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The Marine Corps Budget and Contingency Operations: Is the Funding Adequate to the Mission?

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The end of the Cold War has led to significant downsizing in the United States military establishment. The American people, through their elected representatives in the Congress, are seeking to realize a "Peace Dividend" as a result of the perceived lack of a threat in the world. Defense spending is lower than at any time since the latter years of the Carter Administration, and projected to decline further.

But as Department of Defense appropriations decline, U.S. military forces have been used in combat, peacekeeping, humanitarian, and disaster relief operations at an increasing rate. The Marine Corps alone has been involved in thirteen separate major operations since the fall of the Berlin Wall.

This study examines the Marine Corps' participation in three operations since 1989 and examines the manner in which those operations were funded. When such operations are funded below the level of their eventual cost, the Marine Corps must pay for them, at least initially, by withdrawing funding from other areas of its budget. This study examines the effects on the future combat readiness of the Marine Corps which have resulted from the inadequate funding of the missions assigned.

Marine Corps, Defense Budget, OPERATION SHARP EDGE, OPERATION SEA ANGEL, OPERATION RESTORE HOPE, Maritime Preposition, Operation & Maintenance, Procurement, Combat Readiness, HOLLOW FORCE, Peace Dividend

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MARINE CORPS BUDGET AND CONTINGENCY OPERATIONS: IS THE FUNDING ADEQUATE FOR THE MISSIONS?

A thesis presented to the Faculty of the U.S. Army Command and General Staff College in partial fulfillment of the requirements for the degree

MASTER OF MILITARY ART AND SCIENCE

by

JOSEPH M. FLYNN, LCDR, USN
B.A., Northeastern University, Boston, Massachusetts, 1977

Fort Leavenworth, Kansas
1994

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ABSTRACT

THE MARINE CORPS BUDGET AND CONTINGENCY OPERATIONS: IS THE FUNDING ADEQUATE TO THE MISSION? by LCDR Joseph M. Flynn, USN, 103 pages.

The end of the Cold War has led to significant downsizing in the United States military establishment. The American people, through their elected representatives in the Congress, are seeking to realize a "Peace Dividend" as a result of the perceived lack of a threat in the world. Defense spending is lower than at any time since the latter years of the Carter Administration, and projected to decline further.

But as Department of Defense appropriations decline, U.S. military forces have been used in combat, peacekeeping, humanitarian, and disaster relief operations at an increasing rate. The Marine Corps alone has been involved in thirteen separate major operations since the fall of the Berlin Wall.

This study examines the Marine Corps' participation in three separate operations since 1989 and examines the manner in which those operations were funded. When such operations are funded below the level of their eventual cost, the Marine Corps must pay for them, at least initially, by withdrawing funding from other areas of its budget. This study examines the effects on the future combat readiness of the Marine Corps which have resulted from the inadequate funding of the missions assigned.

ACKNOWLEDGEMENTS

I am grateful to many people for their assistance in the preparation of this thesis. I greatly appreciate the enthusiasm, guidance, and motivation I received from my association with LTC Bill Knoch, my research committee chairman. He kept me focused on the task when I most needed his help. Mr. Robert Walz and Dr. Ronald Cuny, the remaining members of my committee, also provided their expertise and guidance generously. Carol Ramkey, Research Librarian at the Combined Arms Research Library at Fort Leavenworth made the task of delving through the multitudinous data available on the defense budget almost simple. I am particularly grateful to Captain Don Moore, USMC, of Headquarters, Marine Corps, who spent a considerable portion of his own time helping find and facsimile the data I sought on the Marine Corps budget. Also, Major Bob Weidower, USMC, of the Marine Corps Combat Development Command was most helpful locating and forwarding reports from the Marine Corps Lessons Learned System. Finally, I wish to thank my family, Sarah, Joe, and Jimmy for their assistance, consideration, and patience during the preparation of this thesis.

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CHAPTER 1

INTRODUCTION

Since the close of the Cold War and the fall of the Berlin Wall, the United States has committed military forces to major combat operations in Panama and the Persian Gulf as well as numerous peacekeeping, humanitarian, and disaster relief operations all over the globe. These operations are of a type which cannot typically be foreseen by the budgetary process. Even when foreseen, they often exceed what has been anticipated in both scope and duration, causing the services to re-allocate funds budgeted for other purposes. When these re-allocations come from accounts used to fund combat readiness, future readiness can be adversely affected.

The end of the Cold War, like the end of most wars, has also fostered a fundamental shift in the funding priorities of the Congress and the Clinton Administration. The free-spending days of the Reagan Administration, when military spending doubled from $131 billion in 1980 to $265 billion in 1986, are over.[1] With the lack of an aggressive Communist threat and the apparent end to the nuclear arms race, politicians are actively searching for the "Peace Dividend."

The search for the peace dividend seems naturally to focus on the appropriations of the Department of Defense (DOD). The DOD budget has traditionally been a likely target for politicians, in part due to the fact that it is one of the few areas of the total federal appropriation which is "controllable." That is to say that no law requires the Congress to spend a particular amount on defense, while the majority of the federal budget is now made up of entitlement programs, such as Social Security, whose payments are mandated by law. While some parts of the DOD budget, such as military retirement pay, are mandated, approximately 70 percent of the DOD budget is "controllable."[2]

The Congress is actively seeking ways to reduce the overall level of defense spending. Senator Sam Nunn, (D-GA) Chairman of the Senate Armed Services Committee, has endorsed a plan to reduce DOD outlays by $180-$190 billion in the five year period from 1991-1995.[3]

Likewise, President Clinton campaigned for the Presidency on the premise that he would make a serious effort to reduce the federal deficit, in part through reduced defense spending.

Commitment of U.S. Forces

But, despite his campaign promises to reduce defense appropriations, President Clinton has not been reluctant to commit U.S. forces to combat, peacekeeping, and humanitarian

operations around the globe. Political upheaval, natural disasters, and famine continue to demand the level of response only the United States can provide.

A historical comparison of current Clinton Administration policy with the post-World War II Truman Administration is disturbing. President Truman did not see the relationship between foreign policy and military force structure. While involving the United States in a policy of confrontation with the Communist Bloc, Truman allowed U.S. military capability to decline through budget cuts and force reductions. The result, of course, was the near-disaster of the initial months of the Korean War. In an article in the Military Review, which won the 1993 Douglas MacArthur Military Leadership Writing Award, Major Marcus A. Kuiper said:

> Today, there is a similar lack of congruence between our foreign policy and defense policy... the United States currently appears to be expanding, rather than scaling back its global commitments. Once again we seem to be headed for an interventionist foreign policy supported by an isolationist military force structure.[4]

Indeed, the rate of commitment of U.S. forces overseas appears to be increasing rather than abating in the post Cold War era. Since 1991, the U.S. Marine Corps alone has responded to crises and natural disasters in Liberia, Somalia (twice), Iraq, Bangladesh, the Philippines, Micronesia, Guam, Cuba, Hawaii, Florida, and California as well as the commitment of two full Marine divisions and Marine air wings to combat operations in the Persian Gulf

and Saudi Arabia, and Kuwait during Operation Desert Shield/Desert Storm.[5]

While the White House and the Congress are intent upon reducing defense expenditures, neither seems to have given serious thought to the effects of increased operational tempo (OPTEMPO) in a period of diminishing resources. The rate of recent commitment of U.S. forces, however, has apparently moderated the views of former Secretary of Defense Les Aspin. Mr. Aspin recently recommended that the Clinton Administration maintain a twelve-carrier Navy instead of the level of ten carriers he had previously recommended for the new force structure of the 1990's.[6]

Former Secretary Aspin's recommendation was made in view of the formal treaty commitments which require the presence of U.S. carriers, the prospects for additional contingency operations, and the need to keep the Navy's OPTEMPO at a reasonable level. With no reduction in the Navy's operational commitments, reducing the number of carriers will result in longer deployments with less time between them for maintenance and training. Such a situation will almost certainly lead to an adverse affect on personnel retention and combat readiness.

While the Navy's carrier commitments have not diminished, the Army and Air Force are in the midst of substantial force reductions in Europe and elsewhere.

Additionally, foreign base closures around the world will make future U.S. response to contingencies more difficult.

While the Clinton Administration has indicated that a reduced force structure and lower defense spending are desirable, there is no doubt that it intends to remain engaged in global events. The National Military Strategy of the United States stresses that forward presence remains one of the cornerstones of the strategy. The National Security Strategy of 1993 acknowledges that the United States is the only nation in the world capable of influencing events on an international scale, but to do so requires the maintenance of the "most capable, best-equipped, and best-led military in the world."[7]

The National Military Strategy further states that the United States must maintain the ability to project decisive combat power to Europe, Asia, or the Middle East to protect national interests. Reducing military appropriations while maintaining, or increasing, military commitments can only lead to problems somewhere, whether in combat readiness, procurement, or the maintenance and modernization of existing combat systems. This thesis identifies some of the areas where transfers have led to decreased readiness.

In fact, the use of U.S. military forces in peacekeeping, humanitarian, and disaster relief may in itself be reducing combat readiness. The 1993 Joint

Military Net Assessment, the Secretary of Defense's annual report to the Congress on the capabilities of the U.S. military indicated that there was a possibility that troops employed in such activities may not be fully prepared for combat. This is due to the fact that regular training cannot be accomplished and the material condition of combat-essential equipment may deteriorate while in use in the peacekeeping, humanitarian, and disaster relief roles.[8]

So, while the search for the peace dividend continues in the White House and the Congress, continued involvement of U.S. forces in contingency operations abroad also appear likely. These operations are not foreseen or inadequately funded in the budgetary process.

Paying For Contingency Operations

The result of not budgeting sufficient funds to pay for contingency operations is that the services involved are forced to pay for them with funds appropriated for other purposes. These funds are sometimes reimbursed through supplemental appropriations from the Congress, but even when they are, the time lag between the original expense and the reimbursement often causes the services significant cash flow problems.[9] Additionally, such supplemental appropriations often are granted as re-programming actions, taking funds already appropriated for other purposes.

This thesis focuses on the effects of the current budgetary process on the future combat readiness of the U.S.

Marine Corps. While the Marine Corps is a unique branch of the U.S. military, the effects of the budgetary process on its readiness will be more or less shared by the other services. While the other services certainly have similar problems, the size of the Marine Corps magnifies the impact of relatively small amounts of budgetary shortfall and best illustrates the problem.

The prime source for these re-allocations within the service's budgets are the Operations and Maintenance (O&M) accounts used to fund normal, scheduled activities such as flying hour programs, operational training, scheduled maintenance of major equipment, ship and aircraft overhaul, and the salaries of civilian employees. When funds are diverted from these accounts, overhauls are delayed, shortened, or cancelled. While most of the equipment will continue to function, the probabilities of failure in combat and decreased service life are increased.

This thesis also considers possible fund transfers from other services to cover the cost of Marine Corps contingencies, but will not consider the possible cost to other services in diminished readiness. I have left that area for others to persue.

This thesis examines how the budget process allocates money to the services for contingency operations, with the focus on the Marine Corps. I addressed as the primary research question: Does the budget process allow

the United States Marine Corps to adequately and effectively fund contingency operations? I determined if funding is adequate by the amount of money the Marine Corps receives in its budget compared with the amount of money it has been required to spend on the contingency operations it has been directed to participate in.

I considered the effectiveness of the budgetary process by determining the effects of that process on future combat readiness. If the current method of funding has a detrimental effect on future combat readiness, I considered it ineffective.

Secondary Reasearch Questions

Some of the secondary research questions are: What are the key elements of combat readiness with respect to the Marine Corps? How does the Defense Department budget provide for contingency operations? How are contingency operations normally funded? How does the Marine Corps deal with these operations financially? Where does the Marine Corps get money to pay for operations which are inadequately funded? What effects result when funds appropriated for one program are required to sustain operations? I examined three separate Marine Corps operations to determine how they were funded, and their effects on future readiness.

The importance of these questions and the implications of their answers may be difficult to appreciate so soon after the successful war in the Persian Gulf. It

appears that the United States has a massive and combat-ready military machine. The results of that war indicate that certainly was the case. But combat readiness is a perishable commodity if the resources which contribute to that readiness are withdrawn and used elsewhere.

Components of Readiness

Some of the critical components of combat readiness are training, personnel, and material condition of major combat equipment. These are some of the most obvious areas affected by funds re-directed from the Operations and Maintenance accounts. Funds set aside for future training and maintenance are ready sources of funds needed to pay for operations which exceed budgetary authority. When funds intended for major training exercises are used elsewhere, the events must be altered or cancelled with the opportunity to complete the exercises at a later date dependent upon the unit's availability.

Ammunition shortages are also contributing to diminished training opportunities for marines. Weapons system proficiency is critical to combat readiness. Combat units must have the ammunition to allow for live-fire training to build real proficiency. Additionally, the services must have sufficient quantities of ammunition in stockpiles for use in wartime. If a choice must be made between one or the other, the wartime stockpile will receive priority to the detriment of weapons system proficiency. In

the personnel area, the Marine Corps has been growing smaller while its commitments have been increasing. One of the classic problems with downsizing any organization is attempting to do the same job with fewer people. But real problems occur when trying to accomplish more while reducing manpower simultaneously.

With fewer marines to man the infantry units, and the prospects for time away from home and families increasing, its easy to see that the Marine Corps may soon be dealing with a retention problem of personnel who might otherwise be career oriented.

The major equipment maintenance portion of the Operation and Maintenance accounts is perhaps the easiest place to borrow funds but has the most insidious effect on future combat readiness.

The overhaul of combat equipment is critical to its ability to do its job in combat. Just as with civilian automobiles, combat equipment (aircraft, aircraft engines, missiles, and combat vehicles, etc.) require periodic maintenance. This is more critical for combat equipment due to the way it is used, almost always under harsh conditions and occasionally under hostile fire. But deferring maintenance of equipment not yet broken has long been a way to save money in military budgets. When overhaul periods are shortened, deferred, or cancelled, the military services can use the funds saved to pay for current operations.

Throughout history, politicians have inaccurately predicted the future requirements for military readiness. They tend to assume the world will be the way they desire it to be, according to their political points of view. British Prime Minister William Pitt, speaking before the House of Commons in 1792 said:

> Unquestionably, there never was a time in the history of this country when, from the situation in Europe, we might more reasonably expect 15 years of peace than we may at the present moment.

These words were spoken only one year before the French Revolution and the rise of Napoleon plunged Europe into more than twenty years of continuous warfare.[10] Politcians seem inclined to expect what they want the future to be like rather than what history indicates has occurred to nations unprepared to defend themselves. The ample historical examples of the effects of reduced combat readiness should provide the reasons for political attention in this critical area. The results of poor readiness to fight are always the same: initial defeat in battle with the coincident loss of American lives.

Assumptions

I shall proceed with my work on this thesis with several underlying assumptions. First, while the world no longer has to contend with two ideologically opposed and contentious nuclear superpowers, regional rivalries based on nationalistic, religious, racial, or ethnic differences

abound. These rivalries, in many cases no longer inhibited by one of the superpowers, will continue to present situations which may require U.S. participation. In addition, the United States is the only power in the world capable of responding to some of the worst natural disaters throughout the world. No other nation has the resources and the will to provide the assistance needed for such operations.

My second assumption is that political pressure for the peace dividend will increase. No American president can have it both ways though. If the president intends that the United States continue to exert influence throughout the world while safeguarding U.S. interests, he will have to either fund the military adequately, or run it into the ground.

My third assumption is that the commitment of U.S. forces will not diminish, resulting in the problem stated in the previous paragraph. The question remains: Does the current budgetary process allow for such operations without "hollowing" the rest of the force?

My final assumption is that the United States Marine Corps will continue to respond to national tasking in the manner it has always responded in the shifting political winds. It will "make do" with the same "can do" attitude it has demonstrated for the last 219 years. It will do what it is ordered to do to the best of its ability. If it must

sacrifice future capability to accomplish today's mission, it will.

While this thesis focuses on the effects of the current budgetary process on the future combat readiness of the Marine Corps, the conclusions derived will certainly be applicable to all the services. Particularly in the Goldwater/Nichols age of joint operations, the effects on the Marine Corps will be felt more or less similarly by all the services. The Marine Corps, as our smallest service and "First to Fight" will illustrate the effects of contingency operations on future combat readiness better than any other service.

This thesis does not consider the participation of other services in peacekeeping, humanitarian, or disaster relief operations, or the effects of the budgetary process on them. While all the services have engaged in peacekeeping and humanitarian operations in the post-Cold War world, this thesis only considers the Marine Corps' participation. The effects of these operations on the other services are beyond the scope of this thesis. Again, I have left the investigation of the effects on the other services for others to pursue.

While this thesis discusses the three operations cited above, it covers the actual operations only superficially. I concentrated on the manner in which the Marine Corps funded these operations to determine if the

budgetary process is adequate to the tasking assigned, and the effects on future combat readiness.

Will the American people, through their elected representatives, keep faith with the Marine Corps and provide the people, training, and combat equipment necessary to accomplish the missions they assign? Ultimately, the people, through their elected representatives, will get exactly what they are willing to pay for.

CHAPTER 2

LITERATURE REVIEW

The literature relevant to the subject of the Department of Defense budgeting process and the manner of funding Marine Corps contingency operations fall into five broad categories. Those categories are: first, background information on the Planning, Programming, and Budgeting System (PPBS); second, government publications addressing the National Security Strategy, the National Military Strategy, and the strategies and policies of the services; third, recent scholarly work from military post-graduate institutions on the budget process and military readiness; fourth, the Congressional Record of legislative debate, testimony, and action on military appropriation bills; the records of financial transactions and fund transfers to pay for the contingency operations examined. These records were sought through the Headquarters, Marine Corps and various operational commands. Finally, recent newspaper and periodical articles relating to the budget process and Marine Corps operations contributed to the historical framework of the thesis.

In order to lay the foundation for this thesis, I investigated the budgeting process, the Planning,

Programming, and Budgeting System and determine how it funds contingency operations. Some of the basic works providing an introduction to this process are Command and General Staff College (CGSC) Student Text 25-2, Army Resource Management, and Armed Forces Staff College Publication 1, The Joint Staff Officers Guide, each of which give excellent introductions to the budgeting process.

More depth becomes available from The United States Defense Budget, a short book by Lawrence J. Korb. Professor Korb, a political scientist and historian, has served as a consultant to the National Security Council and the Office of the Secretary of Defense, and is an established authority on the defense budget. In his book, Professor Korb briefly describes the budget process and gives some excellent definitions of terms used in Chapter One of this thesis.

No discussion of the PPBS budgeting process would be complete without reference to its originator, Robert McNamara. McNamara, who instituted PPBS as President Kennedy's Secretary of Defense (SECDEF), describes the reasons for implementing the new system in his memoir of his time as a cabinet secretary, The Essence of Security. His book describes the budgetary system prior to his arrival as one where each of the services produced a budget without regard to the other services programs resulting in enormous waste and redundancy in procurement of new weapon systems. McNamara's intention was to unify the budget process so that

the Department of Defense would fund programs rather than the individual services.

Thus, strategic missiles for all services would be funded through the same budget account instead of the Navy developing and buying submarine launched missiles and the Air Force doing the same for ground launched ballistic missiles. McNamara wanted to introduce a reasonable, goal-oriented approach to funding the Department of Defense and to centralize the fiscal power of the department in the hands of the civilian side of the department.

Michael D. Hobkirk comments on the McNamara years and programs in his The Politics of Defense Budgeting where he compared the budgeting processes of the United States and the United Kingdom. Hobkirk contends that the PPBS was necessary when it was instituted but finds fault with what he terms McNamara's "one man show" as Secretary of Defense. He contends that McNamara's system was too centralized and did not allow for conflicting or alternative viewpoints.

The role of the Secretary of Defense in the budgeting process is also taken to task by Robert P. Meehan in a National Security Essay published in 1985 entitled Plans, Programs, and Defense Budgets. Meehan, then an Air Force colonel, found that the program established by McNamara in the 1960's was not working because subsequent Secretaries of Defense had failed to provide clearly defined security objectives to the services for their budget preparation.

In Planning, Programming, and Budgeting: A Systems Approach, Fremont Lynden and Ernest Miller have edited a collection of essays evaluating the progress of the PPBS. Published in 1968, the editors had only the first several years of the PPBS process to evaluate, but describe how the departments of government arrive at the programs they seek to fund to accomplish their assigned missions and responsibilities. They further describe the evaluation of budget programs with regard to the degree to which they accomplish their intended goals, the systems analysis phase of the process.

Another collection of essays, this one edited by Albert Hyde and Jay Schafritz entitled Government Budgeting, introduces the political influences which have such an obvious affect on the defense budgets. Hyde and Schafritz forward the view that there are no new budgeting systems, only variations of older methods which continue to evolve.

Continuing with the political influence on the budget process, Allen Schick focuses on legislative behavior and the effects of those legislative activities on the budget in his book Congress and Money: Budgeting, Spending, and Taxing.

Senator Sam Nunn,(D-GA), presents his views on the defense budgets of the 1990's in a collection of his speeches published by the Center for Strategic and International Studies and entitled Nunn 1990, A New Military

Strategy. Senator Nunn, who as the Chairman of the Senate Armed Services Committee since 1987, is universally recognized as the dominant force in the senate on defense matters because of his in-depth knowledge of the subject. Nunn indicates that defense budgets of the 1990's will indeed be smaller than those of the previous decade, but that the reductions now in work would not be so painful if the spending of the 1980's had not been so profligate.

Nunn contends that programs begun in the Reagan years called for unrealistic funding in their outyears. Now that the outyears have arrived without a Communist threat, budget cuts are decimating those programs.

With the end of the Cold War and the reductions in defense spending, the congressional Office of Technology Assessment has published After the Cold War: Living with Lower Defense Spending. This study addresses how the defense establishment will be reduced and the effects on the ability of the civilian industrial base to meet the requirements of reconstituting a larger military force in the future.

In the Politics of Resource Allocation in the United States Department of Defense, Alex Mintz, former Assistant Secretary of Defense, compares the American system of defense budgeting with those of other nations. Mintz questions whether the vast amount spent on defense in recent years has really purchased any more security for the United

States. He further indicates that defense appropriations are at the whim the political process in that defense spending tends to increase prior to presidential elections and decline after an election.

He also contends that Democratic administrations tend to spend more on defense and Republican administrations less. He offers as evidence the Kennedy and Johnson Administrations defense increases as well as the latter portion of the Carter Administration while the Nixon and Ford Administrations reduced their defense expenditures. Published in 1988, Mintz' work does acknowledge that the Reagan Administration broke this mold during the 1980's. Mr. Mintz further contends that the strength of the Soviet threat has always had an overriding effect on U.S. defense spending, which becomes significant in light of the current state of that threat.

Murray Weidenbaum, former Chairman of the President's Council of Economic Advisors, considers the question of maintaining a viable national defense in an era of budgetary restrictions in Small Wars, Big Defense. He finds the usual trend of massive reductions followed by massive increases, the feast or famine budgeting process, to be wasteful. He believes that a steady state of military force structure would reduce the waste generated by the constant ebb and flow of resources dedicated to national defense.

The feast or famine concept in military budgeting is also considered in Major Marcus Kuiper's award-winning article in Military Review, "Return of the Hollow Army." Major Kuiper, who was the 1993 Douglas MacArthur Military Leadership Writing Award recipient for this article, focuses on the poor combat readiness of the U.S. Army at the beginning of the Korean War resulting from budget cuts and force reductions following World War II. He also advocates a steady state for U.S. military force structure to avoid the feast or famine approach the United States has historically employed.

The second broad area of literature applicable to this thesis is the government publications which provide some guidance on the National Security Strategy, the National Military Strategy, and the status of the U.S. military as discussed in the Joint Military Net Assessment.

The National Security Strategy is a document published annually by the White House which identifies the national interests and objectives of U.S. policy. The use of military power is only part of the National Security Strategy as all the elements of national power are considered for achieving national interests and goals. The National Military Strategy, published annually by the Joint Chiefs of Staff, considers how the military establishment will contribute to the achievement of U.S. interests and goals. The Joint Military Net Assessment is the Secretary

of Defense's annual report to the Congress in which he reports on the capabilities of the armed forces relative to the threats to U.S. interest in the world.

These publications provide information on what the government officially states as its policies, interests, goals, and capabilities. I compared what the government has published as its policies with the manner in which it funds the organizations (the Marine Corps) which carry out those policies to determine if those policies are consistent with appropriations.

The third broad category of relevant literature is recent scholarly work on the budget process from military postgraduate schools. Four recent master's theses on the defense budgetary process and a lengthy report from Senator John McCain (R-AZ) fit nicely into this category.

In "Reconstituting National Defense: The New U.S. National Security Strategy," a thesis by J.J. Tritten from the Naval Postgraduate School, examines the so-called base force, the military establishment after the current reductions are complete. He discusses reconstitution, how the force will be built up again in the event of future crises. He identifies the Congress as one of the major "stress points" in the new defense plan.

A Master's thesis by H.H. Haynes, again from the Naval Postgraduate School entitled "Planning, Programming, and Budgeting System (PPBS) Budgeting Review and

Congressional Action," examines the role of Navy financial managers in the federal budget process with the intention of providing a basis for working knowledge of the system for newly reporting Navy Comptroller.

A master's thesis from the U.S. Air Force Institute of Technology by S.D. Vessey entitled "Exploratory Study of Analysis at the Joint Staff J-8 Directorate," examines the internal and external work environments of the J-8 staff in the preparation of the Joint Chiefs of Staff input to the Planning, Programming, and Budgeting System.

The final thesis considered is by C.J McCaleb of the Naval Postgraduate School. His work, "Arbitrary Budget Cuts and the U.S. National Security Posture," discusses the search for the peace dividend. McCaleb contends that the budget cuts being made are rapid and arbitrary with little thought given to the force structure in relation to the National Security Policy of the United States.

Senator John McCain, (R-AZ) a leading member of the Senate Armed Services Committee, has published a report entitled, Going Hollow: The Warnings of Our Chiefs of Staff, in which he solicited the views of the service chiefs on the issues of budget reductions and future combat capabilities. The responses to his inquiries have been entered into the Congressional Record and published by Senator McCain in this report. This report provides considerable information on the state of the services today,

the missions they have been assigned and the effects of currently budgetary policies on them, particularly the U.S. Marine Corps.

The fourth broad area of information relevant to this thesis is the information available from the Congressional Record on the appropriation process from the introduction of appropriation legislation to the floor debate, justification testimony, and final congressional action. Sources for these data are the Congressional Record itself, available through the various on-line services such as Legi-Slate and the Congressional Information System (CIS).

The final area of information came from the actual financial records of the United States Marine Corps which will be sought through Headquarters, U.S. Marine Corps, and various subordinate Marine Corps commands. These data provided the answers to part of the primary research question: does the budgeting process adequately fund Marine Corps operations?

While this thesis deals with the manner in which the budgetary process funds the Marine Corps for operations. Historical background information was necessary on the three operations considered. Several first-person accounts of these operations have been published in the Marine Corps Gazette, the professional journal of the Marine Corps, as well as interviews with actual participants. Also, the

Marine Corps Lessons Learned System, a database maintained by the Marine Corps Combat Development Command, Quantico, Virginia, provided valuable information, both historical and financial, regarding the operations studied.

There is a considerable amount of information available on the budgetary process in general, and the military budget in particular. However, there appears to be a gap in the literature with respect to the current budgetary trends and the future combat readiness of the services. I attempted to fill that gap, if only partially, by this examination of the budgetary process with respect to U.S. Marine Corps contingency operations and combat readiness.

CHAPTER 3

RESEARCH METHODOLOGY

The research design for this thesis involved several phases. The first was collection of data on the Planning, Programming, and Budgeting System (PPBS), its history, strengths and weaknesses. I examined how the process appropriates funds for the services, particularly with respect to contingency operations.

I collected data from the Defense Department Appropriations enacted in the years 1990 through 1992, which covered the budget years in effect during the operations examined. I examined specifically what funds were dedicated to contingency operations and if the Marine Corps received compensation for operations through this kind of appropriation. I examined allocations to the Marine Corps to determine if those amounts were adequate to the tasks assigned.

I determined the amounts set aside for normal operations and maintenance and other budget areas which contribute to combat readiness. I attempted to identify how the Marine Corps defines combat readiness for its deploying units. I identified what budget activities are reduced or cancelled outright when the cost of other operations exceeds

the budgeted amounts. The actual costs of the operations studied, furnished by Headquarters, Marine Corps provided data which allowed me to determine whether the budget accounts which contribute to combat readiness are being funded adequately.

The data on the actual appropriations within the Department of Defense appropriation was obtained from the Congressional Record. Beyond actual amounts appropriated, the sense of the Congress and the reasoning of the Congressional committees involved was available through records of the committee hearings. Testimony of the Marine Corps representatives during the budget justification phase of each appropriation yielded the reasoning of the service towards its budget request.

I obtained the actual financial data from each of the operations examined; Liberia, Bangladesh, and Somalia. These data were more difficult to acquire than anticipated. Formal requests to the major Marine Corps commands yielded only a single phone call directing me to Headquarters, Marine Corps. Fortunately, with the assistance of some already overworked marines, I was able to locate the data required.

I sought the actual amounts budgeted for the deployments examined, as well as the actual costs of the operations performed. I expected to find that the cost of each operation exceeded the amount budgeted. This turned

out to be the case in two of the three operations examined. I then sought to determine the actual method of payment for each operation, the source accounts used to cover the expenses, and the results of whatever transfer or re-programming action occurred and the effect each had on the future combat readiness of the Marine Corps.

I examined requests for supplemental appropriations which resulted from the operations examined. While in many cases, expenses incurred in contingency operations are reimbursed at a later date, often the time lag between realizing the expense and the reimbursement causes substantial cash flow problems. So the time lag, if any, between expense and reimbursement contributed to the determination of the adequacy and effectiveness of the funding. Also, supplemental appropriations can take the form of re-programming actions, where Congress authorizes the services to spend money previously authorized for other purposes.

I also attempted to determine if funds from other branches of the military were re-programmed to cover the costs of Marine Corps operations. I did not attempt to make any determination of the effects of such re-programming on the services involved. That was beyond the scope of this inquiry.

Beyond seeking data from Headquarters, U.S. Marine Corps, I sought data from subordinate Marine Corps commands

who actually participated in the operations examined. Fleet Marine Force, Atlantic (FMFLANT) and Fleet Marine Force, Pacific Fleet (FMFPAC) were the commands actually deploying troops for the operations mentioned above, and should have been able to provide data on their units. Though both commands were formally requested to provide information, only FMFLANT replied. That reply, by telephone, was to say that that command could not provide the information requested and that my request should go through Headquarters, Marine Corps in Washington.

Of particular importance in this study of how the funds were spent is how the budget items originally intended to receive the funds are affected. I sought to determine what training events could not be accomplished, what maintenance on major combat equipment had to be deferred, what major systems could not be acquired as intended, and what personnel issues resulted.

With the above data gathered, I analyzed those data to determine trends. I expected to find that the Marine Corps is generally required to defer things it should accomplish in order to pay for things it has already done. This turned out to be true. Also I expected to find that while the Marine Corps remains able to function by paying for operations "out of hide", doing so adversely effects the capability of the Marine Corps to maintain its forces in a combat-ready condition.

I expected to encounter difficulty in identifying what the actual costs of these operations were above what expense the Marine Corps would have incurred anyway. For instance, the Marine Corps must pay and feed marines whether they are in garrison at Camp Lejeune or deployed to Somalia. What is less apparent is the cost of transporting the marines and the food to the area of operations.

With the above data in hand, I was able to answer my primary research question: Does the budgeting process adequately and effectively fund the Marine Corps for the recent contingency operations they have been tasked to participate in?

The Marine Corps is the smallest branch of the United States military and is significantly affected by the problem described in this thesis. All the other services are tasked to participate in these peacekeeping, humanitarian, and disaster relief operations as well. Like the Marine Corps, the other services are forced to transfer or re-program funds to pay for some of these operations. But because of the relative size of the Marine Corps, the effects of the budgetary shortfalls are magnified and more rapidly translated into diminished readiness for future combat operations. Still, since the other services are likely to be as involved with these operations as the Marine Corps, the results of the research on this thesis should be directly applicable to the other services.

I believe the evidence shows that the budget does not provide funds for the Marine Corps, or the other services, to perform these contingency operations assigned without forcing them to re-allocate funds appropriated for other purposes. I believe the evidence shows that a trend of diminishing combat readiness is already established and will lead to another era of a hollow military if this process is allowed to continue.

CHAPTER 4

ANALYSIS

Since its birth in 1775, the U.S. Marine Corps has always been America's "force in readiness." Since 1990 alone the Corps has responded to more than a dozen unplanned contingency operations. From the evacuation of 2400 civilians, both American and foreign nationals, from war-ravaged Liberia in 1990 to providing 662,000 gallons of fresh water to the drought-stricken Chuuk Islands in Micronesia, the Marine Corps has continued to be tasked to respond to any and all crises.[1]

The Marine Corps is typically called upon to be the United States' first response to crises abroad. The Marine Corps, with the Navy, maintains combat units forward deployed to regional trouble spots at all times. To accomplish this task, the Marine Corps maintains three Marine Expeditionary Units (MEU) constantly deployed. One MEU is deployed to the Mediterranean, one to the Indian Ocean, and one to the Western Pacific. A MEU is a combined arms force consisting of an infantry battalion reinforced with supporting artillery, trucks, armored vehicles, and aviation units numbering about 2,000 marines embarked aboard Navy ships.[2]

Together with a full division in Okinawa and an airwing in Japan, approximately 25,000 marines are deployed away from their families at all times. That equates to approximately 23 percent of the combat forces in the Corps.[3]

Since these marine units are constantly deployed, for every MEU which deploys, there is another MEU already at sea, and another beginning training as its relief. At the height of the Cold War, the Marine Corps averaged approximately 22 percent of its combat forces deployed. In 1993, that figure jumped to 30 percent with operations in Somalia and 5,000 marines afloat off the coast of Bosnia for more than ten months in addition to normal deployments.[4]

Since the end of the Cold War, however, the Department of Defense has been moving toward the "Base Force" of the 1990's to reflect the new missions and threats. With the threat of immediate Soviet invasion of Europe gone for the foreseeable future, the need to maintain a large, armor-heavy force in Europe has diminished. Coupled with the desire of the American people and their elected representatives to realize a peace dividend, the base force for the 1990's will be a considerable smaller force.

But the Marine Corps has never been designed to counter the Soviet threat in Europe, despite occasional forays to Northern Norway to defend that flank of NATO. The Marine Corps has always been structured as a deployable

force in readiness, capable of providing an immediate response to flaring regional trouble spots. Marines have never been a garrison force. Marine Corps infantry battalions historically average 43 percent of their year deployed away from home stations. Since the end of the Cold War, this figure has increased to 57 percent.[5]

This mission has been codified into law by the U.S. Congress. Responding to the deplorable readiness of U.S. forces at the outbreak of the Korean War, the 82nd Congress mandated in 1952, through Public Law 416, that the Marine Corps maintain three active divisions and three active airwings with the intention that the Marine Corps was the "most ready to respond when the nation was least ready...to hold aggression at bay until the nation mobilizes." While provisions can be found in the constitution for both an army and a navy, the Marine Corps enjoys a congressional mandate.[6]

The Marine Corps has historically provided forces for fighting a major regional conflict while simultaneously conducting contingency commitments elsewhere. While a large marine force was conducting major combat operations in Vietnam, the Corps was also called upon to provide forces for operations in the Dominican Republic in 1965, the Middle East in 1967, 1970, and 1973, as well as Trinidad, Peru, Haiti, and India in 1970-1971. During Operation Desert Shield/Desert Storm, with nearly 100,000 men and woman

deployed in the Persian Gulf, the Corps also had forces committed to operations in Liberia, Bangladesh, Northern Iraq, and the Philippines.[7]

The Clinton-Aspin military strategy has retained the claim that the United States can conduct combat operations in two major regional conflicts simultaneously. This continuation of established strategy was maintained even thought the new administration flirted with a change to a strategy of "Win-Hold-Win," where a smaller U.S. force would conduct a holding action in one theater while the preponderance of U.S. forces win the conflict in the other. But even with the forces available to conduct two major regional conflicts, the United States does not yet have the strategic lift capability to transport and supply two theaters at once. In either strategy, the Marine Corps, because of its forward deployed forces and inherent mobility, will certainly be called upon to deploy to at least one theater of operations.

While some have questioned the relevancy of maintaining an amphibious-capable force in light of the failure to use the amphibious option in Kuwait during the ground phase of Operation Desert Storm, the 1993 Department of Defense bottom-up review to evaluate the missions and roles of the U.S. military in the new Base Force validated the Marine Corps mission. Though the report called for personnel reductions in the three other services, the report

recommended that the Marine Corps grow by ten percent on the grounds that "they are likelier to be busier than ever in the post-Cold War world."[8]

But in a service where nearly constant operations are the norm, Marine Corps budgets for Operations and Maintenance, the portion of the budget which pays for training, operating, and fixing combat equipment, have declined nearly 22 percent between 1987 and 1993.[9]

This thesis focuses on three of the many operations conducted by the Marine Corps since 1990 and examine the effects of the budget process to cover the cost of those operations and subsequent effects upon the future readiness of the Marine Corps.

The operations to be discussed will be:

1. Operation Sharp Edge, the non-combatant evacuation of American and foreign nationals from Liberia in 1990.

2. Operation Sea Angel, the disaster relief operation in Bangladesh following the devastating typhoon of 1991.

3. Operation Restore Hope, the U.S. effort to provide relief for famine-stricken Somalia in 1992-1993.

These operations were selected because they have occurred since the end of the Cold War and all three are typical of the operations the Marine Corps has historically performed. They differ in scope, duration, and mission.

In Liberia, marines acted as a non-belligerent armed force in an area of intense combat. Their objective was the evacuation of American citizens and other foreign nationals. They were not intended to engage in combat operations with any of the local belligerants and did a masterful job of walking the fine line of contingency operation Rules of Engagement (ROE). Their involvement in Liberia lasted for seven months.

Operation Sea Angel in Bangladesh provided disaster relief to a region devastated by the super cyclone of 1991 in the Bay of Bengal. It was an operation of relatively short duration, lasting from May 11 to May 29, 1991. Again, the marines involved were already at sea, in this instance just returning from duty in the Persian Gulf during Operation Desert Storm. As they were transitting the Indian Ocean en route to the United States, they were diverted to provide disaster assistance.

Operation Restore Hope in Somalia was considerably larger than the other two operations which are discussed here. It initially involved marines coming ashore from Navy ships to secure the airport and seaport facilities of Mogadishu, Somalia. It later expanded into operation into the heart of Somalia to ensure relief convoys could safely deliver their supplies. The scope of this operation was considerably larger and the duration longer than either of the other operations studied.

The research design for this thesis relied primarily upon information provided by the United States Marine Corps. Formal requests were forwarded to three Marine Corps commands. The data sought in these requests provided the answers to some of the primary research questions of the thesis.

Of the three requests, only Headquarters, Marine Forces, U.S. Atlantic Fleet responded. That response, by phone, provided regrets that the data sought could not be found at that command and directed my attention to the budget execution branch of Headquarters, Marine Corps.

Beyond the formal requests sent to the Marine Corps commands, many informal telephonic inquiries were conducted to the Marine Corps commands. Those inquiries, in nearly every case, met with similar responses. Except for one instance, the personnel contacted were all very sympathetic, and desired to be of assistance over the phone with information which could be provided from memory. There was, however, a reluctance to provide any information which required any further research. Also, nearly every command referred me back to the Budget Execution branch of Headquarters, Marine Corps.

The reluctance to get involved in research beyond that provided by individual recollections is understandable. The personnel interviewed were in every instance employed in the every-day projects and problems of running and

maintaining the Marine Corps. This, I believe, is the explanation for the lack of any formal responses to my requests for information. These requests have probably found their ways to the bottoms of in-baskets at all three commands, there to remain until time allows the appropriate attention.

Fortunately, for the purposes of this thesis, personnel at the Budget Execution Branch at Headquarters, Marine Corps were able to provide both information from memory and documents which provided many of the answers sought. Captain Don Moore, USMC, of that office, spent a considerable amount of time locating and forwarding some of the material requested.

The results of these inquiries turned out as expected. I expected to find that the individual operations conducted by the Marine Corps were significantly underfunded, and caused iterative funding problems downstream. This proved not to be the case in the Liberian evacuation operation. The Bangladesh cyclone relief operation did exceed budgeted amounts slightly, but due to the supplemental funding to the Marine Corps following Operation Desert Storm, the effects on the Marine Corps were not significant. Operation Restore Hope in Somalia, due to its size and nature, was a different story. But the effects of this single operation on the future combat readiness of the Marine Corps was significant.

The amount of impact an operation has on future activities is obviously dependent upon the size and duration of the operation. When operations exceed the "normal" scope and duration of such contingencies, like Restore Hope did, funding problems seriously effect the rest of the Marine Corps.

Liberia: Operation Sharp Edge

Operation Sharp Edge was the non-combatant evacuation of American and other nationals from the U.S. Embassy in Monrovia, Liberia conducted between May 25, 1990 and January 9, 1991. It was conducted by Task Force SIX ONE, including USS Saipan (LHA-2), USS Ponce (LPD-15), USS Sumpter (LST-1181), and USS Peterson (DD-969) with the 22nd Marine Expeditionary Unit (Special Operation Capable) (MEU(SOC)) embarked.

When the call came to deploy to Liberia, the marines of the 22nd MEU(SOC) were conducting training ashore at Camp de Conjuers, France. Ships of Task Force SIX ONE were in port at Toulon, France conducting routine maintenance. On May 25, 1990, the Joint Chiefs of Staff ordered Task Force SIX ONE and the 22nd MEU(SOC) to deploy to Monrovia, Liberia and be prepared to conduct the evacuation of American citizens from the embassy. The marines conducted emergency backload of men and equipment from their training areas to their ships on May 26. The task force departed Toulon on May 27.

Seventy-five marines from the 2nd Battalion, Fourth Marines, the ground combat element of 22nd MEU(SOC), were flown to USS Peterson with a CH-46 helicopter. USS Peterson then proceeded at 30 knots to Monrovia to provide a small force available for action as soon as possible. USS Peterson arrived on "Momba Station" on June 2, 1990, and was joined by the remainder of Task Force SIX ONE 24 hours later. The task force then spent the majority of the time between arrival off Liberia and the commencement of evacuation operations on August 5th rehearsing for the mission while the ships remained unobtrusively on station approximately fifty miles off shore.[10]

By the end of July, the fighting of the rival faction in Liberia's capital of Monrovia became serious. Additionally, anti-American incidents, like the threat on August 4 from one faction to begin arresting Americans, was enough for the ambassador to request the marines to begin removing U.S. citizens and designated foreign nationals as well as reinforcing the embassy compound.[11]

On August 5, marines from the amphibious ships, now positioned to within six miles off the coast, safely evacuated Americans from two communications sites in Monrovia and established a reinforced rifle company for security within the embassy compound.

While small numbers of marines were ashore at the embassy and elsewhere during the entire operation, unit

sized contingents were maintained ashore from the date of the initial evacuations. After August 13, the rifle company was reduced to a reinforced platoon of 65 marines. The 22nd MEU(SOC) was relieved in place by the 26th MEU(SOC) off the Liberian coast on August 22nd. The 26th MEU(SOC) maintained a similar force ashore until the operation was terminated on January 9, 1991.[12]

Due to the nature of this operation, the Marine forces were able to remain within their operating budgets. Since the majority of the marines remained aboard the ships of Task Force SIX ONE during the operation, no significant expense above that expected resulted. While deployed aboard Navy ships, the Navy and Marine Corps budgets pay for feeding and billeting the marines from their operating budgets.[13] But since the units deployed were scheduled to be at sea anyway, minimal additional cost was incurred.

The aviation element of 22nd MEU(SOC), HMM-261, flew more than 1,600 sorties during the operation. This exceeded the amount budgeted for flight operations, but flight hours for marine aircraft are funded directly from a Navy budget account, as are aviation weapons and aircraft themselves. Therefore, the additional expense of those flights was borne by the Navy while no additional expense to the Marine Corps resulted from the increased flight operations of HMM-261.[14]

Operation Sharp Edge was a classic example of the type of operation the Marine Corps is most uniquely

qualified to perform. It was executed by a Marine Expeditionary Unit already forward deployed when the order came to proceed to Liberia. It was conducted from the decks of Navy ships which were drawn close to shore or remained over the horizon, as dictated by the situation. It did not involve any extensive maneuver of the forces on the ground, limiting the amount of combat service support necessary. Since these marines were scheduled to be forward deployed anyway, whether they were in the Mediterranean or off the coast of Liberia, the expense would have been the same for the Marine Corps. Therefore, Operation Sharp Edge did receive adequate budgetary resources and did not significantly affect future Marine Corps operations or combat readiness.

Bangladesh: Operation Sea Angel

On April 29 and 30, 1991, as U.S. forces were departing the Persian Gulf following the successful conclusion of Operation Desert Storm, a huge tropical cyclone roared up the Bay of Bengal and slammed into the exposed coastline of Bangladesh. In a land regularly visited by natural devastation, this storm dwarfed any previous calamity of the last several decades.[15] Sustained winds of 145 miles per hour drove 20 foot tidal waves over the coastal islands and littoral Bangladesh. As many as 150,000 people were killed initially and millions were left homeless facing disease and starvation.[16]

Almost immediately, the government of Bangladesh began distributing relief supplies of food, water and medicine to the stricken coastal areas, but a lack of transportation assets hampered the relief efforts. The local transportation infrastructure had been destroyed. Boats which had once provided transportation to and from the coastal islands had been swept away. Many were at that time high and dry miles inland, left there by the receding storm surge.

Ships from Bangladesh's Navy were unable to leave the port of Chittagong because the giant storm sunk many vessels which blocked the port. The Bangladeshi Air Force had only 11 helicopters and two transport planes to assist the relief effort. The government of Bangladesh urgently needed additional helicopters to get supplies to victims in the ravaged area.

The United States answered Prime Minister Khaleda Zia's call for international assistance on May 10, by establishing a Joint Task Force (JTF) under the command of Marine Major General Henry C. Stackpole III. Stackpole, then Commanding General of the Third Marine Division on Okinawa, flew to Bangladesh the next day to begin coordinating the American response. The JTF was inicially composed of Navy and Marine Corps personnel, but was soon joined by personnel from all services. The key to the American ability to respond to this crisis were the sailors

and marines of the 5th Marine Expeditionary Brigade, embarked on USS Tarawa (LHA-1) and other ships then en route home from more than five months duty in the Persian Gulf during Desert Storm.

The mission of the marines participating in the operation was to facilitate the distribution of food, water and medical supplies in the effort to minimize future mortality in the stricken area.[17] Most importantly, the marines providing the support needed to do so without placing further burdens on the shattered local infrastructure. Experience had already shown that a relief force must be entirely self-sufficient. Immediately after the storm had abated, the Bangladeshi Army sent 15,000 troops into the coastal area, but they became an additional burden on the system as they had been unable to bring their own food or resources.[18]

The Navy/Marine Corps amphibious task force was uniquely qualified to stand off the Bangladesh coast while providing the personnel, equipment and supplies necessary for the relief effort to proceed. The Task Force could come as close to shore as necessary. Only a minimum number of marines were sent ashore, only 500 personnel were in the country at any one time, and they could return to their ships at night. Troops ashore consisted of helicopter crews, medical teams, engineers, and a 50-man working party to load the helicopters at the airfield at Cox's Bazaar.[19]

By May 15, 280 U.S. military personnel were in Bangladesh, with 7,600 Navy and Marine Corps personnel on the amphibious ships in the Bay of Bengal. The operation, originally called Productive Effort, was renamed Sea Angel in recognition of the Bengali word "faresta," meaning angel, which the storm victims used to welcome the Americans ashore.[20]

The crucial task for the JTF in the relief effort was to provide the means to distribute relief supplies. Most of the material needed was available in Bangladesh, and more was arriving all the time. The marines and sailors were tasked with providing the last leg in the delivery process. For this they employed their organic helicopters, air cushion landing craft, and small boats.

While providing much of the muscle in the relief effort, the JTF was careful to leave decisions on relief priorities to the government of Bangladesh. The JTF remained conscious that their mission was to augment the relief effort, not to dominate the entire operation.

Before withdrawing the majority of U.S. forces from Bangladesh on May 29, the JTF had provided more than 2,000 helicopter and C-130 sorties delivering 4,000 tons of supplies by air and 1,500 tons by boat. Reverse Osmosis Water Purification Units (ROWPUs) were flown into Bangladesh from Okinawa and provided more than 266,000 gallons of fresh water. More than 7,000 victims received medical care.[21]

Cost of Sea Angel

Like most contingency operations, Operation Sea Angel was initially funded out of the Operations and Maintenance (O&M) accounts of the services involved with the expectation of reimbursement at a later date. The cost of the JTF effort in Bangladesh during the period from May 15 through May 29 was $6.35 million.[22] The lion's share of that expense was borne by the Air Force and the Navy. The costs to the Air Force were due to the cost of operating the airlift assets. The Navy cost included the price of operating the amphibious ships in the Bay of Bengal for several extra weeks.

As stated above, the Navy directly picks up the tab for some aspects of the Marine Corps Operations and Maintenance. Therefore, the cost of all the sorties flown by Marine Corps helicopters was charged to the Navy.

The Marine Corps' share of the cost of Operation Sea Angel was initially estimated to be $514,900. The total was made up by $81,400 for operational support, $421,600 in consumable supplies, and $11,900 in per diem costs. The costs listed are for the costs for consumable supplies and equipment for the marines involved in the relief effort. None of the costs reported were for supplies distributed.[23]

The $514,900 in expenses incurred by the Marine Corps' participation in Operation Sea Angel were initially paid by the Operations and Maintenance accounts of the units

which participated. Those costs were subsequently reimbursed by Headquarters, Marine Corps, through Fleet Marine Force, Pacific Fleet.[24] Headquarters, Marine Corps (HQMC) later sought reimbursement from the Defense Emergency Response Fund. The Defense Emergency Response Fund was established by the Congress in the FY-1990 Department of Defense Appropriation. It set aside $100 million to reimburse the military departments for supplies and services provided in response to natural or man-made disasters. The fund was to be maintained by reimbursements made to the Department of Defense and by subsequent appropriations made by the Congress. The U.S. Army was designated the executive agent for the fund.[25]

In the months which followed the conclusion of Operation Sea Angel, the Army, acting as the fund's executive agent, compiled the costs for all the services and Department of Defense agencies which participated. On August 26, 1991, the Army forwarded a request to the Department of Defense for the release of $6.35 million from the Defense Emergency Response Fund to reimburse the participation services and agencies.[26]

The funds expended for the execution of Operation Sea Angel were spent in the third quarter of FY-91. The initial request for reimbursement from the Defense Emergency Response Fund was not made until halfway through the fourth quarter. A Headquarters, Marine Corps memo of June 1, 1992,

a full year after the completion of the operation, stated that the Army was still in the process of reimbursing the Marine Corps and other services for participation in Operation Sea Angel. The memo further stated that the costs of the operation had been absorbed by Marine Corps Operation and Maintenance resources. The memo went on to say that if those costs were not reimbursed, the Marine Corps' supply and training accounts would absorb the entire amount.[27]

Fortunately for the Marine Corps, two things combined to lessen the effect of the delayed reimbursement. First, the original estimate of total cost for Operation Sea Angel of $514,900 turned out to be significantly overstated. When the final costs were established by the Marine Corps, they came to $281,200.[28] Also, the fact that Operation Sea Angel was conducted so close to the conclusion of Operation Desert Storm made it relatively simple to use funds available through Desert Storm supplemental appropriations. Those supplemental appropriations provided the funds to rebuild 5th MEB's Operations and Maintenance account with little or no impact on readiness at that time. This was certainly legitimate because 5th MEB had participated in Desert Storm. If Operation Sea Angel had occurred any other time, the effect would have been greater.[29]

Nevertheless, the Marine Corps was tasked to perform this mission outside the scope of the money it had been budgeted to operate with. Fleet Marine Force, Pacific Fleet

(FMFPAC), the parent command of the 5th MEB, was forced to spend the money to make the operation happen. Headquarters, Marine Corps provided FMFPAC with the $514,900 in additional funding to lessen the effect on operational units. This funding came from accounts "resident within HQMC programs that were considered not executable during FY-91."[30]

FMFPAC reported to Headquarters, Marine Corps that the initial cost estimate for Operation Sea Angel was nearly twice the actual cost, but was allowed to retain the extra money to help defray the cost of other emergent operations, such as Operation Fiery Vigil, the evacuation of U.S. personnel from the Philippines following the eruption of Mount Pinotubo.[31]

The cost of Operation Sea Angel was considered minimal by HQMC, even though that headquarters provided almost twice the funding required for the operation. It had no appreciable effect on future operations or combat readiness.[32]

Somalia: Operation Restore Hope

Like the previous two Marine Corps operations, Operation Restore Hope in Somalia began with the use of forward deployed Marines of an afloat MEU(SOC). But the Somalia operation would significantly exceed those efforts in manpower and expense. On December 9, 1992, nearly 2,000 Marines from the 15th MEU(SOC) went ashore in Somalia from the amphibious assault ships USS Tripoli, USS Juneau, and

USS Rushmore. Their mission was to secure the seaport and airport of Mogadishu to provide secure assembly areas for the reinforcement by approximately 19,000 marines from the First Marine Expeditionary Force (I MEF), based in California. Those marines would be joined shortly by more than 10,000 soldiers from the U.S. Army's 10th Mountain Division from Fort Drum, New York.[33]

The sheer number of personnel involved in Operation Restore Hope distinguished this operation from the other two examined in this thesis. The day after the first marines went ashore, the first Maritime Pre-positioned Ship (MPS) arrived at Mogadishu from its staging base at Diego Garcia in the Indian Ocean. The following day the first echelon of I MEF marines began arriving by air from California and marrying up with equipment from the MPS vessel.

The mission of the marines in the fly-in-echelon was initially to provide security for humanitarian relief sectors located in Bardera, Baidoa, and Mogadishu and to provide escort security for food relief convoys to those areas.[34] As time wore on however, the mission of the marines expanded to include many civil affairs/nation building responsibilities.

Initial command and control of the American forces ashore in Somalia was under Unified Task Force Somalia commanded by marine LTGEN Robert B. Johnston. Once established ashore, Marine Forces Somalia, commanded by

Major General Charles C. Wilhelm, USMC, took charge of the operation in Somalia. By January 5, 1993, approximately 16,100 marines were ashore with an additional 3,900 on ships off the Somali coast, and 10,000 multinational troops.[35]

The effects of the military intervention on the situation in Somalia were nearly instantaneous. With a semblance of order established, the business of providing food to the starving people of Somalia began in earnest. On December 16, marines and French Foreign Legionnaires escorted the first convoy of food to reach Baidoa unmolested by bandits in more than two years. In Baidoa, as elsewhere in Somalia, those with guns were the ones who ate, until the American intervention.[36]

Within weeks, the U.S. led multi-national force in Somalia had indeed begun to re-establish order. Convoys of relief supplies were able to reach their destinations, where before they had been subjected to harassment by bands of clan gunmen. Mogadishu's airport and seaport were secure permitting relief supplies to flow into the country. American intervention had halted the mass starvation of the Somali people, but the cost to the Marine Corps soon became substantial. Marines were now ranging far from their ships and rapidly consuming their modest stocks of supplies.

Cost of Restore Hope

The cost of transporting, feeding, equipping, providing medical care for and fueling the vehicles of

nearly 20,000 American troops quickly began to add up. The Marine Corps involvement for the first six months in Somalia cost $101 million more than was available in the FY-93 Operations and Maintenance budget.[37]

That much funding could not be obtained by I MEF by itself, despite the fact that marine units throughout the Pacific were requested by an FMFPAC message in December, 1992, to scrub their budgets and return funds that were in excess of that which could be considered "mission essential." By the end of the first quarter of the fiscal year, December, 1992, FMFPAC, of which I MEF is a subordinate command, was already spending funds allocated for the third quarter. By March 1, 1993, six months into the fiscal year, FMFPAC had expended its entire FY-94 Operations and Maintenance budget.[38]

The result at bases all over the Pacific was that all activities which depended upon Operations and Maintenance funds were either severely curtailed or halted completely. Activities like building maintenance, public works, utilities, road repair, child care and many "quality of life" activities were also halted. At MCAS Futenma, Japan air conditioning systems were turned off for one month, causing the station's data processing system to crash.[39]

In order to cover the expenses incurred in Somalia, Headquarters, Marine Corps requested supplemental funds from

the Department of Defense which in turn prepared a request for a supplemental appropriation to the Congress. Acceding to the request of the Clinton Administration's Office of Management of the Budget (OMB), the Department of Defense's request for the supplemental appropriation included plans to re-program $762.5 billion from money already approved for other programs in the budget.[40] When the requested supplemental appropriation was considered by the House of Representatives, they set aside the proposed re-programming action and agreed to provide the Department of Defense's request in new appropriations, without the need to take the money from other programs.

Representative John P. Murtha, (D-PA) of the House Appropriations Committee said,

> They were forced to do it (request the money through re-programming) by the OMB. They (DOD) can't afford it, and they know they can't afford it. The Somalia relief operation had not been expected and re-programming those funds would have taken the costs out of the hide of the Department of Defense.

Many House members shared Representative Murtha's sentiments, fearing that the DOD budget had already been reduced so deeply that the DOD could not afford to pay for the Somalia operation out of funds intended for other purposes. The House action also had the approval of President Clinton.[41]

But the New York Times reported the House action under the headline "Without Being Asked, House Votes Extra $1.2 Billion For Pentagon," asserting that the Pentagon was

comfortable with the re-programming of funds for "low priority" programs, and indication that the House of Representatives was irresponsibly trying to push the "extra" $1.2 billion supplemental appropriation as a means to deliver pork to their respective congressional districts.

The Senate Appropriations Committee approved the House version and sent the measure on to the full Senate on June 8, 1993. However, when the bill went before the Senate later in June it was rejected by a vote of 95-0. A House-Senate Conference Committee agreed to grant the DOD $1.29 billion in supplemental funds, but required that $973 billion of that total come from re-programmed appropriations.[42] The bill was signed into law by President Clinton on July 3, 1993.

So the Marine Corps was forced to fund the effort in Somalia largely through re-programmed funds already appropriated for other, "low priority" programs. While Headquarters, Marine Corps was able to provide the funds to the commands and units conducting operation Restore Hope, it did so largely by reducing or eliminating the funding already approved for other purposes by the Congress. This action by the Congress proved to be significant to the future combat readiness of the Marine Corps.

But the reference by the New York Times to "lower priority" programs is inaccurate and misleading. In stating that the Marine Corps, through the re-programming action in

the Department of Defense Supplemental Appropriation request, was able to save money on lower priority programs indicates that the Marine Corps had some discretion in this process, and that the Marine Corps made a conscious choice at the expense of programs of lesser importance. The involvement in Somalia was directed by the President and supported by the Congress. The Marine Corps was directed to incur those expenses for which no funding had been budgeted. It was a *fait accompli*. The money was spent, leaving the Marine Corps to come up with the funds "out of hide." It had to come from somewhere, and Marine Corps budgeteers simply employed their decrement list to remove funding from various activities.

Key to the discussion of the effects of Operation Restore Hope on the Marine Corps is the timing of the operation with respect to recent events in the deserts of Saudi Arabia and Kuwait. Operation Restore Hope came only twenty months after the massive Marine Corps effort in Operation Desert Shield/Desert Storm. More than 100,000 marines were deployed to the deserts of the Arabian Peninsula to participate in Desert Shield/Desert Storm. All three Maritime Preposition Squadrons (MPS) deployed to the Persian Gulf, each carrying the combat equipment and consumable supplies for a brigade of marines. When the Gulf War was over, these marines redeployed to home bases and the equipment drawn from the MPS vessels was returned to them.

However, after months of gruelling use in the Arabian deserts, including combat operations, much of that equipment was in need of extensive repair. Individual ships of the Maritime Preposition Force (MPF) return periodically to Blount Island, Florida as part of their biannual maintenance cycle, where equipment is offloaded, repaired and modernized. As of March, 1992, only two of the thirteen MPF ships had been through the Blount Island facility. When Operation Restore Hope began in December, 1992, much of the equipment and material used by the fly-in-echelon deployed from Camp Pendleton, California had not yet received depot level maintenance and would not until FY-94.[43]

Low Priority Budget Accounts

In order to fund the operations it has been tasked to perform recently, the Marine Corps has been forced to remove funds from other budget accounts. While press accounts refer to these activities as "low priority" accounts, these accounts, despite the characterization as "low priority" have a direct and profound effect on the future combat capability of the Marine Corps. Some of the activities which contribute significantly to combat readiness and are suffering as a result of recent operations are: major combat equipment maintenance and overhaul, military procurement, combat training of deploying marines, and Maritime Preposition Force reconstitution. Some other "low priority" activities which are suffering include Marine

Corps base and facility maintenance, environmental management, hazardous waste programs, and fire protection at Marine Corps installations. Most of these activities have a direct effect on the quality of life of marines and therefore have a direct effect on future retention of the men and women necessary for the Corps to remain effective.[44]

Depot Level Maintenance

One of the ways the military services historically make up for shortfalls in their budgets is to shorten, defer, or cancel scheduled overhauls of major equipment.[45] By shortening the duration of equipment overhaul, lengthening the time between overhauls, of halting them completely, the services can realize immediate savings. But the cost comes out in deteriorating combat equipment.

The Marine Corps is currently experiencing a significant depot level maintenance backlog as a result of the need to come up with funding to pay for recent unfunded operations. In fiscal year 1993, as the Marine Corps struggled to find ways to pay for its commitment in Somalia, the backlog was $90 million ($165 million in FY-94).[46]

General Carl E. Mundy, Commandant of the Marine Corps, has said, "As we continue to employ our equipment around the world, the high usage rates and harsh conditions accelerate the required depot-level maintenance rate for much of that equipment." But instead of accelerating the depot-level maintenance rates, the Marine Corps has been

forced to defer needed maintenance in order to pay for its continuing commitments. It has instituted a policy throughout the Marine Corps to "Inspect-Or-Repair-Only-As-Necessary" in its maintenance centers. Unless an item of combat equipment is actually unserviceable, it will not receive the maintenance it would normally require.[47] While this concept is a valid maintenance technique used throughout the military, it has unfavorable aspects due to the environment in which the Marine Corps tends to operate. While deployed at sea, combat equipment is exposed to the corrosive effects of salt air. While in use in the operations the Marine Corps has been involved in recently, combat equipment is often exposed to harsh operating conditions. Equipment which is used in garrison under relatively stable conditions can afford to have scheduled maintenance deferred or cancelled, but combat equipment must be ready for immediate use when the shooting starts or it is useless to the marines in the field.

For the first time in over ten years, the Marine Corps is experiencing an equipment readiness level below 90 percent. Due to the requirement to fund the reconstitution of the MPF ships following Operations Desert Storm and Restore Hope, the Marine Corps will be forced to defer support for Fleet Marine Force equipment maintenance requirements into fiscal year 1995 and beyond. The shortage of funds and the growing backlog for depot maintenance will

further extend the intervals between overhaul of major combat equipment.[48] That, combined with the fact that in the next five years much of the equipment now in Marine Corps inventories will enter the second half of projected service life indicates that equipment readiness levels will continue to decline if current funding levels are maintained.[49]

Procurement

General Mundy, in testimony to the Senate Armed Services Committee, further stated that the deferment of procurement appropriations to replace old equipment and weapons systems out-paced by technological advancements will ultimately affect the combat capability of the Marine Corps.[50] Procurement budgets for the Marine Corps have been steadily declining since fiscal year 1986, falling from $92.5 million that year to $54.4 million in fiscal year 1993.[51] The fiscal year 1994 DOD budget contained $14.8 million in rescissions of appropriations already made for Marine Corps Procurement, which is already at its lowest level of funding since 1981.[52] With older equipment aging rapidly without the benefit of scheduled maintenance and rework combined with diminishing resources to procure new equipment, the prospects for the future readiness of the Marine Corps' combat equipment will continue to decline.

One of the major lessons learned by the Marine Corps from its participation in the Gulf War was that effective

Command, Control, and Communications was an essential combat multiplier for Marine Corps units. So important is improving this aspect of combat readiness that the allocation for communications and electronic equipment procurement makes up 39.2 percent of the fiscal year 1994 Marine Corps procurement budget request of $483.5 million.[53] But due to the use of Marine Corps funds to pay for unplanned operations, six major programs designed to provide marines in the field with switched digital communications remain entirely unfunded. The Marine Corps has been forced to assign these procurement programs a "low priority" due to the need to pay for operations, ordered by the Executive branch and approved by the Congress but for which no appropriations were made. But again, assigning a priority implies that the Marine Corps had a choice in the matter. Here again, the money was already spent. The Corps had no choice but to defer those acquisition programs. Marine Corps combat units will have to wait to acquire six separate systems designed to enhance combat command and control, a key component to any military force but critical for success in combat of a small, light force like the Marine Corps.[54]

Combat Training

Rigorous combat training is essential to maintain a credible, competent, and powerful Marine Corps. Always a small, light, and highly mobile service, the Marine Corps depends completely on the thoroughness of the training its

deploying forces receive prior to commitment to action. But despite the requirement for thorough training, yet another of the "low priority" programs from which the Marine Corps has been forced to take funds to pay for operations has been combat training.

Several times per year, Marine Corps units preparing to deploy participate in a Combined Arms Exercise (CAX). These exercises require gathering together units from various home bases to form the Marine Corps combined arms team. They typically cannot be accomplished at or near home bases and require the transportation of both personnel and equipment to the exercise site. These Combined Arms Exercises are considered the premier advanced combat training available to soon-to-deploy marines. Yet, in the scramble to find funds to pay for the expenses incurred by Operation Restore Hope in Somalia in 1993, the Marine Corps was forced to completely cancel two Combined Arms Exercises.[55]

Another essential component of combat training is proficiency in individual weapons and weapons systems. Gaining proficiency in the use of weapons requires the frequent use of them. Yet, funding shortfalls within the Marine Corps have forced many critical types of ammunition to be classified as High Use/High Value and therefore restricted from use in training. Six specific types of ammunition for crew served weapons systems have been so

classified, including the ground launched anti-armor missiles so critical for success against armored forces.[56]

Until two years ago, the Marine Corps required a war reserve of 60 days of projected ammunition use. Since the Marine Corps' participation in the Gulf War and the many subsequent contingency operations, the Marine Corps has been forced to reduce its requirement of 60 days of ammunition to 45 days in order to meet its requirement. With funding at the levels of the fiscal year 1994 budget, the Marine Corps may even have difficulty maintaining the reduced wartime reserve of 45 days of ammunition in the future.[57]

As a direct result of the funding crisis in the Marine Corps in 1993 over the expense of Operation Restore Hope in Somalia, Marine Force, U.S. Pacific Fleet (FMFPAC), the command which contribute the majority of marines for the operation, experienced a $7.8 million shortfall for the support of normal pre-deployment training for its units.[58]

Maritime Preposition Force

The Maritime Preposition Force consists of thirteen ships organized in three squadrons, each of which is capable of supporting the deployment of a brigade of marines. This concept was instrumental in the rapid deployment of Marine Corps units for the initial defense of Saudi Arabia in the early days following the Iraqi invasion in August, 1991. The 7th Marine Expeditionary Brigade (7th MEB) deployed by air to the Saudi Arabian desert and linked up with

mechanized equipment from Maritime Preposition Squadron Two (MPS-2) from Diego Garcia at the Saudi port of Al Jubayl. Within ten days of arrival, the 7th MEB became the first combat ready mechanized force available to defend Saudi Arabia.[59]

Likewise, during the initial deployment of marines in support of Operation Restore Hope in Somalia, the fly-in-echelon of marines from Camp Pendleton, California linked up with MPS-2 at Mogadishu to draw equipment. Two of the four MPF ships which deployed to Somalia arrived with equipment which had been used during Operation Desert Storm but which had not received the biannual rework at the Blount Island, Florida MPF rework facility. One of those ships, MV Lummus, the first MPF ship to arrive, had also participated in the Mount Pinotubo evacuation in the Philippines and the Hurricane Hugo disaster relief in Guam since participating in Desert storm.[60]

When the equipment began rolling off the MPF ships, the marines ashore discovered that the state of combat readiness of some of that equipment, which had been used in Desert Storm and two other operations without benefit of major maintenance, was deficient and required repair before use.[61] The deployed MEU(SOC) quickly depleted its operational stocks of consumable parts and supplies, meant to last 15 days. When the supply system could not provide the necessary support, the deployed marines were forced to

cannibalize equipment from the MPF ships. The MPF ships became "floating K-Marts" as they became the alternative to a Marine Corps Supply System which was initially unable meet the demands of the troops in Somalia. When the marines completed their operations in Somalia and the MPF equipment was backloaded, two of the four vessels contained equipment deficiencies significant enough to preclude them from use in contingencies until they could return to Blount Island for rework.[62]

Frequent use takes a significant toll on the equipment readiness of the MPF equipment. Unless that equipment can make its scheduled biannual return to Blount Island for the two month rework period, the condition of that equipment will not compare to the pristine equipment that rolled off those same vessels at Al Jubayl during Operation Desert Shield. But the money to fund those rework visits, each costing $13 million, is another one of those "low priority" budget accounts from which funds are taken to pay for operational commitments, even though the equipment on the MPF ships constitute more than 50 percent of the Marine Corps' ability to deploy its forces ready for combat.[63] While current funding levels in the FY-94 budget are adequate to maintain short term readiness of the Maritime Prepositioned Force, any reductions, or use of Operations and Maintenance account funds to pay for unfunded contingencies would have a direct effect upon the Marine

Corps' ability to maintain MPF equipment in a fully combat ready condition.[64]

Summary

This study has examined the participation of Marine Corps units in unplanned contingency operations in an attempt to determine the effect those operations have on future combat readiness.

Operation Sharp Edge, the non-combatant evacuation of American and foreign nationals from a war-ravaged Liberia was long in duration involving two separate MEU(SOC)'s for more than seven months. But those two MEU(SOC)'s did not exceed their original scheduled deployment times, and the Marines involved in the operation did not spend a great deal of time away from their ships. The result was that Operation Sharp Edge did not significantly add to the cost of the deployed MEU(SOC)'s involved.

Operation Sea Angel, the disaster relief effort in the wake of the devastating typhoon in Bangladesh in late April, 1991 was slightly more costly, adding $281,000 to the Marine Corps' Operations and Maintenance budget. But the cost of Operation Sea Angel was easily absorbed by the supplemental money available as a result of the huge contributions made by our allies in the Gulf War. If Operation Sea Angel had occurred at any other time, the impact of this operation on Marine Corps combat readiness would have been far greater.

Operation Restore Hope had a more significant effect on the combat readiness of the Marine Corps. In this operation, marines were deployed ashore, using MPF equipment, and quickly depleting their operational stocks of consumable supplies. Additionally, marines were in some respect initially providing support for U.S. Army and allied troops in Somalia. Therefore, the cost of this operation became significantly greater than either of the previous operations examined. The Marine Corps costs for this operation were $101 million. Paying that bill caused chaos in the Marine Corps during 1993. By the end of the second fiscal quarter, the Marine Corps had already depleted the Operations and Maintenance accounts provided in the budget for the entire year. It had to search elsewhere in its appropriations to come up with the money to pay for the operations directed by the National Command Authority. This had a rippling effect throughout the Marine Corps, as budgets for all activities were "scrubbed" to find the money to pay for Somalia.

The diversion of funds from the "low priority" accounts to pay for the operations directed by the National Command Authority coupled with an attitude in the Congress, echoed by the media, that requests for supplemental appropriations to cover the expenses incurred are "extra money" and "bonuses for the Pentagon" has had a significant and detrimental effect on the ability of the Marine Corps to

maintain a combat-capable force. Like every other commodity, combat readiness has a price. If the Executive and Legislative branches cannot act responsibly to fund the operations they order, they will preside over the establishment of a new "Hollow Force."

CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

The dissolution of Soviet Union and the democratization of the former Warsaw Pact nations has had a profound effect upon the military strategy of the United States. The threat of a Soviet backed invasion of the European continent has disappeared for the near term. The reduced threat from the communist superpower combined with the growing budget deficit has reduced the need to finance the Department of Defense to the extent it enjoyed in the 1980's.

The Department of Defense is a very attractive target for those who wish to reduce the amount of money spent by the federal government because the Defense appropriation is "controllable," that is to say nothing requires the Congress to appropriate to the DOD. Entitlement programs such as Social Security are uncontrollable because the Congress is required by law to outlay federal money to those programs based on the number of people in the United States who qualify for benefits.

The search for the "Peace Dividend" is therefore centered around the budget of the Department of Defense, despite the fact that even in 1987, at its highest point

since the end of the Vietnam War, the DOD budget was only 27.3 percent of total federal outlays. But the recent rush to minimized defense spending has reduced the Defense Appropriation for fiscal year 1993 to only 18 percent of the total federal budget. At that level, spending on national security is nearly a full five percent lower than the Defense budget in the later years of the Carter Administration, a period known for its "Hollow" military force.[1]

The largest cuts in the recent defense appropriations are coming in the areas of Operations and Maintenance and Military Procurement, two areas upon which the future combat readiness depend.[2] But in an era when appropriations for Operations and Maintenance and Military Procurement are declining, the commitments we have required of our military forces, particularly the Marine Corps, have increased dramatically.

Conclusions

The Marine Corps alone has participated in thirteen separate operations since the end of the Cold War running the spectrum from riot control in Los Angeles to major combat operations in Kuwait. The combat units in today's Marine Corps routinely spend more time deployed away from home stations than they did during the height of the Cold War. When the Communist threat was alive and well, Marine Corps infantry battalions spent an average of 43 percent of

any year deployed. In 1993, the operational tempo of the Marine Corps has increased to the extent that the same infantry battalion will spend 57 percent of the year deployed.[3]

While budgets for the Marine Corps, particularly Operations and Maintenance and Military Procurement are declining, the tasking seems to be increasing dramatically. This thesis examined the way in which the Marine Corps pays for the operations it is tasked to accomplish. It examined three particular operations in which the Marine Corps was involved to determine if the budget process adequately and effectively funds those operations.

To answer the primary research question, I sought actual budget data from three Marine Corps commands, Headquarters, Marine Corps in Washington, Fleet Marine Force Atlantic (FMFLANT), and Fleet Marine Force, Pacific (FMFPAC). Both subordinate commands referred me directly to Headquarters, Marine Corps budget execution branch. The gentlemen in that office were very helpful and provided many memos and records to assist in this thesis' preparation.

The three Marine Corps operations studied were chosen because they differed significantly from each other while all of them were outstanding examples of the flexibility and responsiveness of the Corps. The degree to which the budget process adequately and effectively funded the three operations varied directly with the scope of those

operations. The larger the scope of the operation studied, and the more the operation varied from the original expectations of the deploying force, the less adequate and effective was the funding provided in the budget.

Operation Sharp Edge, the non-combatant evacuation of American and foreign nationals from war-ravaged Liberia in 1990 was a classic Marine Corps operation performed over the beach from amphibious ships off shore to protect lives and property. While this operation was long in duration, from June 1990 to January 1991, it did not deviate significantly from the amount of money budgeted for the units involved. While two separate Marine Expeditionary Units, Special Operations Capable (MEU(SOCs))were involved, they were each on regular deployments and would have been away from home ports whether they were involved in Liberia or not. They would have been aboard their ships conducting training exercises and enhancing the forward presence mission of the various Combatant Commanders (CINCs) involved. When the first MEU(SOC) reached the end of its regularly scheduled deployment, it was relieved on station by the second. Operation Sharp Edge therefore, was completely within the funding budgeted for the deployed units. The budget process in this case did adequately and effectively fund the operation, with only the wear and tear on combat equipment as effects on the future combat readiness of the Marine Corps. According to Headquarters,

Marine Corps, that effect of Operation Sharp Edge of the combat effectiveness of that service was minimal.

Operation Sea Angel, the emergency disaster relief operation conducted in Bangladesh following the devastating cyclone of May 28 and 29, 1991 uniquely demonstrated the capability of the Navy/Marine Corps team to perform disaster relief. While transitting home from combat operations in Operation Desert Storm, Amphibious Group Three with the Fifth Marine Expeditionary Brigade embarked was diverted to lend assistance in moving relief supplies to the devastated region. The sailors and marines involved were able to provide exactly the support required to ease the impact of the giant storm. They were able to provide the men, aircraft, and equipment desperately needed to distribute relief supplies without adding themselves to the burden of an already devastated infrastructure. A minimum number of men were ashore at any one time, and they were able to return to their ships off the coast each night so as to minimize the foreign military "footprint" in that country.

The cost of Operation Sea Angel was more substantial than that of Operation Sharp Edge. The actual cost to the Marine Corps above what was budgeted for the operations of the Fifth Marine Expeditionary Brigade came to $281,000, but the impact was lessened by the timing of the operation. Coming on the heels of the massive Marine Corps involvement in Operation Desert Shield/Desert Storm, the cost was

incorporated within the Desert Storm Supplemental Appropriation, much of which came from money donated to the Defense Cooperation Account by our allies for Desert Storm.[4] The Marine Corps did seek supplemental funding from the Department of Defense through the Defense Emergency Response Fund, a $100 million fund established in the FY-1990 budget, but that request was still pending over one year after the operation was completed.

If the funding had not been available from the Desert Storm Supplemental Appropriation, it is probable that the impact of the $281,000 cost of Operation Sea Angel would have been significantly greater than it was.

Operation Restore Hope in Somalia was substantially larger than either of the previous two Marine Corps operations. It involved both the landing of marines from a deployed MEU(SOC) to secure the airport and seaport facilities of Mogadishu and the follow on echelon of nearly 20,000 marines from Camp Pendleton, California. Those marines then joined up with their equipment from the Maritime Preposition Force ships of Maritime Preposition Squadron-Two (MPS-2), deploying from Diego Garcia.

Operation Restore Hope again demonstrated the ability of the Marine Corps to respond rapidly and effectively to a crisis halfway around the world with force adequate to be decisive. But the Marine Corps participation in Restore Hope was very expensive, costing the Marine Corps

$101 million more than the funds appropriated in the FY-93 budget and having a deleterious effect on Marine Corps operations throughout the Pacific.

As the Marine Corps struggled to come up with the funds to pay for Operation Restore Hope, marine units all over the Pacific suffered. FMFPAC asked all units to scrub their budgets and return any funds not essential to operations. Training, maintenance of combat equipment, facility maintenance ground to a halt throughout the Pacific as FMFPAC had expended its entire FY-93 operation and maintenance funds by the end of the second quarter.

The effects of the huge Marine Corps participation in Restore Hope might have been alleviated if the Congress and the Clinton Administration had acted responsibly to pay for the operation they were so eager for the Marine Corps to participate in. But, when the Department of Defense requested supplemental funding, the Clinton Administration's Office of Management of the Budget instructed the DOD to come up with the money through re-programming of appropriations already made to other programs. Despite an attempt by the House of Representatives to grant the entire Supplemental Appropriation through new funding, the Senate rejected that initiative in favor of the original re-programming scheme. In effect, the Marine Corps was forced to take the cost of Operation Restore Hope "out of hide."

The effects on the future combat capability and

readiness of the Marine Corps resulting from Operation Restore Hope and other operations are considerable. The scheduled depot level maintenance of combat equipment such as aircraft, tanks, and other vehicles have been deferred and delayed in order to save money. The re-constitution of the Maritime Preposition Force following Desert Storm has not yet been completed, yet those assets have been used several times since the completion of the Desert Storm deployments. Combat training of marine units has been reduced, delayed, and in some cases cancelled for lack of funds. Many categories of ammunition have been classified "High Use/High Value" by the Marine Corps due to shortages and the lack of funds to replace them. Procurement of new equipment to replace aging combat equipment and to modernize and enhance the Corps' combat capability has suffered because procurement funding is declining. Additionally, base facilities such as roads, buildings, training ranges, and runways throughout the Marine Corps are deteriorating rapidly because the money originally intended for maintenance of those facilities has been re-programmed to pay for operations. It is not a question of these budget areas having lower priority, because choice is not an option in any of these instances. The money is already gone when the costs of these programs come due. There is no choice but to underfund them, or cut them out all together.

It is clear that the combination of increased

operational commitments and reduced budgets is beginning to have a measurable effect on the capabilities of the Marine Corps to accomplish the tasks it is assigned. But the Congress in recent years has begun to acknowledge the need to set aside appropriated funds to pay for the contingency operations that have had such a detrimental effect on the future combat readiness of the Marine Corps.

Even though one of the original goals of the Planning, Programming, and Budgeting System (PPBS) was to establish mission-oriented budgeting, Congress has traditionally been reluctant to consider the appropriation of "contingency funds." Appropriating money for the possibility that something might happen minimizes Congressional control of the funds. Congressmen are more comfortable with making appropriations for specific purposes rather than setting aside large sums which the Department of Defense can spend at its discretion. Also, money so appropriated sits largely idle until the need for it arises while it could effectively be put to use elsewhere.

But Congress did acknowledge the need to provide for contingency operations when it established the Defense Emergency Response Fund in the FY-1990 Defense Appropriation. That fund contained $100 million to provide reimbursement to the Department of Defense for supplies and services provided in response to natural and man-made disasters. Congress intended that the fund would be

maintained by reimbursements made to the DOD for such services and supplies and by appropriations made to it. The Marine Corps experience following Operation Sea Angel indicated that while the money was available for such operations from the Defense Emergency Response Fund, the time delay in receiving reimbursements from such funds can create cash flow problems for the services.

The concept begun with the Defense Emergency Response Fund has evolved to a dedicated line item in the FY-94 Defense Department Appropriation of $300 million for international peacekeeping and humanitarian operations. But even such a substantial amount may not be enough to cover the expected costs of peacekeeping and humanitarian operations this year, according to former Secretary of Defense Les Aspin.[5]

The evidence presented in this thesis indicates that the current budget process does not adequately or effectively fund the Marine Corps for the operations it is tasked to accomplish. In two of the three operations studied, the cost significantly exceeded the budgeted funding. When reimbursement was received, it was either late or took the form of a re-programming action, which is no reimbursement. The time delay in paying for an operation and receiving reimbursement is critical because operations, training, maintenance activities must be delayed, deferred, or cancelled while awaiting the reimbursement. Meanwhile,

combat readiness, individual and unit proficiency, war reserve stocks of ammunition, and the condition of major combat equipment deteriorate.

Recommendations

The Congress and the Executive seem willing to hedge on the intent of Public Law 416 of the 82nd Congress of 1952 which called for the Marine Corps to be "the most ready when the nation was the least ready...to hold aggression at bay while the country mobilizes."[6] The alternative is for the President and Congress realize that unfunded contingency operations will eventually cripple the Marine Corps and the other services. They must appropriate the funds to pay for the operations they order the Corps to perform or run the risk of ruining the Corps. But the current world situation, reflected in the results of former Secretary of Defense Aspin's bottom up review of the military services and force structure indicated that the Marine Corps is likely to be busier than ever in the post-Cold War era.[7]

If the Executive, the Congress, and the Department of Defense do not feel compelled to adequately fund the operations they task the Marine Corps to perform, the problem is likely to continue, or worsen. While the Marine Corps will naturally seek the funding required to maintain and modernize its force, the prospects of adequate funding in the near future are not promising. But, even though the congress and executive may fund the Marine Corps at lower

levels, the Marine Corps will never shirk the commitments it is tasked to perform. Always a small, proud service steeped with a tradition of doing more with less, the Corps will respond to future tasking as it has in the past, with vigor and esprit de corps. There have been challenges to the Marine Corps' very existence during the downsizing frenzies of previous post-war eras. For this reason, and because of its pride and traditions, the Marine Corps as an institution will always accept whatever task it is assigned. The civilian leadership in the Department of Defense, the Congress, and the Executive branch must act responsibly to provide funding levels commensurate with the tasks assigned. Whether through a line item dedicated to unspecified contingency operations, or rapid passage of adequate supplemental appropriations once these operations are underway, the Congress must learn that they will pay the price somehow, either through appropriations or sharply diminished combat readiness.

But the Marine Corps must, at some point, learn to say no when tasked with operations for which funds are not available. However unpleasant and uncharacteristic such a response would be for the Corps, to continue on the present course could lead to ruin. The Marine Corps must remain vocal in presenting its case when operational tasking exceeds funding available, or else preside over a decent to ineffectiveness.

Downsizing the force structure of the U.S. military is not a new concept. The United States has a weak track record in this process which even a cursory glance at history reveals. The manner in which this country entered both World War II and the Korean War shows the result of irresponsible downsizing and the conduct of an interventionist foreign policy on an isolationist budget.

The world has changed radically since the former Soviet Empire crumbled, but it is clearly not a safer place. By ignoring the need to provide a credible military capability backed by the resolve to use it, the United States sacrifices that critical element of national power which compliments diplomacy so well. By doing so, we certainly invite the crises of the future to catch us sleeping as they have in the past at places like Pearl Harbor and Korea. As the 1992 National Military Strategy adroitly states:

> The United States has been the world's leading power twice before in our history, in 1918 and 1945 and many saw no danger then. To withdraw as before and stagnate and weaken in isolation, we assuredly sow the seeds of future conflicts . . . It is far cheaper in the long run, and far safer, to pay the price that readiness requires.[8]

Even after the precipitous declines in military readiness in the past, the United States has been able to hold out until a mobilized national will provides the tools and personnel for ultimate success, but that luxury has always come at a cost. That cost has always been the lives

of young American men, and now women, sent to the front lines with inadequate training and resources. In this first post-Cold War decade, we have the opportunity to take the lessons of history and prevent the mistakes of the past, if we chose to do so.

Suggestions for Further Research

Some areas covered in this thesis which suggest the need for further research are:

Has the Maritime Preposition Force been adequately reconstituted since its extensive use during Operation Desert Shield/Desert Storm?

What is the status and current funding levels of the Marine Corps Military Procurement programs and are they adequate to meet the needs of the Marine Corps of the future?

Does the Marine Corps need to maintain Marine Expeditionary Forces forward deployed 100 percent of the time. With the rapid reaction capability of the MPF and fly-in echelons from the United States, perhaps a less demanding operational tempo can be devised?

How has the Marine Expeditionary Unit (Special Operations Capable) concept worked, and is it adequately funded for the capability desired?

Was the experimental deployment of a marine detachment aboard a forward deployed aircraft carrier successful. Is that a concept which can provide the force

necessary to achieve its objectives and at what cost to the capability of the carrier battle group?

How has the Navy's budget and future combat readiness been affected by the Marine Corps' recent employment?

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out approved programs, obligation and disbursement of those funds, and oversight to ensure efficient and effective use of appropriated money.

Budget Formulation. The first stage of the Budgeting process within the PPBS, Budget Formulation is the development and approval of a budget estimate from each service.

Budget Justification. The second stage of the Budgeting process within PPBS, Budget Justification involves Congressional review of military programs and their funding requirements. SECDEF and service chiefs and their representatives testify to explain and justify their programs.

Combined Arms Exercise (CAX). A pre-deployment training exercise requiring marine units to converge on the training area from dispersed home bases. The CAX is considered the premier training exercise for deploying marines.

Contingency Operations. Unforeseen military operations conducted in response to emerging international events.

Controllable expenses. A term used to describe portions of the federal budget which are not mandated by law. Most of the Department of Defense budget is controllable, completely up to the discretion of the Congress and is therefore the traditional source of federal budget cuts.

Defense Cooperation Account. Account established to accept more than $50 billion in funds donated to the United States by allies and coalition members to defray some of the expenses incurred by Operation Desert Shield/Desert Storm.

Defense Emergency Response Fund. Established in the FY-1990 Department of Defense Appropriation, the Defense Emergency Response Fund was $100 million set aside to reimburse the Department of Defense for expenses incurred in contingency operations. The fund was to be maintained by reimbursements to the DOD and future appropriations by Congress. The U.S. Army was identified as the executive agent overseeing the fund.

Discretionary Spending. Outlays which are controllable through the congressional appropriations process.

Entitlement Authority. Authority to make payments for which budget authority is not provided in advance by

Programming. Programming is the second phase of the PPBS which translates the planning phase input into a comprehensive and balanced allocation of manpower, material, and money.

Reprogramming. Shifting funds within an appropriation or fund account to use them for different purposes than intended by the original appropriations act. Reprogramming differs from Transferring in that Transferring funds involves shifting funds from other accounts while reprogramming shifts funds within an account.

Senate Appropriations Committee. Senate Committee which has authority to recommend appropriations legislation to be sent before the entire Senate.

Senate Armed Services Committee. Senate Committee which authorizes military programs and the limitations on those programs. The services cannot legally submit budget requests for programs which have not first received authorization from the Congressional Armed Services Committees.

Supplemental Appropriation. An appropriation act in addition to those passed in the annual appropriations act, providing additional budget authority beyond the original estimates for programs or activities in cases where the need for funds is too urgent to be postponed until the next regular appropriations act.

Transfer. The shifting of all or part of the budget authority in an appropriation or fund account to another account when specifically authorized by law.

Total Obligation Authority. Total funding authority required for execution of individual service programs by fiscal year, including whatever obligation authority may be left over from the previous year.

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