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29 Jul 81

OJCS DRAFT ISSUE PAPER COMMENTS
BOOK #6 - MANPOWER ISSUE BOOK

ISSUE TITLE: Military Compensation
REFERENCE: Page 1 General Comments
RECOMMENDATION: Delete this issue paper

RATIONALE: (1) The issue paper is strongly biased toward the assumption that the military compensation package contains excessive remuneration which should be pared to offset the growth required by military end strength increases. This approach resembles the budget cutting measures of the mid-1970's which contributed to our present manpower problems.

(2) The Joint Chiefs of Staff went on record in February 1981, emphasizing the seriousness of the compensation issue, "The 11.7-percent pay raise on 1 October 1980 was an important effort toward restoring military pay comparability with the private sector, but was still less than both the inflation growth and the increase recommended by the President's Pay Agent. In spite of the pay adjustment and other improvements, military pay continues to lag significantly behind private sector pay, purchasing power has continued to decline, and military members are required to absorb even greater financial losses when directed to relocate their homes and families."

(3) It will take years, not months, of improved retention to replace mid-career and senior personnel losses already incurred and to restore all Services to healthy readiness levels. A strong commitment by the Congress and the Administration is needed to follow through on additional compensation improvements this year and beyond if the Services are to permanently reverse the adverse manpower trends of the 1970's.

(4) The Military Manpower Task Force is currently studying alternatives to the military compensation system along with an assessment of manpower requirements and readiness issues. It would be premature to identify funding reductions requiring basic changes to the compensation system until the Task Force has completed its study.

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APPROVED BY:

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OJCS DRAFT ISSUE PAPER COMMENTS
BOOK #6 - MANPOWER

ISSUE TITLE: Military Manpower

REFERENCE: Page 11, Paragraph d; Page 13, Paragraph d;
Page 14, Cost Table

RECOMMENDATION: Institute the Individual Ready Reserve (IRR) direct enlistment program on a paid incentive basis. Change the Cost Table on page 14 to reflect the added costs of such a program.

RATIONALE: An IRR direct enlistment program, without enlistment incentives, was tested by the Army in 1979. This program was unsuccessful. Any future program should include incentives.

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OJCS DRAFT ISSUE PAPER COMMENTS
BOOK #6 - MANPOWER

ISSUE TITLE: Civilian End Strength

REFERENCE:

- (1) Page 16, Paragraph 1 & Table 2; Page 17, Paragraph 3 & Table 3; Pages 26 & 27 Alternatives
- (2) Page 17, Paragraph 3
- (3) Page 19, Paragraph 2
- (4) Page 19, Paragraph 3
- (5) Page 20, Paragraph 4; Page 22 Table 7
- (6) Pages 21 & 22, Paragraph 7
- (7) Pages 28, 29, and 30

RECOMMENDATION:

- (1) Revise the 60,000 contracting out figure to a number which more realistically reflects the ability of the Services to review positions and contractual arrangements.
- (2) Revise the fourth sentence to read, "One way to reduce that demand is to use more civilians in functions that do not involve direct confrontation with the enemy; that are not considered critical to man in the event of hostilities; and that do not support the overseas rotation base for military personnel who do not face the enemy."
- (3) Add as the last sentence in the paragraph, "The lack of such an assurance would reduce the conversion potential to approximately 23,500."
- (4) Second sentence, delete, "non-deploying military police units"
- (5) Delete paragraph 4 and reflect data changes in Table 7.
- (6) Reduce the 10,900 manpower savings for potential future ship conversions to a figure that reflects conversions actually programmed.
- (7) Revise figures to reflect adoption of the recommendations contained herein.

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RATIONALE:

(1) The figure of 60,000 was based upon the following questionable assumption. It was assumed that the Services would review 120,000 positions and that 50% of those would be converted. This is highly optimistic considering the past history of the Services in the review process. e.g. There is no existing Army cost study schedule for FY 84-87 with civilian and military spaces annotated against which to plan likely reductions. Air Force is behind in the current review process.

(2) Increasing the number of civilians overseas in critical positions without some assurance of their availability during hostilities creates an element of unnecessary risk.

(3) It should be entirely clear that the total 47,000 positions cannot be converted without Host Nation Agreements insuring the availability of these foreign nationals in the event of hostilities. Such is not presently the case.

(4) Upon mobilization these will be immediately converted from a peacetime (TDA) unit to a deployable (TOE) operational unit and deploy in direct support of active Army combat and combat support elements.

(5) This paragraph effects the conversion of communications personnel in overseas fixed sites to foreign nationals. This conversion is based upon two questionable assumptions:

a. It assumes that most communications personnel will not require Top Secret clearances. Modern automated communications systems and circuitry no longer segregate higher classification (TOP SECRET) or special handling traffic. Thus, all personnel must have appropriate clearances.

b. It assumes the development of a Host Nation Agreement to insure the availability of these foreign nationals during hostilities.

(6) It is premature and probably unrealistic to program manpower savings on the assumption that the Navy will convert 63 ships to civilian manning with the accompanying reduction in readiness and mobility.

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