A Possible Marine Corps Response to Defense Budget Reductions

A Monograph
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### Abstract
Current defense budget climate indicates that each Service within the Department of Defense (DOD) can expect substantial reductions. The challenge facing DOD is how to reduce its budget while being engaged in counter-insurgency and stability operations. These operations along with maintaining a global presence are manpower intensive. The question that needs answered is how might the military services achieve the required reductions? To study all the Services was beyond the scope of this research, but analyzing a single service, such as the Marine Corps, provides an easier model from which the DOD writ large can benefit. The Marine Corps was selected because it is a microcosm of the DOD and possesses capabilities similar to its sister services. The Marines require ground mobility platforms like the Army. The Marines employ aviation platforms like the Air Force and conduct amphibious operations that require naval assistance. Examining budget reductions through the lens of the Marine Corps provides an example for the other Services to emulate. The research focused on three Marine Corps budget categories of manpower, procurement and research, and operations and maintenance (O&M). These categories together make up 90 percent of the 2011 Marine Corps Annual budget totaling 27 billion dollars.
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Abstract

A Possible Marine Corps Response to Defense Budget Reductions by Major Brian D. Greene, USMC, 42 pages.

Current defense budget climate indicates that each Service within the Department of Defense (DOD) can expect substantial reductions. The challenge facing DOD is how to reduce its budget while being engaged in counter-insurgency and stability operations. These operations along with maintaining a global presence are manpower intensive. The question that needs answered is how might the military services achieve the required reductions?

To study all the Services was beyond the scope of this research, but analyzing a single service, such as the Marine Corps, provides an easier model from which the DOD writ large can benefit. The Marine Corps was selected because it is a microcosm of the DOD and possesses capabilities similar to its sister services. The Marines require ground mobility platforms like the Army. The Marines employ aviation platforms like the Air Force and conduct amphibious operations that require naval assistance. Examining budget reductions through the lens of the Marine Corps provides an example for the other Services to emulate. The research focused on three Marine Corps budget categories of manpower, procurement and research, and operations and maintenance (O&M). These categories together make up 90 percent of the 2011 Marine Corps Annual budget totaling 27 billion dollars.

Manpower is the most expensive category. The increase in Marine Corps end strength by 22,000 between the years of 2007 to 2009 has increased the budget. A review of historical trends shows that the Marine Corps’ end strength always declines after war. In fact, at the end of Desert Storm all the Services began reducing their respective end strengths. The research found that the Marine Corps can absorb a 15 percent reduction to its end strength, thus saving nearly 60 billion defense dollars over the next ten years. Like manpower, procurement and research has grown 33 percent since the Cold War peak. Analyzing the Marine Corps roles and functions identified addition savings that can be made if reductions in ground mobility and aviation programs are implemented. The research suggests that the Marine Corps can save 78 billion dollars over the next 10 years if it cancels a variety of aviation and ground mobility programs. None of the recommendations prohibits the Marine Corps from maintaining Marine Corps core competencies. Finally, in the category of O&M the research indicates that efficiencies are achievable within the Marines O&M budget and reductions are possible. However, O&M funding cannot be significantly reduced until the war in Afghanistan subsides and Marine forces are withdrawn.

To reduce the three budget categories the Marine Corps will need to reduce its overall end strength. A 15 percent reduction would bring the current force of 202,100 Marines to below 185,000 Marines a number not seen since before 9/11. A manpower reduction would then create additional savings because a smaller Marine Corps will not need as much resources or funding to operate. The Marine Corps analysis provided suggests a blue print that other Services can follow to reduce their respective budgets.
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Introduction

The United States should spend as much as necessary on national defense, but not one penny more.

Secretary of Defense, Robert M. Gates, 2010

The United States government has grown considerably since the attacks of 9/11. Both the Department of Defense and its budget have grown to support current wars. The United States now faces serious political and economic pressure to reduce overall government spending. Some politicians strongly oppose protecting the defense budget despite the continuing military hostilities overseas. In mid October 2010, Congressman Barney Frank, then chairman of the House Financial Services Committee, explained the desire to cut the defense budget.

It is now indisputable that if we do not substantially reduce planned worldwide defense expenditures, particularly on behalf of our allies who can and should be doing more to defend themselves, that we will not be able to meaningfully reduce our budget deficit without doing significant damage to our quality of life here at home.

Congressman Frank’s statement makes it clear that some members of Congress find no need to shelter the defense budget from cuts and insist that the defense spending contributes to the national budget difficulties.

The desire to cut the defense budget is not new. After all, military spending is the largest component of discretionary government spending. During past reductions in defense spending, the lion share of cuts was achieved by reducing military manpower. The DOD total force end strength drops after every war. The Department of Defense could easily choose to take that approach again. However, because the military is still engaged in counter-insurgency and stability operations that are manpower intensive, perhaps another approach should be taken. The question is how might the military services design a different approach?


Developing an alternative approach requires a detailed assessment of DOD activities and the distribution of funds in each of the Service budgets. However, doing so would be a massive undertaking and is not feasible in a paper this size. Instead, this research is designed to investigate a single Service and to make some general predictions based upon that Service’s issues. The Marine Corps was chosen because in many ways it represents a microcosm of DOD military activities. Although a relatively small force in relation to the other defense services, the Marine Corps possess’ capabilities similar to those of other Services. The Marine Corps is a more agile force and less dependent on sharing combat resources from other military Services. Thus, the Marines are a great representative of the variety of capabilities found in DOD. Additionally, the Marine Corps has been subject to some very large reductions in the past and has dealt with the tension between maintaining capabilities while reducing government outlays.

Although the Marine Corps is a microcosm of general military capabilities, the Marine Corps is not a large element of the defense budget. The DOD budget contains both discretionary and non-discretionary elements. The 2010 DOD budget contained $531 billion in discretionary and $166 billion in non-discretionary spending, totaling $694 billion dollars. Of that budget, the Marine Corps’ budget represented only 6.5 percent of the Defense Department budget, but provided 17 percent of the nation’s active ground combat maneuver units. The Marine Corps’ budget can be considered to consist of three components which in together account for 90 percent of Corps total funding. The largest component is manpower and the costs associated with maintaining an all-volunteer force. The second component is procurement and research. The third component is an operations and maintenance budget. Analyzing the components of the Marine Corps’ budget provides insight into the challenges DOD faces when trying to maintain

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capabilities and still reduce spending. These components represent areas where the DOD can reduce funding while assuming moderate risk.

Proposals to reduce DOD manpower have produced much debate among politicians. Some see manpower reductions as necessary to balance the budget, while other politicians view reductions as a risk to national security. These opposing views could not come at a more challenging time considering that debates over the national budget were at the top of 2010 election campaign platforms. Over the past decade, the United States defense budget has grown five times more than any other nations, adding to a growing national budget deficit of 14 trillion dollars. Although the Marine Corps is among the smaller and cheaper Services, the DOD has called on the Marine Corps to reduce manpower to a level not seen since the end of the Vietnam War. In 1968, at the peak of the Vietnam War the Marines had grown to 307,000. Just eleven years later in 1979, the Marine Corps lost 40 percent of its end strength, declining to 185,000.\(^5\) The fluctuations in Marine Corps’ size give credence to the claim that manpower can be again reduced while maintaining required capabilities.

Concern for macro-reductions in end strength is not enough for this study. The process for achieving reductions has a significant impact on readiness and future recruitment. Over the past 40 years, the Marine Corps has employed several DOD strategies for reducing manpower. Three of these strategies have made the largest impact on lowering the DOD budget. One way to reduce end strength has been the implementation of early release and early retirement programs. Marines leaving the service with honorable discharges have taken advantage of these programs, thus saving the Marine Corps millions of dollars in paid salaries and pensions. An additional manpower reduction method is to reduce training organizations that exist to support the current wars. The current task organizations in these training hierarchies require large amounts of

contractors, civilian employees and service members. The examination of the Marine Corps’ efforts to decrease end strength reveals a possible budget reduction blueprint that the DOD writ large can benefit from.

Like manpower, the second budget component, procurement and research, has grown 33 percent since the Cold War peak. No other country has yet matched the military technological advances of the United States. The United States’ military dominance within the world is due in part to the programs and research. However, research and development costs also contribute to the increasing DOD budget. All services have increased budget requests to build faster, more efficient, safer vehicles, ships, and aircraft. The Marine Corps’ contribution to procurement and research come from high profile programs in aviation and ground mobility. Programs such as the MV-22B Osprey tilt rotor aircraft and Expeditionary Fighting Vehicle (EFV) have been in existence for over a decade. Comparing Marine programs to other Services and validating requirements to capabilities will bring to light areas in which the DOD can reduce spending.

Lastly, the budget contains operations and maintenance (O&M) funds. These funds relate to the Marine Corps’ overall missions, functions, activities and facilities. O&M funding allows Services to fulfill their roles and perform functions during operations and training. The three major areas that make up the O&M budget are operational forces, training and recruitment, and administration and services. The Marine O&M budget has grown each year since the start of combat operations in Iraq and Afghanistan accounting for 22 percent of their overall 2011-budget request. To decrease its O&M funding the Marine Corps will need to reduce its participation in Afghanistan. Currently Marine deployments to Afghanistan are increasing, leaving little doubt that O&M funding will not decrease until Marine forces are withdrawn from Afghanistan.

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Analyzing the Marine Corps’ budgetary categories - manpower, procurement and research, and operations and maintenance provides a good illustration of ways to build efficiencies and apply reductions across the entire DOD. Reducing the Marine Corps’ 202,100 end strength can create substantial savings in the USMC budget without jeopardizing Service capabilities. The reduction cannot be more than 15 percent of Marine end strength, bringing the Marine Corps’ adjusted end strength below 185,000 marines. Reducing the Marine Corps manpower is just a start; the Marine Corps must lead the way for the DOD in cutting both procurement and research; and operations and maintenance costs. To achieve this, the Marine Corps must cut certain aviation and ground mobility programs. This will save billions of dollars in the Department of Navy (DON) budget and not affect Marine Corps’ current capabilities. Finally, reprioritizing operations and maintenance funds will build efficiency and save millions of dollars. Together these budgetary categories can save the Marine Corps billions of dollars and set a high standard for the other Services to emulate.

**Manpower Challenges**

America’s post war budget efforts will inevitably lead to military reductions. This is due to the commitment by political leaders to reduce annual government deficits. The Marine Corps is no stranger to these cuts and over the last four decades have gone to great lengths to reduce its manpower in accordance with DOD requests. What made the 1990’s downsizing different from other force reductions was the need to reduce an all-volunteer organization. Service manpower figures are determined by assessing three variables: military doctrine, force requirements and threat scenarios. These variables never seem to be in equilibrium and are constantly changing.\(^7\) Doctrine drives funding, training and force structure to accomplish mission sets specific to each Service. Force requirements change based on the operational environment. It is through policy

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and strategy that political leaders increase or decrease force structures. The 2007 surge in Iraq is a current example of how operational requirements determine force size. Both the Marine Corps and U.S. Army increase end strength to sustain combat operations. Evaluating the Marine Corps’ historical perspective will identify clues as to how DOD can downsize the Services after Iraq and Afghanistan.

A review of efforts to reduce defense spending over the past twenty years reveals three significant events that have shaped the Department of Defense’s approach to budget reductions. The first was the end of the Cold War, an event that removed the greatest threat to U.S. security and rendered all previous force sizing scenarios obsolete. The second event was Operation Desert Storm. Desert Storm was significant because it came just prior to implementation of post Cold War reductions and thus, delayed the initial reduction in U.S. force structure. Desert Storm was also significant because it occurred immediately prior to the collapse of the Soviet Union. Thus, the force planning after Desert Storm could not consider either a Cold War threat or the continued presence of an ideological threat, the Soviet Union. Lastly, though not really an event, the creation by Congress of a Quadrennial Defense Review (QDR) changed the workings of defense planning by providing a periodic process for examining defense requirements in relation to the international security environment. The QDR enables both defense critics and supporters to evaluate the Administrations programs and to suggest alternative force structures and budget savings. The examination of the Department of Defense’s response to these events reveals the guiding elements of U.S. defense budget reductions.

Base Force Concept in the Post Cold War Era

The 1991 fall of the Soviet Union and United States budgetary pressures signaled to the Program and Budget Analysis Division (PBAD) that force reductions were eminent. That conclusion was supported by the fact that manpower costs consume the largest portion of the defense budget. Partly in response to the budgetary pressures, the Chairman Joint Chief of Staff
(CJCS), General Collin Powell, initiated the creation of a base force concept. The base force concept asserted the driving factors in the changing geostrategic environment were leading to major budget reductions and the DOD could shape the future reductions by proposing a force ceiling of 1.6 million personnel. General Powell further argued that realigning the force was essential, but warned that armed forces’ missions must evolve to combat the post-Cold War threats. His challenge was to prevent downsizing from jeopardizing the professionalism of the forces and to avoid building a hollow force. General Powell campaigned to reduce the Marine Corps from 197,000 to fewer than 150,000. His reasoning was that the Russian threat was minimal after its collapse and the ongoing arms control process reduced the threat further. The power of the overall base force concept lay in its ability to set the terms for discussing DOD budget cuts, which would allow CJCS military advice to shape the anticipated major restructuring of the US security policy, strategy, force posture, and capabilities.

Despite the fact that the base force was General Powell’s advice, the base force numbers soon were questioned by both congressional leaders and the Services themselves. The Commandant of the Marine Corps, General Alford Gray contended that the projected cut in Marine strength would breed hollowness in the force. General Gray argued that during the early 1990’s the Marine Corps was operating at an end strength that did not allow it to fight a substantial war lasting longer than one year. Echoing sentiments such as these was the Army Chief of Staff, General Vuono. “More precipitous reduction would fracture the force and un hinge the military.”

Not all the Service Chiefs saw eye-to-eye on the base force concept. Admiral

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8 “Military Service Chief’s use the term ‘hollowness’ to mean military units that are either not fully manned or not fully equipped and supplied.” Loma S. Jaffe, *The Development of the Base Force 1989-1992*, 41.


10 Ibid, 16.

11 Ibid, 40.
Frank Kelso II, Chief of Naval Operations took a more optimistic view by calling the concept an “anchor” against pressures for further reductions. The Admiral’s thinking was that troop cuts were imminent and the faster service chiefs agreed the less likely additional downsizing would happen. The disagreement in Service Chiefs added tensions between Services and drove competition for budget funding amongst the Services.

Throughout the mid 1990’s the base force concept created tension between Services. The 1991 National Security Strategy (NSS) compounded Service tensions by identifying the need to reconstitute the industrial base, science and technology, and manpower.12 The 1991 NSS reflected General Powell’s strategic vision. By the end of Fiscal Year 1991, the military end strength had declined by 58,000 service members. That reduction brought the overall DOD active duty end strength below two million.13 Accordingly, Marine end strength declined to approximately 191,000. The Marine Corps was still able to maintain three Marine Expeditionary Forces (MEF), but lost 10 percent of Marine air assets and nearly a brigade’s worth of personnel. By 1997, the DOD had cut personnel throughout the Armed Services by 25 percent.

**Manpower Reductions**

A large portion of the manpower reductions were achieved through four separate personnel reduction programs. These programs enabled the Services to dismiss members quickly through voluntary and involuntary boards. Each Service faced the issue of how to separate service members rapidly without dismissing quality service members. The Services feared losing quality leaders because such losses affected overall health of the Services. The challenge within each Service was how to retain smart and competent leaders at all levels. The military needed to build strength within the ranks and maintain experience gleamed from years of service. Retaining

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13 Jaffe, 63.
future leaders was especially difficult during that time because some of the boards paid significantly large sums of money to those who volunteered to leave the armed forces. The Voluntary Separation Incentive (VSI) and Special Separation Benefit (SSB) were voluntary programs, while the Reductions in Force (RIF) and Selective Early Retirement Board (SERB) were involuntary. In 1992 over 388,000 personnel departed the military with 57,600 separating or retiring under one of the four reduction programs. The Marine Corps used three of the four programs, opting not to apply the RIF. They were able to separate or retire 1,149 Marines under the VSI, SSB and SERB. Some of these boards are still in use today. The Marine Corps continues to implement the VSI to release Marines that have fulfilled their obligation, but will not meet time requirements to deploy again. This approach saves the Marine Corps millions of dollars annually. The individual Marine can exit the service sooner without jeopardizing continuity in the unit.

From 1992 to 1998, the DOD reduced troop strengths while challenging the Services to maintain operational agility with minimal force structure. In 1998, the DOD budget was nearly 37 percent less than its budget in 1985. The Armed Forces transformed a great deal during those 13 years, eliminating 767,000 service members or 35 percent of total personnel. The large reduction in force totals was greatly influenced by two major strategic planning innovations. The first was The Bottom Up Review (BUR) completed early in the Clinton administration in 1993. The BUR took a critical look at the Base Force Concept, but the BUR committee was concerned about regional security risks and a desire to achieve greater budgetary savings. BUR Force levels were predicated on maintaining the ability to fight two major regional conflicts simultaneously. In the absence of the threat of major conventional war with the Soviet Union, the United States chose to

15 Ibid, 100.
reduce military manpower by an additional 200,000 service members, resulting in a force of 1.45 million. However, despite the large reduction in overall end strength, the BUR had little impact on the Marine Corps. The Marine Corps maintained three Marine Expeditionary Forces (MEFs) and initiated the research and testing needed to add 425 V-22 tilt-rotor aircraft to Marine Air.

The Emergence of the Quadrennial Defense Review (QDR)

The second strategic planning innovation was the congressionally mandated Quadrennial Defense Review (QDR), the first of which appeared in February 1996. The BUR had used a force-planning construct involving a U.S. response to two regional conflicts. However, the BUR had also addressed the need for peacekeeping and peace enforcement operations. The congressionally mandated Commission on Roles and Missions of the Armed Forces had also commented on changes in the international security environment and indicated the need to consider the impact of rapid changes and diverse contingencies related to post Cold War threats. Secretary of Defense Perry recognized the need to consider these changes but was reluctant to implement the recommendations of the Roles and Missions Commission without additional study. Hence, Congress enacted a requirement to review the structure of the armed forces and the security environment every four years. The result was the QDR.

The first QDR also marked the lowest number of active uniformed personnel since the start of the Korean War. The decrease in military manpower made it very difficult for military leaders to maintain the capabilities directed by the QDR. A comparison of troop size to retail mogul Wal-Mart best illustrates the risks faced a smaller DOD. Bart Basher notes, “By 1997,

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17 Brasher, 115.
Wal-Mart employees in America alone (670,000) outnumbered active-duty personnel in the Navy and the Marine Corps combined by more than 100,000.”21 Another staggering number was the number of Service members serving abroad. In 1985, over a half of million were serving in other countries, but in 1998 that number had been cut by 50 percent.22 The thinning of the Services had reduced costs, but had increased risks to national interests and security. After 9/11, military and political leaders pondered the notion that the reductions in end strengths made the United States more vulnerable.

The end of the Cold War and a decade of military downsizing signaled to both political and military leaders that a retooling of military strategy was in order. The 1996 QDR focused on how the military would look from 1997 to 2015 and assumed that defense spending would remain at $250 billion a year. Then, Secretary of Defense, William Cohen observed,

Since 1985, America has responded to the vast global changes by reducing its defense budget by some 38 percent, its force structure by 33 percent and its procurement programs by 63 percent. Today, the budget of the Department of Defense is $250 billion, 15 percent of our national budget, and an estimated 3.2 percent of our Gross National Product. We now have 1.45 million men and women under arms, 200,000 overseas, 900,000 in the Reserves, and 800,000 civilians employed by the Department. Today, $44 billion is devoted to the acquisition of weaponry from a smaller defense industrial base employing 2.2 million workers.23

The 1996 QDR affected the budget and procurement for each Service differently. For example, the Navy had to reduce their attack submarines and fixed wing aircraft. The Marine Corps reduced the MV-22 Osprey program to 360 aircraft and eliminated another 1,800 Marines, bringing the total to 172,200.24 The reductions implemented across the Services helped rebalance the DOD programs, pay for changes and align the military to the national strategy. The 1996 QDR sought to create a flexible, balanced force capable of supporting strategy, to match structure

21 Brasher, 178.
22 Ibid, 178.
24 Ibid, 2.
to end strength, and to develop toward a joint vision.\textsuperscript{25} The strategy has evolved since 9/11 to encompass dissuading adversaries from actions that threaten U.S. interests and deterring aggression through forward military presence. However, a reduction in manpower may not be possible while stability operations continue in Iraq and forces are committed in Afghanistan.

In 1997, the DOD established a National Defense Panel comprised of military leaders to anticipate the changes needed to safeguard America in the twenty-first century. The Panel was convinced the challenges facing America were vastly different from those of the Cold War and would require a fundamental change to national security institutions, military strategy, and defense posture by 2020.\textsuperscript{26} The findings by the Panel successfully projected the current challenges DOD faces. First, the Panel identified the military’s need to project power, and to sustain and conduct combat operations where there are no forward-deployed forces. Second, regular deployments throughout the globe were viewed as the central element of the military’s responsibilities to maintain the nation’s strategic interests. The Panel concluded the DOD must undertake a broad transformation in the areas of military operations, national security structures, operational concepts, and equipment and business processes.\textsuperscript{27} In addition, the panel recognized that many of their recommendations were being implemented, but expressed a need to accelerate the pace.

The 2010 QDR takes a different approach than the wartime QDR’s of 2001 and 2006. The 2001 QDR central objective was to shift defense planning from a threat-based model to a capabilities-based model. The capabilities based model focuses resources on how an adversary will think rather than whom the adversary is or where the war might occur.\textsuperscript{28} The 2010 QDR

\textsuperscript{25} \textit{Quadrennial Defense Review Report,} (February 1996), 5.


\textsuperscript{27} Ibid, executive summary.

references reforming costs, rebalancing the military, and is similar to the 1996 QDR. The 1996 and 2010 QDRs respectively identify the need to reduce and balance the defensive budget. The 2010 QDR does not direct a reduction in troop strength across the DOD. However, it does suggest that cuts are eminent. The 2010 QDR states,

The Department will continue to look assiduously for savings in underperforming programs and activities, divestiture, technology substitution, less pressing mission and program areas, and other accounts so that more resources can be devoted to filling these gaps.39

The 2010 QDR puts an emphasis on reductions and signifies that the Services will be impacted by budgetary reductions.

It may behoove the Services to prepare for end strength reductions during current operations in Iraq and Afghanistan. The DOD had sought to reduce manpower during combat operations in Desert Storm. DOD reduced the Services by 2.8 percent in 1991 while combat operations were still ongoing.30 Desert Storm proves that reducing manpower concurrently with war is achievable. The Marine Corps’ experience can provide an example of this because over the period from the 1990’s Base Force Concept through the Bottom Up Review, and 1996 QDR it has been able to maintain all three MEFs as directed by Congress. During the 1990’s the Marine Corps maintained three MEF’s while reducing its end strength by 27,325 proving that downsizing is achievable without damaging the performance of a service.31 The key lesson from the 1990’s decade is that it takes time to implement personnel reductions.

In June of 2010, a delegation of congressional representatives requested a Sustainable Defense Task Force to explore possible defense budget contributions to deficit reduction efforts that would not compromise the essential security of the United States.32 This Task Force

30 Brasher, 63.
31 Ibid, 185.
concluded that the Marine Corps and Army could save a combined $147 billion dollars over the next ten years if they reduced their respective services to pre-surge levels. That reduction would reduce the Marine Corps’ end strength from 202,100 to 175,000 (a 15 percent manpower reduction). Correspondingly, the Marine Corps would lose three battalions, declining from 27 to 24 battalions. These reductions do not necessarily threaten the three Marine Expeditionary Force construct. Instead, reductions in manpower can create opportunities for the Marine Corps to improve efficiency in deployments, training, and staffing.

Building a Leaner and Able Marine Corps

During intra-war periods, the Marine Corps historically has been smaller, but capable to surge during wartime. The Marine Corps’ ability to maintaining a scalable and capable Marine force in today’s uncertainty make it an appealing Service for the DOD to employ. The Marine Corps has proven that it can reduce manpower while maintaining its core competencies. However, the Marine Corps is currently deployed so reductions must avoid gutting combat capabilities. The Marine Corps’ core competences are the capabilities to employ forward integrated combined arms, to provide specialized detachments, and to conduct joint forcible-entry operations from the sea. These competences allow Marine units to oppose a variety of threats.

During the initial operations in Iraq and Afghanistan, the Marine Corps was able to deploy and sustain combat operations with the end strength of 173,372. The Marine Corps’ 2001 end strength was sufficient to initiate wars in both theaters, but did not become sustainable after five years of simultaneous combat in two wars. The Marine Corps withdrawal of combat troops from Iraq in 2010 allowed them to focus strictly on Afghanistan. This allowed for fewer combat deployments and more time at home station. Returning to pre-war end strength levels

would still provide the Marine Corps the necessary combat power to sustain one theater of war. The cost savings achieved by the DOD by reducing the Marine Corps’ end strength now can save 32 billion dollars over next 5 years. The most successful approach to reducing the Marine Corps’ manpower is through introducing involuntary release and incentive programs. These types of programs provide an amicable separation from active duty without affecting the Marine Corps.

The decrease in manpower during the 1990’s was highly successful for the Marine Corps because of voluntary release programs. The Marine Corps’ current approach is to implement an voluntary program called the Volunteer Enlisted Early Release Program (VEERP), allowing hundreds of Marines to leave active duty three months earlier than their respective end of active duty date. Programs such as the VSI and SSB are a logical step in reducing the Marine Corps’ size without losing promising leaders. This tactic would avoid ‘hollowing’ the force and could save the DOD nearly $12 million dollars if approximately 2,000 Marines took advantage of the VEERP. It took the Marine Corps a decade (1988-99) to meet all required manpower reductions. A sound recommendation is for the Marine Corps to initiate a reduction of 15 percent over a 10-year period, similar to the 1990s. The ten years allow the Services time to reevaluate roles, functions, and minimize the risks of hollowing out the forces. Just like the post Cold War era and Desert Storm, this end strength reduction would occur concurrently with war. Ten years provides the military time for a gradual reduction. Because of the current operational environment, implementing a reduction should occur after the stabilization in Iraq and Afghanistan.

The Marine Corps can reduce budget costs by cutting the civilian Marine workforce and decreasing the amount of reenlistment bonuses awarded to certain jobs. The civilian workforce that supports the Marine Corps has risen steadily in the last three years by nearly 5,000

employees, totaling 24,158 for 2011.\textsuperscript{36} This translates to an overall cost in 2011 of over $1.2 billion dollars in annual salaries. Cutting these jobs is a natural process once military manpower is reduced. The Marine Corps will require a smaller supporting group of civilians to sustain the force. Reducing the civilian Marine Corps workforce by 20 percent would allow the Department of the Navy to save approximately $6 million dollars.\textsuperscript{37}

The Marine Corps’ re-enlistment bonus program is another area where savings are attainable. These bonuses are available to low density, high demand jobs. Bonuses manage the mix of skills within the military and can persuade service-members with special skills to remain in the Services. In 2009, the Marine Corps paid over $500 million in re-enlistment and enlistment bonuses to fill critically short jobs.\textsuperscript{38} Two years later, a 60 percent reduction in Marine Corps bonuses totaling nearly $200 million dollars was in the budget request. Although a decline in bonuses has occurred more reductions must be made if the Marine Corps is going to reduce its budget. The Marine Corps can offset bonuses with non-financial incentives, such as duty assignments, military schooling, base housing guarantees or days off. These incentives can add additional savings to bonus programs while maintaining the same effect of keeping low density, high demand jobs filled.

**Procurement and Research**

The second most costly budgetary category in defense spending is procurement and research. The technological advances made in defense equipment over the last 30 years have cost the American people hundreds of billions of dollars. Defense related equipment, such as aircraft, ships; vehicles and weapons receive funding through Service procurement and research budgets.


\textsuperscript{38} Department of the Navy, *FY2011 Highlights book*, 3-10.
A transformation has been underway since the end of the Cold War moving the military from a conventional focus to full spectrum operations. In 1998, Deputy Under Defense Secretary John Goodman testified before the Senate Armed Services Committee declaring, “The DOD must seek to shape the international environment, respond to the full spectrum of crises that threaten U.S. interests, and prepare now for an uncertain future.” Those themes are still applicable to current military strategy. The FM 3-0, Operations, defines full spectrum operations as “Forces combining offense, defense and stability or civil support operations simultaneously as part of an interdependent joint force to seize, retain, and exploit the initiative, accepting prudent risk to create opportunities to achieve decisive results.” Unfortunately, full spectrum operations encompass all types of warfare and thus, have the potential to increase costs. Services must prioritize their respective needs and be willing to sacrifice procurement and research in areas that are not critical for winning tomorrow’s conflicts.

The strategies in place today will drive the future funding for defense spending. The reduction to end strength and equipment are only achievable with a reduction of troops in Iraq and Afghanistan. The United States has reduced the troop strengths in Iraq, while increasing troop strengths in Afghanistan. Full spectrum operations conflicts with budget reductions because of the resources needed to maintain those operations. Strategies must evolve for the defense budget to reduce their overall spending habits. In 2010, ending combat operations in Iraq has done little to decrease the DOD budget because of the resource increase in Afghanistan. Procurement and research reductions are possible by exporting equipment sets from Iraq to Afghanistan, thus limiting the need for additional procurement to Afghanistan. The procurement of equipment over the past 10 years will temper the requirement to build new equipment to fight the next conflict.


The President’s proposed FY2011 DOD funding for procurement and research was
$112.9 billion dollars, making up approximately 30 percent of the overall defense budget. In
1985, during the Cold War, procurement and research consumed an even larger portion of the
budget. The reason DOD can justify spending more money during peacetime on research and
procurement vice during wartime is because during wartime the department places a greater
emphasis on funding operations than on building new equipment, vehicles or aircraft. War is
expensive and depletes the DOD ability to invest in future capabilities. Todd Harrison from the
Center for Strategic and Budgetary Analysis assessed the FY 2011 DOD budget and observed,

In recent years, funding has shifted away from acquisitions and toward operation and
support. When defense spending last peaked in FY 1985, operations and support garnered
51 percent of the total DOD budget versus 45 percent for acquisitions. In the FY 2011
budget, 67 percent is allocated for operations and support, and 30 percent to acquisitions. 41

This comparison is relevant because it identifies a priority shift occurring within the DOD during
peacetime and wartime budgets. Examining the Marine Corps’ procurement and research
priorities reveals how Services synchronize their priorities with the larger DOD priorities.

The Marine Corps’ missions and functions make it unique. The Marine Corps’ role as the
Nation’s ‘expeditionary force-in-readiness’ provides a combined arms operating force, including
integrated aviation and logistical components, serving as a part of joint, naval and combined
forces worldwide. 42 The Commandant of the Marine Corps, General Amos, equates the roles and
functions of the Service to that like a middleweight boxer by stating, “A middleweight boxer can
box up into the heavy weight division or box down to the lightweight division simply by

41 Todd Harrison, Analysis of the FY 2011 Defense Budget, Washington, D.C.: Center for Strategic
and Budgetary Assessment (CSBA), 2010, 15.

42 The United States Marine Corps, Concepts and Programs: 2010 Annual Report,
changing his weight and training regime.” The Marine agile force fills a void in the Nation’s defense by comfortably operating at high and low ends of the spectrum, much like a lightweight boxer.

The Marine Corps possesses a variety of equipment sets that is similar to other Services. For example, the Marine Corps requires tanks like the Army; aircraft like the Air Force; and amphibious vehicles to get Marine units from ship to shore. The need for such a vast amount of equipment platforms make it seem that the Marine Corps would take up a large portion of the Navy’s procurement and research budget, but the reality is just the opposite. During a speech in February 2010, General Amos said,

> The Marine Corps has always given our nation the ‘best bang for its buck.’ In Fiscal Year 2010, the Marines consumed only 8.5 percent of the DOD budget, while it provided 31 percent of U.S. ground operating forces, 12 percent of its fighter/attack aircraft and 19 percent of the nation’s attack helicopters.

The Marine Corps proves they are a key enabler for the United States and can accomplish missions even during funding shortfalls. The ability of the Marine Corps to conduct operations with the smallest defense budget suggests that a gradual reduction in procurement and research is attainable for the entire DOD.

**Size and Focus of Marine Procurement**

The Marine Corps derives its procurement and research funding requirements from its vision and strategy. In the Marine Corps Vision and Strategy 2025 report, its vision is being an adaptive Service ready to fulfill supporting roles in the Nation’s defense. The vision drives the

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44 Ibid, 6.

Marine Corps strategy, hence, identifies procurement and research areas needed to fulfill a wide variety of missions. The Marine forces support Geographic Combatant Commanders (GCC) by organizing a scalable, versatile expeditionary force able to respond to a broad range of crisis and conflicts situations. There are five Marine Air Ground Task Force (MAGTF) organizations ranging size from a few hundred to over 50,000 Marines. These MAGTFs are task organized and specifically tailored for each mission, and for rapid deployment by air and sea. Each MAGTF consists of four elements: a command element (CE) for command and control, a ground command element consisting of combat troops, a logistical command element for sustainment and an aviation command element with fixed and rotary wing aircraft. The scalability of a MAGTF results from its size and capabilities. A MAGTF is mission dependant and assists a GCC in response to a contingency or crisis.

The Marine Corps’ procurement and research budget can be divided into three major categories: aviation, ground mobility, and fire support. The budget areas correspond to the major physical elements of a MAGTF. The Marine Corps seeks to return to its roots as a light, fast, hard-hitting, expeditionary and sea-based force. The Marine Corps has invested billions of dollars into aviation and ground mobility programs to enable sea to shore operations. The procurement and research challenges for the future are time and money. The Marine Corps must prioritize its programs based on two strategies. First, the program must be necessary for maintaining current capabilities. Second, the need for such procurement programs must outweigh the cost to build. The Marine Corps must be good stewards with taxpayer dollars and be mindful of cost when building programs that could potentially be misguided and wasteful.

The increased DOD budget has allowed all services to procure and research numerous equipment programs. The DOD receives enormous amounts of funding to sustain and fight the

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current wars and recently the DOD additional funding requests have been scrutinized. The Marine Corps’ view of spending has evolved since major combat operations in Iraq. Marine leaders see innovation and fiscal responsibility as the hallmarks of a post-Afghanistan Marine Corps. The 2010 Marine Corps Concepts and Program document explains how it is investing limited resources to restore combat capability and lower costs. The Marine Corps is weighing total investment requirements against changing demands and seeking to lower overall cost through research in dual-use systems and emerging technologies.48 Such is the case with a program like the Joint Strike Fighter (JSF). Because the JSF is a jet aircraft that can use a short take off and land vertically, it will replace three legacy fixed wing platforms. The Marine Corps raves about the platform because the Marine Corps projects it will save the defense budget over $1 billion a year through efficiencies gained in training, maintenance and commonality.49 The Marine Commandant, General Amos is very vocal about the need to save money. During a February 2011 speech, he said, “Over the past six years, we have grown accustomed to large sums of Supplemental and Overseas Contingency Operations funds. We have grown into what I like to characterize as a culture of plenty.”50 General Amos’ comments articulated to the Marine Corps that it must be more efficient with the DON budget and be mindful that defense budget reductions are likely to occur. To prepare for a reduction in Marine Corps spending, General Amos convened a comprehensive Force Structure Review board to identify what a post-Afghanistan Marine Corps is to look like and to identify extraneous programs that can be cut to save money.

The Marine leadership warns that the defense budget is shrinking and they must transform into a force that is leaner and more efficient. These sentiments are similar to the challenges the Services faced after the Cold War. Today, the Marines are re-posturing and re-balancing for the future. The comprehensive Force Structure Review board identified numerous

49 Amos, Prepared remarks for the George P. Shultz lecture, 8.
50 Ibid, 6.
areas in which to save money from the defense budget. General Amos articulated these initiatives in the 2011 report to Congress on the posture of the Marine Corps. The major long-term savings were in ground mobility, post-Afghanistan troop reductions and the retirement of legacy aircraft. The Marine Corps promises to eliminate unnecessary headquarters, flatten command structures where applicable, and transition hundreds of non-operational jobs into operational jobs. These reductions will start only when certain conditions are met and after the completion of the Marine Corps’ mission in Afghanistan. The Marines Corps’ commitment to reducing the budget is admirable, but only cosmetic if the Congress seeks a dramatic reduction in the overall defense budget.

Although historically a frugal force, the Marine Corps developed the habit during the last ten years of increasing its funding requests. The last 10 years of combat have caused wear and tear on equipment and personnel, but the Marine Corps and other Services have not been mindful of overall government spending and have not prioritized their needs over their wants. The Congress expects the DOD writ large to be a good steward of taxpayer dollars. The Marine Corps will have to go back to its ‘frugal roots’ and set an example to the DOD so all Services can follow. The Marine Corps has always defined itself as a service that can do more with less.

General Amos articulated the spending habits of the Marine Corps by saying:

In today’s fiscally constrained environment, we must continue to improve our efficiency. Marines have historically been known as “the Penny Pinchers.” At the end of the day, Congress and the American people know that the Marine Corps is a value and that we only ask for what we truly need. During my four years as Commandant of the Marine Corps, we will rededicate ourselves to our frugal roots, while maintaining the high state of preparedness required of America’s Expeditionary Force in Readiness.

52 Amos, Prepared remarks for the George P. Shultz lecture, 7.
53 Ibid, 6.
The road ahead for the Marine Corps will be one of the most challenging financial burdens it has dealt with in recent history. This is due in part to current expectations within the Services. Some examples of these expectations are that the services receive new equipment, yearly pay raises and technological advances. The realities are that the Marine Corps and the other Services will revert to the late 1990s defense mentality, which consisted of no pay raises, training shortfalls in ammunition, and will cope with current programs of records for longer periods of time.

**Finding Additional Savings**

Finding additional savings in the Marine Corps’ budget is difficult. All Services face the need to reconstitute equipment. The Marines are no different in that regard. Maintenance costs have risen due to combat operations in both Iraq and Afghanistan. All Services realize they cannot avoid maintenance costs without reducing readiness and effectiveness. Thus, the Marine Corps along with the other Services will continue to request adequate funding to deal with aging and over taxed equipment. The Marine Corps’ answer is to reset equipment overseas and to reconstitute home station equipment and modernize for the future.\(^{54}\) The 2010 Marine retrograde from Iraq returned 25,000 Marines, 382,000 items of equipment, and 10,800 short tons of aviation support equipment.\(^{55}\) That retrograde reconstituted equipment at home stations and reduced the number of forces that were non-deployable because Marines lacked equipment for training.\(^{56}\) The next major concern for the Marine Corps is inventory of equipment that has pasted or will soon pass its end of life cycle usefulness. Aviation platforms, vehicles and communication equipment that are legacy assets are still in use, but are costly to maintain. Reducing costs in this area requires a review of force requirements because it is unlikely that all over aged equipment can be replaced.


\(^{55}\) Ibid, 7.

\(^{56}\) Ibid, 7.
The Marine Corps argue that the F-35B JSF and MV-22 Osprey are vital to achieving its vision statement. In the 2011 report to Congress, General Amos said,

> The capability inherent in a short take-off vertical landings (STOVL) jet facilitates our maneuver warfare doctrine and fills our need for close air support in the many austere conditions and locations where we will likely operate in the future.⁵⁷

Aircraft such as these are central to the Marine vision of longer range, higher-paced operations, and operable from austere airstrips. However, a counter to the Marine argument is the argument that capability has not been critical in the current wars. The report by The Sustainable Defense Task Force from June 2011 provides numerous reasons why aviation platforms like the F-35B and MV-22 are not a requirement for future wars. Moreover, the technological complexities of STOVL type aircraft make them the most difficult and dangerous of all U.S. aircraft. In the last 30 years, more than 45 Marines have lost their lives in non-combat accidents in Harriers.⁵⁸

Stopping procurement of these aircraft and replacing them with a mix of attack helicopters and Unmanned Aerial Vehicles (UAVs) provides a greater array of capabilities, thus allowing a greater variety of employment options.

The Sustainable Defense Task Force thinks the Marine Corps can save the DOD nearly $10 billion from 2011 to 2020 if they cancel or delay the F-35B and MV-22 programs.⁵⁹ The challenge with funding these aviation platforms comes down to costs. The DOD might think about stopping these aircraft programs for a few years until it makes better economic sense. The question the Services and DOD must ask themselves is will reducing the number of MV-22 Osprey and F-35B JSF jeopardize the nation’s ability to win tomorrow’s war? The United States military maintains air supremacy, so there is no immediate need to build such expensive platforms. The Marine Corps currently has 245 MV-22B Osprey. If it ended procurement in 2011, it could save $12 billion dollars over the next ten years. The Marine Corps is planning to

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⁵⁹ Ibid, 22.
purchase 420 F-35B JSF over the next 10 years to replace three legacy platforms (F-18 Hornets, AV-8 Harriers and E/A-6B Prowlers). The F-35B JSF costs $137 million dollars per aircraft, costing the Marine Corps over $57 billion dollars over the life of the program. It is not the right time to implement such radical changes when maintenance costs for current platforms are a fraction of the costs to procure new STOVL aircraft.

The Marine Corps’ ground mobility category has undergone significant changes since 9/11 because of the demand for armor, speed, and mobility. The Marine Corps’ investment in the Expeditionary Fighting Vehicle (EFV) is its most expensive ground program. The EFV is a ship to shore self-deploying, high-water speed, armored amphibious vehicle. The EFV will replace the 1972 Assault Amphibious Vehicle (AAV7A1) and can operate with main battle tanks on land, and can maneuver on sea. General Amos told Congress that the EFV, will help fill a current gap in littoral capabilities and support a waterborne assault capability the United States cannot live without-- assured access and forcible entry from the sea. General Amos went on to say “[the current AAV’s] are old and not properly equipped with guns that can counter the various threats troops could face during an opposed landing. The older AAV requires Navy vessels to be close to shore and exposed to more mine and anti-ship missile threats.” Each EFV costs $24 million and the Marine Corps is requesting 573 EFV’s, which is a cost of $9 billion dollars within the next ten years according to the Congressional Budget Office. The Marine Corps should cancel the EFV program and seek the development of an affordable and capable amphibious combat vehicle. Thus, major savings can be gained by cancelling the EFV program.

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60 Amos, Prepared remarks for the George P. Shultz lecture, 8.
61 Harrison, Analysis of the FY 2011 Defense Budget, 37.
63 Ibid, 2.
The savings gained by reducing aviation and ground support programs provide some risk to the Marine Corps. Understanding strategies and applying resources smartly are keys to finding the balance. Cancelling the aviation and ground mobility programs will save $78 billion dollars over the next 10 years. That is equivalent to the last three annual budgets for the Marine Corps alone. The cancellation, however, presents the loss of an over the horizon amphibious capability. The over the horizon capability would allow the Marine Corps to conduct an amphibious operation from 26 nautical miles off shore, thereby, protecting the ships and providing an element of surprise for the Marines. Instead, the Marine Corps can retain its current capability to conduct an over the horizon assault with rotary wing aircraft or a traditional amphibious assault using current fielded AAVs. Even with the proposed program reductions, the Marine Corps can still perform their core capabilities.

**Operations and Maintenance**

The third budget category that makes up a large part of the defense budget is the operations and maintenance (O&M) budget. The DOD O&M funding provides peacetime operations, training, and support to military forces around the world. O&M includes Overseas Contingency Operations (OCO) and service recruiting. The Marine O&M funding supports the total active Marine Corps Forces and its responsibility to train and maintain the operational forces at acceptable readiness levels. The Marine Corps’ O&M budget funds its missions, functions, activities, and facilities. Marine O&M funds do not fund requirements such as military personnel, family housing, O&M for Marine Corps Reserves and other functions supported by the naval appropriations. The major difference between how the DOD views O&M to that of the Marine Corps is that the Marines do not account for OCO funding as part of the O&M budget.

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66 Ibid, 1.
The Marine Corps considers OCO funding as costs to sustain operations, equipment and equipment replacement. Since 2001, Marine Corps equipment usage rates have increased seven-fold, greatly decreasing the projected lifespan of the gear. Marine Corps’ OCO funding for 2011 is $7 billion dollars and is part of the DON’s $18 billion dollar OCO account. The Marine Corps’ OCO funding replaces destroyed and worn out aircraft, vehicles and equipment. In Afghanistan the Marine OCO funding covers the costs of deployment, operations and sustainment of two regimental combat teams, a division-level headquarters unit, aviation operations, combat support, base support, transportation of personnel and equipment into theater, and associated enabling forces to Afghanistan. Until a reduction of military presence in Afghanistan occurs, there will be no significant reduction in OCO funding.

The sustainment capabilities in current wars continue to increase the funding for the O&M budget within the DOD. The Fiscal Year 2011 O&M funding makes up 46 percent of the overall DOD budget totaling over $317 million. This is an increase of over $200 million for all the Services, thus proving that sustainment costs continue to rise. The dramatic rise in O&M funding is due in part to the surge in Afghanistan and the need for an increasing presence around the world. To resource and assess O&M funding the Marine Corps divides its O&M into three categories: operational forces; training and recruitment; and administration and service.

**Marine Corps Operational Forces**

The operational forces are the heart of the Marine Corps. The Marines provide forward presence, crisis response and combat power to geographical combatant commanders (GCC).

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68 Ibid, 2-4
70 Ibid, 2-5.
When Marine forces are under operational control of a GCC, it assigns permanent Marine component to advise the GCC. There are three permanent combatant-level Marine components supporting all GCC’s: Marine Corps Forces Command (MARFORCOM), Marine Corps Forces Pacific (MARFORPAC), and Marine Corps Forces Special Operations Command (MARSOC). While under operational control of GCC the MAGTF will consist of an expeditionary force and a maritime prepositioning squadron that sustains the MAGTF. The Marine Corps’ operations and maintenance budget funds the MAGTF supporting a combatant commander. The Marine Corps’ O&M budget has grown substantially since combat operations started in 2001. In 2000, before the wars in Iraq and Afghanistan, Marine O&M funding totaled $2.8 billion dollars. Ten years later that cost rose to nearly $6 billion dollars. The primary reason for this growth is combat operations. A comparison study of 2000 and 2010 operational force costs reveals that 32 percent of the O&M funding went to the operational forces in 2000. In 2010, nearly 90 percent of O&M funding went to the operational force costs ($4.4 billion dollars). These statistics demonstrate that prolonged combat operations increase O&M costs and the only way to make a large reduction to the O&M budget is to close the war in Afghanistan.

A category that needs attention is infrastructure restoration and modernization programs funded by the Department of the Navy. The 2011 DON budget request contains $1.2 billion dollars for new construction and restoration programs. These building improvements support the Marine Corps end strength of 202,100 active Marines. The funding pays for permanent barracks, mess facilities, operation centers and training ranges. Marine restoration programs


74 Department of the Navy, FY 2010 Marine Corps Operations and Maintenance Budget Request, introduction page 2 of 4.

75 Department of the Navy, FY2011 Highlights book, 6-2.
include $56 million dollars to restore infrastructure at Marine Corps Air Station Yuma. The Marine Corps has also requested $18 million dollars from the DON to build a new child development center (CDC) in California at the Marine Corps Air Ground Combat Center. The major flaw in funding these programs is the Marine Corps is requesting additional funding for a force that will likely shrink to its 2005 levels of 185,000. The 202,100 Marines currently on active duty will not be the end strength in a post-Afghanistan Marine Corps. In February 2011, General Amos presented a report to Congress and said:

The drawdown of our active component from 202,100 to 186,800 must be conditions-based, and only after completion of our mission in Afghanistan. We must keep faith with our Marine Corps family by allowing appropriate time and support for those departing the force and to ensure the resiliency of our units still engaged in war. To reduce the size of the Marine Corps by 15 percent would alleviant the need to build new construction, thus saving additional costs to the DON budget.

Marine Corps’ O&M funding can be reduced, but not until two sequential events occur. First, the war in Afghanistan must subside so the Marine forces can withdraw. Second, a reduction in Marine Corps total end strength must be initiated if O&M costs are to be substantially reduced.

Recruitment and Specialized Training

The Marines are renowned for their recruitment posters and catch phrase “The few, the Proud, the Marines.” The recruitment efforts are the lifeblood of the organization. Each year the Marine Corps recruits and trains over 20,000 new Marines. In 2007, the Marine Corps more than doubled its recruitment and brought in 42,000 new Marines to meet the force requirement enacted by Congress in 2007. Between 2007 and 2010, the Grow the Force initiative increased the Marines Corps’ end strength by 27,000 Marines, astonishing the Marine leadership because they

did not expect to reach 202,000 until 2012. It was because of the increased O&M funding that
the Marine Corps could recruit and train the additional Marines. The 2008 recruitment and
training costs increased $205 million dollars, bringing the total to nearly $1 billion dollars.
Even with the end strength increase, the Marine Corps’ O&M funding has consistently been a
fourth of the Navy’s overall O&M funding, thus providing a model for savings that other Services
can apply.

The surge and change to end strength affected not only the Marine Corps, but also the
Army. In the 2008, the Congress Committee Report proposed a permanent increase to both the
Army and Marines. Congress authorized Army end strength of 547,000 and Marine end strength
to 202,100. Congress approved 17.5 billion dollars to fund the increase in manpower. These
actions increased the Army by 37,000 Soldiers to meet the demand of sustaining the wars in Iraq
and Afghanistan. Both Services combined increased the DOD end strength by 64,000 troops. Dan
Lamothe a writer for Marine Corps Times notes that if the Army and Marines would reverse their
combined troop increase they could save a combined $147 billion dollars over the next ten
years. Implementing savings such as these would have second and third order effects driving
down other aspects of the defense budget. The reductions laid out by Mr. Lamothe would cut the
Services costs in all categories of their respective budgets by reducing costs of personnel,
procurement, operations and maintenance, and military construction.

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80 Department of the Navy. *FY 2008/09 Marine Corps Operations and Maintenance Budget
11, 2007), http://thomas.loc.gov/cgi-bin/bdquery/D?d110:1:.//temp/~bdTnf6::/home/LegislativeData.php?n=BSS;c=110, (accessed March 14,
2011).
82 Dan Lamothe, “Drastic cuts outlined in think tank report,” *Marine Corps Times,* July 13, 2010,
Cutting O&M funding during wartime comes with great risk to DOD. The military might lose the war because of budget shortfalls. To mitigate the risk of losing a war because of resource shortfalls, the Services must establish a planning timeline that slowly reduces their end strengths. The Marine Corps is urging Congress not to decrease end strength until their mission is complete in Afghanistan. The challenge is defining what constitutes mission accomplishment. The conditions for mission success must align with a status of forces agreement (SOFA) between Afghanistan and the U.S. As of March 2011, a SOFA does not exist between U.S. and Afghanistan. In February 2011, some members of Congress proposed a SOFA that has not yet passed and does not define mission accomplishment. Instead, it focuses on the withdrawal of U.S. military forces within one year upon signing a SOFA.  

Another savings the Marine Corps would realize if it reduced the force by 15 percent is savings in recruitment and specialized training. The reduction in end strength would lessen the need for recruitment and specialized training. A reduction would decrease funding for training, equipment and operating costs. A 2007 Congressional Budget Office report projected an increase of $32 billion for the Marine Corps to grow the force by 27,000 from 2007 to 2013. The CBO report accounts for an increase of 5,000 Marines each year from 2007 to 2011. The yearly increase of Marines adds additional funding to the O&M budget in areas of recruitment, training and equipment operating costs. The CBO concluded that $6 billion dollars is needed to fund the

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84 Congressional Budget Office, “Estimated Cost of the Administration’s Proposal to Increase the Army’s and the Marine Corps’ Personnel Levels,”10.
cost over 5 years to meet the costs for recruiting, training and equipping 27,000 Marines.85 This makes the cost to increase the Marine Corps’ end strength from 2007 to 2011 over $1 billion a year to recruit, train and equip. In 2004, before the increase in Marine Corps’ end strength, the Marines recruited 30,618.86 To meet the requirement of an increased end strength the Marine Corps started to grow the force and in 2007 recruited 37,991 Marines.87 This increase not only cost more money, but also increased the need for a larger recruiter base and created requirements to bring more civilians into the Marine Corps. If the Marine Corps can reduce its current end strength to below 185,000, it will negate the need to increase funding for recruitment and decrease recruitment by approximately 5,000 Marines a year.

A comparison between the 2011 and 2006 Marine Corps’ total budget best illustrates the savings that are achievable. The 2011 Marine Corps fiscal budget calls for $27 billion dollars to maintain the end strength of 202,100. In 2006, Marines had been operating in Iraq for five years and spent $19 billion dollars to sustain a force of 178,500.88 These costs prove that a decrease in Marine end strength leads to savings in O&M funding. To analyze savings from another perspective, the costs of improvements in clothing and personal protective equipment have risen 600 percent over the last 10 years. In 2000, it cost the Marine Corps $1,200 dollars per Marine to outfit the force with equipment. By 2010, those costs had risen to $7,000 dollars per Marine.89 Reducing the Marine total force by 27,000 would save $189 million dollars in equipment costs. A

85 Congressional Budget Office, “Estimated Cost of the Administration’s Proposal to Increase the Army’s and the Marine Corps’ Personnel Levels,”14.
89 Lieutenant General George J. Flynn, "What I was Thinking," (Speech, Command and General Staff College, Fort Leavenworth, Kansas, March 11, 2011.)
troop reduction would also decrease the requirement for enablers within a MAGTF. Decreasing
the Marine Corps by the size of three battalions would lower the requirement for Navy corpsmen
(medics) to support the Marine Corps in both combat and garrison. ⁹⁰

**Marine Corps Special Support Programs**

Each successful organization relies on their headquarters to provide guidance, funding
and oversight to conduct business. The Marine Corps is no different. The Marine Corps
headquarter costs are part of the special support programs. Special support programs are a sub-
category of programs found within O&M budget. Special support programs are those ‘behind-
the-scene’ programs that keep the entire Marine Corps functioning through funding policies and
programs. Special support program funding supports manpower, intelligence, logistics, aviation,
financial management, telecommunications, data automation, reserve affairs and operational
readiness matters. ⁹¹ Marine special support program costs fall into six categories: civilian
personnel salaries, working capital fund reimbursements, automated data processing, printing and
reproduction, and travel for military and civilian personnel. ⁹² These categories provide the
Marine Corps with a balanced approach to funding and operating the corporate side of the Marine
Corps. Special support programs are vital because they fund Marine Corps’ administration
matters and distribute headquarters guidance to all subordinate commands. It is important to note
that the Marine Corps has taken steps to reduce its special support programs, in fiscal year 2008,
The Marine Corps spent nearly a million dollars compared to only $371,000 dollars in 2010. ⁹³
The spike in costs represents the expense-incurred incident to the Grow the Force initiate.

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⁹² Ibid, 150.
Although the overall special support program budget is small, savings are still achievable. A few special support programs that require mentioning are the Marine Security Guard School, Pentagon support, and DFAS reimbursements. In 2010, these programs consumed $170 million of the $299 million special support program budget. The remaining $129 million dollars was spent on civilian salaries and other administration support costs. To break the costs down even further, the Marine Corps pays $17.2 million dollars for Pentagon rent, $9.6 million dollars for DFAS finance services and $21.9 million for USTRANSCOM transportation activities.

Reducing the Marine Corps’ total end strength translates to fewer contractor support and civilian employees. The civilian workforce assists the Marine Corps in all six of its special support programs and is significant in maintaining the force. In 2006, the Marine Corps spent $57 million dollars on civilian employees. This cost on civilian employees has grown by 50 percent to $105 million dollars in 2010. If the Marine Corps can reduce civilian employee numbers to the 2006 level in special supporting programs, it will have the opportunity to save nearly $50 million dollars. The Marine Corps reduction in civilian employees is a sound example for other services to follow. If the entire DOD followed this plan, it would translate to a large DOD budget reduction.

**Conclusion**

The proposed Marine Corps’ budget reductions illustrate the most efficient way the Department of Navy can reduce expenses across the Marine Corps. Focusing on reducing the Marine total end strength, cutting procurement and research costs, and decreasing operations and

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95 Ibid, 10.


maintenance are critical budgetary categories where reductions can assist, with lowering the defense budget. A reduction in three spending areas must occur if the Marine Corps is going to make any respectable impact on the defense budget. First, the Marine Corps must absorb a 15 percent troop reduction bringing its total end strength back below 185,000 a number not seen since before 9/11. Second, the Marine Corps must reduce procurement and research funding by cutting unnecessary and costly programs. Lastly, The Marine Corps must re-prioritize operations and maintenance costs by reducing special support programs. The reductions laid out will not impede the Marine Corps from accomplishing its vision or providing core capabilities. In addition, these reductions are examples that all Services can emulate, thus reducing the budget for the entire defense department.

The preponderance of the Marine Corps budget is made up of manpower, procurement and research, and operations and maintenance budgets. Examining these budgetary components of the Marine Corps indicates numerous funding areas where more reductions are necessary. The first major reduction is reducing Marine Corps’ manpower in both service members and civilian Marines. Reducing the Marines end strength by 27,000 is achievable and the most effective way to make noteworthy cost reductions. Looking at the historical perspective it is obvious that the Marine Corps’ has overcome numerous fluctuations in its end strength. In 1969, during the height of the Vietnam War, the Marines end strength was 309,771 and ten years later, the Marine Corps was reduced by 40 percent. In 1999, the Marine Corps experienced a Service record low with an end strength of only 171,154. These Service fluctuations occurred after major combat operations or the end of the Cold War, thus the Marine Corps must forecast its end strength reductions either during operations in Afghanistan or immediately after the war.

99 Ibid.
The second major Marine budget that requires reductions is procurement and research. The Marine Corps’ requirement for tanks, aircraft and amphibious vehicles make it unique among the other Services, but also ripe for additional cost reductions. Recommendations for cutting aviation and ground mobility programs are the key to reducing costs to the Marine procurement and research budget. Reducing or cancelling the procurement of the MV-22B Osprey and F-35B Joint Strike Fighter are programs that could save billions of dollars for the defense budget right now. These aviation programs are to replace legacy platforms that have been in the Marine inventory over 30 years, but the programs are expensive during a time of economic challenges facing the nation. Another program that deserves mention is the Expeditionary Fighting Vehicle. This ground mobility platform has been in the research and testing phase for over a decade. If the Marine Corps would cancel the program and maintain the current Assault Amphibious Vehicle (AAV), it can save over $9 billion dollars in the next 10 years.

Lastly, the Marine Corps’ operations and maintenance budget must take on additional reductions to have a positive impact on saving money. The Marine Corps 2011 budget accounts for nearly 22 percent for O&M funding. The O&M budget category is difficult to reduce because it entails areas such as recruitment, specialized training and support funding that are essential to keep the Marine Corps operating. However, there are areas within the Marine O&M funding in which reductions are possible without putting the Marine Corps’ missions at risk. Reducing the end strength of the Marine Corps provides an additional benefit because it decreases the need for recruiting, training and special support programs. Together these reductions would build efficiencies in command and control and save hundreds of millions of dollars annually in recruitment and training costs.

Each Service within the DOD must do its part to reduce the defense budget. The United States economic prosperity is at a volatile state because of rising debt, outlandish spending and department demands. Even during wartime, each department must spend taxpayers’ money wisely and try to decrease its respective funding. Examining the effectiveness of the Marine
Corps’ budget identifies areas that the DOD can exploit and implement department wide reductions. The largest risk is reducing manpower during war. It is possible to reduce manpower concurrently in war, as seen during Desert Storm, but must be based on operational conditions. The reduction of other budgetary categories is attainable, but will take time to implement. The example of the Marine Corps provides a road map that other Services can follow to reduce manpower, procurement and research, and operations and maintenance budgets.
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