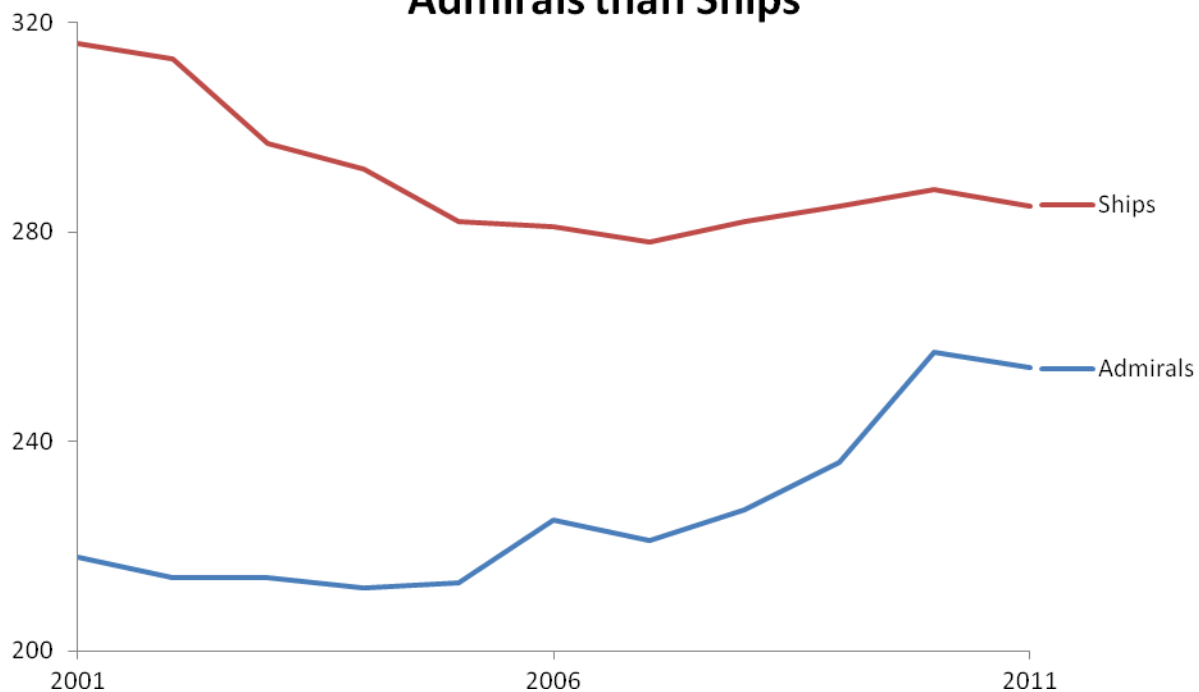
	Army	Navy	Marines	Air Force	Total
April 2011 Total	312	254	86	312	964
Added Since Sept. 2001	11	36	6	40	93
Three- and Four-Stars Added	13	15	4	5	37

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

²⁴ All 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, *United States Air Force Statistical Digest*, Fiscal Year 2001, p. 91.
<http://permanent.access.gpo.gov/websites/dodandmilitaryjournals/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/FY_2012_DEFENSE_FULL_COMMITTEE_REPORT.pdf (Downloaded September 8, 2011)

²⁵ These 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 two 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,

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")

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 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,

²⁷ “AF has military’s highest GO-to-troops ratio”

²⁸ “DoD News Briefing with Secretary Gates from the Pentagon”

²⁹ “A War Within”

³⁰ This 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)

³¹ The “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”)

³² Memorandum 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->

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's 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 two 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 9-11 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's plan will eliminate just eight of these after March.³⁶ Overall, Gates's plan for efficiencies in 140 general and flag officer positions targeted three- and four-star billets just 24 times, and only eliminated 21. Incidentally, this is only two more than the three- and four-star positions added under Gates's tenure.³⁷

While Gates's 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.

14-2011_Track_Four_Efficiency_Initiatives_Decisions.pdf (Downloaded September 8, 2011) (hereinafter Track Four Efficiency Initiatives Decisions)

³³ Track Four Efficiency Initiatives Decisions, p. 30.

³⁴ 2001 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)

³⁵ The 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.

³⁶ The memo as a whole eliminated nearly twice this number of 3 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.

³⁷ In 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)

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's 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

³⁸ Track Four Efficiency Initiatives Decisions

³⁹ Page 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.

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

⁴¹ The 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")

⁴² All 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"

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 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's 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's 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 Gates claimed.
5. The GAO 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.