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Report to Congressional Committees

June 1997

OVERSEAS PRESENCE

More Data and Analysis Needed to Determine Whether Cost-Effective Alternatives Exist

GAO

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Congressional Committees

Overseas military presence is an important aspect of U.S. national security and military strategy and is accomplished through various approaches, including forward-based and deployed forces, prepositioning of equipment, exercises, military interaction, and foreign military assistance. This report discusses (1) changes in these approaches since the end of the Cold War, (2) funding related to presence, (3) views of regional command officials on the relative importance of security objectives and presence approaches in their regions, and (4) the Department of Defense's process for determining presence requirements and alternatives for meeting them. This report recommends that the Secretary of Defense compile and analyze information on presence requirements in a manner that would allow assessments of whether more cost-effective alternatives to achieve presence exist.

We believe that our recommendation, if implemented, would improve the Department's ability to evaluate and assign the appropriate level and mix of forces and activities necessary to achieve overseas presence in support of national security objectives. We conducted this review under our basic legislative responsibilities and are addressing this report to you because of your oversight responsibility for defense, budget, and international issues and your interest in this important subject.

We are providing copies of this report to the Secretaries of Defense, State, the Air Force, the Army, and the Navy; the Commandant of the Marine Corps; and the Director, Office of Management and Budget. We will also make copies available to others on request.

If you or your staff have any questions concerning this report, please call me on (202) 512-3504. Major contributors to this report are listed in appendix II.

Richard Davis
Director, National Security
   Analysis

B-272597

List of Congressional Committees

The Honorable Strom Thurmond
Chairman
The Honorable Carl Levin
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Ted Stevens
Chairman
Committee on Appropriations
United States Senate

The Honorable Jesse A. Helms
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The Honorable Floyd Spence
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The Honorable Ronald V. Dellums
Ranking Minority Member
Committee on National Security
House of Representatives

The Honorable C.W. Bill Young
Chairman
Subcommittee on National Security
Committee on Appropriations
House of Representatives

Executive Summary

Purpose

As the security environment has changed since the end of the Cold War, U.S. strategy has emphasized the importance of providing a credible overseas presence in peacetime to deter aggression and advance U.S. interests. On any given day, over 200,000 military personnel are engaged worldwide in a variety of presence activities. Because overseas presence is an important aspect of the national strategy and the Department of Defense (DOD) expends billions of dollars to provide the forces and activities that maintain that presence, GAO determined (1) changes in DOD's approaches to providing overseas presence since the end of the Cold War, (2) funding related to providing an overseas presence, (3) the importance that regional Commanders in Chief (CINC) assign to national security objectives and presence approaches, and (4) DOD's process for determining requirements for overseas presence and assessing alternatives for meeting them. GAO did not evaluate the appropriate level of presence or the merit of specific approaches.

Background

Overseas presence is a key component of U.S. strategy and is a determining factor in the size of certain U.S. forces. During the Cold War, the United States relied on overseas presence as a means of containing the threat of communist expansion. As the threat has changed and become more regionally focused, the current U.S. strategy emphasizes the importance of enhancing regional stability and shaping the international environment. In its 1993 bottom-up review, DOD cited overseas presence needs as the reason for sizing naval forces, especially aircraft carriers, above the level needed to meet the wartime requirement of fighting and winning two nearly simultaneous major regional conflicts.

Regional CINCs[1] use various approaches to achieve U.S. national security objectives related to presence, which are to (1) provide initial crisis response, (2) deter potential aggressors, (3) reassure allies of U.S. support, and (4) influence events overseas in ways favorable to the United States. Presence approaches consist of forces—active duty and reserve—and activities. We categorized these approaches as forward-based forces, routinely deployed forces, forces temporarily deployable for specific purposes, prepositioned equipment, exercises, military interaction, and

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[1]These CINCs are the U.S. Atlantic Command (ACOM), the U.S. Central Command (CENTCOM), the U.S. European Command (EUCOM), the U.S. Pacific Command (PACOM), and the U.S. Southern Command (SOUTHCOM).

foreign military assistance.[2] In general, DOD provides the forces and related funding for these approaches; the State Department provides policy guidance and funds for certain military interaction activities and military assistance programs.

In 1995, the Commission on Roles and Missions of the Armed Forces noted that overseas presence is challenging because of the difficulty in relating specific results to the efforts expended by the U.S. forces engaged in presence activities. It suggested that in light of the changing world, DOD should look for more efficient and effective ways to achieve presence objectives. In response, the Secretary of Defense asked the Chairman of the Joint Chiefs of Staff, in conjunction with the Under Secretary of Defense for Policy, to conduct a comprehensive review of presence objectives and related requirements processes. As part of this review, the Joint Staff has recommended a planning process on the engagement aspect of presence—activities that forces engage in during peacetime to shape the security environment.

Results in Brief

In response to changes in the security environment since the end of the Cold War, U.S. presence has changed significantly in different regions of the world. For example, as a result of force reductions since 1988, fewer military forces are located overseas to provide presence. Also, because of these overseas force reductions and the changing security environment, DOD has restructured land-based prepositioned equipment and is maintaining more prepositioned equipment afloat.

The funding for presence approaches can be significant and varies widely by approach, ranging from millions to billions of dollars. DOD requires the largest amount of funds to maintain the forces that provide presence. For example, funding for forces that were forward-based was about $16.4 billion in 1996.[3] Since the end of the Cold War, funding for certain approaches has fluctuated.

Officials from regional commands view all national security objectives and presence approaches to be important, but differ on their relative

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[2]Interaction includes exchange programs, contacts between U.S. and foreign military officials, participation of foreign officers in U.S. based training, port calls, and operations during peacetime such as counterdrug or humanitarian assistance. Military assistance includes programs that sell, finance, and donate U.S. military items.

[3]This funding estimate includes funds to cover those costs incurred because the forces are located overseas, such as for transportation, as well as some costs incurred regardless of where the forces are based, such as military pay.

importance. ACOM and CENTCOM officials view initial crisis response and deterrence as the most important objectives, while EUCOM officials cite deterrence. PACOM officials believe all four objectives are equally important. SOUTHCOM officials cite reassurance and influence as the most important objectives. These officials also differ on the approaches they consider most important to meeting these objectives. Some prefer using various types of forces, while others preferred military interaction activities. In prioritizing objectives and approaches, command officials considered a number of factors, including the threats and the availability of forward-based U.S. forces in their respective region.

DOD does not have a specific process for determining CINC presence requirements. Most of the forces used to provide an overseas presence are also needed to meet warfighting needs, diplomatic commitments, and other purposes. DOD generally allocates forces to the CINCs based on these requirements, rather than presence. Currently, DOD does not compile comprehensive information on all CINC presence approaches nor does it completely analyze the effectiveness of these approaches or whether more cost-effective alternatives—different levels and mixes of forces and activities—might exist. DOD and CINC efforts to develop planning processes related to presence, if expanded, would provide an opportunity for DOD to better assess presence requirements and approaches.

Principal Findings

Changes in the Security Environment Have Affected Presence Approaches

DOD currently has the same type of approaches available to achieve overseas presence as it did at the end of the Cold War. However, the shift in emphasis from global to regional threats, such as aggression by major regional powers, has prompted DOD to make changes affecting the forces and activities used for overseas presence. For example, between 1988 and 1996, DOD reduced total forces by about 904,410 personnel, from 3.3 million to 2.4 million, or 27 percent. As a result, fewer personnel are available for presence activities. As part of this drawdown, DOD reduced the number of personnel ashore overseas from 458,446 to 213,467, or 53 percent. This significant reduction in particular affected EUCOM, which lost 210,218, or 66 percent, of its personnel.

DOD has also made changes in force deployments and the location of prepositioned equipment. Since the Cold War, DOD has decreased the

amount of naval aircraft carrier battle group coverage in EUCOM's region and increased naval deployments in CENTCOM's area. For example, before the 1980s, only three or four naval ships were deployed at any one time in the Persian Gulf, although carrier battle groups were nearby. However, carrier battle groups are now routinely present in the Gulf, along with land-based aircraft and other units. Also since 1988, DOD has decreased the amount of land-based prepositioned equipment in EUCOM's area by over 50 percent but is increasing the amount in PACOM and CENTCOM. Furthermore, a larger amount is being maintained afloat.

Funding for Approaches Can Be Significant and Varies

The funding for overseas presence approaches can be significant and, based on the data available, varies by approach. DOD requires the largest amount of funds to maintain the forces that provide presence. For example, funding for forces that were forward-based was about $16.4 billion in 1996 (see footnote 3). In contrast, 1996 funding for prepositioning equipment was about $960 million. Although DOD has some funding data on each of the approaches, this information is incomplete. For example, DOD does not compile data on all military interaction activities.

Since the end of the Cold War, funding has decreased for some presence approaches and increased for others based on our comparison of available comparable data. For example, because of the force drawdown, funding for forces that were forward-based decreased from about $27.4 billion in fiscal year 1989 to $16.4 billion in fiscal year 1996. Funding for prepositioning increased—from about $640 million in fiscal year 1992 to nearly $960 million in fiscal year 1996.

CINCs View the Importance of Security Objectives and Approaches Differently

While the five regional CINCs consider the national security objectives and presence approaches to be important, they have differing views on the relative importance of the objectives and the approaches[4] (see table 1). They were asked to base their views on factors such as threat, geographic characteristics, relationships with foreign governments and militaries, U.S. commitments, and the availability of U.S. forces.

[4]GAO used an analytic hierarchy decision model to solicit and record the views of CINC officials on the relative importance of presence objectives and approaches.

Table 1: Objectives and Approaches That CINC Officials Consider to Be Most Important

	ACOM	CENTCOM	EUCOM	PACOM	SOUTHCOM
Objective					
Initial crisis response	X	X		X	
Deterrence	X	X	X	X	
Reassurance				X	X
Influence				X	X
Approach					
Forward-based forces			X	X	
Routinely deployed forces		X			
Temporarily deployable forces	X				
Prepositioning		X			
Exercises					
Military interaction			X		X
Foreign military assistance					

ACOM and CENTCOM officials equally rank initial crisis response and deterrence as the most important objectives. ACOM's primary concern is economic stagnation and political instability. Its crises usually relate to humanitarian assistance, migrant, and counterdrug operations. Its deterrence efforts also focus on counterdrug operations, as well as, monitoring submarines of the former Soviet Union. Temporarily deployable forces were the officials' preferred approach to achieving these objectives because of the flexibility they provide. On the other hand, CENTCOM officials stated that their command focuses on deterring and, if necessary, responding to a major regional conflict. Because, for various reasons, the number of forward-based forces in CENTCOM's region are constrained, they believe routinely deployed forces and prepositioned equipment are the best approaches to deter potential aggression and respond to a crisis.

Because of the potential for small conflicts in its region, EUCOM officials believe deterrence is most important. They stated that the forward-based personnel in Europe are most important because they show U.S. commitment to allies and are a primary means by which it accomplishes military interactions. In areas where forward basing is not available, such as Eastern Europe, or is not economically or strategically vital, such as Africa, they believe conflict is deterred through humanitarian assistance, exchange programs, and other interaction activities.

PACOM officials consider the use of forward-based forces the most important approach for accomplishing the presence objectives because they demonstrate commitment and provide the personnel for many of the presence activities.

SOUTHCOM officials emphasized the importance of reassuring allies and influencing events. They believe that to promote stability in the region, military interaction activities are key to building relationships with countries in their region.

DOD Does Not Routinely Consider Whether More Cost-Effective Alternatives Exist to Meet Presence Requirements

DOD does not have a specific process to determine presence requirements. Most of the forces that CINCs use to meet these objectives are the same forces needed to meet wartime requirements, diplomatic commitments, and other purposes. DOD generally assigns forces to the CINCs in peacetime based on these requirements, rather than presence. Such allocations occur through processes or actions that are usually independent of each other. For example, DOD's 1993 bottom-up review determined the number of forces to be forward-based; and the Joint Staff periodically reviews and establishes the frequency of naval deployments when updating DOD's Global Naval Force Presence Policy. DOD and the State Department, as appropriate, review the CINCs' requests for foreign military assistance.

DOD does not currently comprehensively collect and completely analyze information on all CINC presence requirements and approaches. Also, DOD does not collectively review CINC requirements and objectives in a given region and evaluate the effectiveness of the level and mix of the forces and activities used to meet the objectives. Nor does DOD consider whether more cost-effective alternatives might exist, such as different combinations of forces, prepositioning, interaction activities, and military assistance. For example, DOD could examine questions such as (1) whether CINCs can accomplish security objectives by using a different mix of aircraft carrier, surface combatant, air power, and ground force deployments than is currently employed and (2) whether the availability of satellites and other information technology offer the opportunity to reduce the physical presence of U.S. forces. Such assessments would allow DOD and the CINCs to make judgments about the level and nature of effort—forces, activities, and funding—that is expended to provide presence and determine whether adjustments should be made.

DOD and CINC Planning Efforts on Presence, If Expanded, Provide an Opportunity to Assess Alternatives

DOD, through the Joint Staff, is beginning to develop a process on the engagement aspect of presence—activities that U.S. forces engage in during peacetime to shape the international security environment. However, the scope of the process as currently proposed is limited because it does not address how DOD will comprehensively assess (1) the effectiveness of all presence approaches or (2) whether cost-effective alternatives to the current level and mix of forces and activities that provide presence exist. EUCOM, CENTCOM, and PACOM are implementing processes to compile information on their presence activities, assess their effectiveness, and develop future presence plans.

While DOD's efforts to address the engagement aspect of presence are an important first step, GAO believes that DOD needs to assess all presence approaches and alternatives for meeting security objectives. In this regard, the results of CINC planning efforts may be useful to DOD. Until DOD collectively assesses the CINCs' presence requirements, the effectiveness of all presence approaches, and alternatives to existing levels and mixes of forces and activities, it will be unable to determine whether alternatives exist that could achieve security objectives more cost-effectively.

Recommendation

GAO recommends that the Secretary of Defense, in coordination with the CINCs and Department of State, compile and analyze information on CINC presence requirements and approaches in a manner that would allow assessments of the effectiveness of current levels and mixes of forces and activities, and whether alternatives exist that could achieve national security objectives more cost-effectively.

Agency Comments

GAO provided a draft of this report to DOD and the Department of State for comment. DOD provided comments on the draft, which are included in appendix I. The Department of State advised GAO orally that it had no comments.

DOD concurred with GAO's recommendation and partially concurred with the report. DOD disagreed with GAO's conclusion that DOD does not routinely consider whether more cost-effective alternatives exist to meet presence requirements. DOD said it already makes decisions that affect presence and regularly assesses whether adjustments should be made. DOD stated its planning system provides an approach to maintain warfighting readiness, deterrent posture, and crisis response capability, and determines the location and deployment of forces and the number of personnel assigned

overseas. DOD said that these results are reflected in its budgeting system, which allocates resources for forces. Under these systems, DOD stated that it establishes priorities and considers the cost-effectiveness of alternatives. In agreeing with GAO's recommendation, DOD said it is developing a planning process to review peacetime engagement—activities that forces engage in to shape the security environment. According to DOD, this process will provide (1) guidance on objectives, tasks, priorities, and resources related to these activities and (2) improve DOD's ability to resource engagement requirements and make decisions on engagement alternatives.

DOD also said that the report has limited value because it focused primarily on the engagement aspect of presence. It noted that forces are assigned to CINCS based on warfighting requirements and other commitments, rather than just engagement. DOD further stated that GAO's methodology had serious limitations because GAO grouped forces and activities in a single list of presence approaches. DOD believed this analytic construct, manifested in the model used to obtain CINC officials' views on the relative importance of approaches, misleads the reader by implying that means (forces and infrastructure overseas) and ways (how these forces and infrastructure are employed) are equivalent and interchangeable. DOD noted the report highlighted the costs of supporting presence overseas, but failed to assess the benefits. DOD emphasized that the return on investment in terms of deterring major conflict and shaping the security environment is substantial. DOD's specific comments and GAO's evaluation of them are included in the report where appropriate.

GAO agrees that DOD, through its planning and budgeting systems, makes decisions about the resources expended for presence. However, as DOD notes, these decisions relate to forces based on warfighting, deterrence, and crisis response needs. Presence encompasses a broader set of national security objectives, including deterrence, crisis response, reassurance, and influence, and is accomplished through a variety of forces and activities. DOD's systems do not currently include a mechanism to review presence requirements and approaches, and to evaluate the appropriate level and mix of forces and activities. While DOD's efforts to address the engagement (activities) aspect of presence are an important step, GAO believes that DOD should integrate and analyze information on all presence approaches. Unless DOD includes the entire range of forces and activities available to achieve presence, it will be unable to determine whether alternatives exist that could achieve security objectives more cost-effectively.

GAO's examination of presence addressed more than engagement activities. In fact, the report specifically includes forward-based and deployed forces, and prepositioning of equipment in its discussion of presence approaches and provides extensive information on these approaches. GAO's grouping of forces and activities in a single list of presence approaches is valid because it reflects the broader nature of presence beyond just forces, as depicted in the 1996 national security strategy and other DOD documents. GAO used the model as a tool to obtain CINC officials' views on the relative importance of presence approaches. GAO presented these views in a factual manner in the report and did not state conclusions about whether the approaches were equivalent and interchangeable.

GAO agrees that the benefits of maintaining overseas presence are significant. The report specifically states that presence is a key component of U.S. strategy that CINCs rely on to accomplish important national security objectives. It also discusses, in some detail, the CINC's views on the importance and impact of presence. GAO presented cost information on the various presence approaches to show the extent of DOD's investment in the forces and activities used to achieve presence, and did not contrast the costs with the benefits.

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Abbreviations

ACOM	U.S. Atlantic Command
CENTCOM	U.S. Central Command
CINC	Commander in Chief
DOD	Department of Defense
EUCOM	U.S. European Command
PACOM	U.S. Pacific Command
SOUTHCOM	U.S. Southern Command

Introduction

Since the end of the Cold War, U.S. strategy has shifted its focus from containing the global threat of communist expansion to responding to dangers such as the spread of weapons of mass destruction, aggression from major regional powers, the potential failure of democratic reforms in the former Soviet Union and elsewhere, and the potential failure to build a strong and growing U.S. economy. According to the Department of Defense's (DOD) 1993 bottom-up review, the United States, in the post Cold War era, must pursue a defense strategy characterized by international political, economic, and military engagement. This strategy of engagement advocates (1) preventing the emergence of threats to U.S. interests by promoting democracy, economic growth, free markets, human dignity, and the peaceful resolution of conflict and (2) pursuing international partnerships for freedom, prosperity, and peace.

Overseas presence is directly linked to the concept of engagement and has been a key component of U.S. strategy. During the Cold War, the United States sought to contain Soviet nuclear and conventional forces through the presence of large numbers of forward-deployed forces in Europe and East Asia. Since then, U.S. presence has become a means of promoting global stability and remaining engaged abroad in peacetime. For example, the 1995 National Military Strategy calls for flexible and selective engagement based on complementary strategic concepts of maintaining overseas presence and the ability to rapidly project power worldwide. Also, the 1996 National Security Strategy of Engagement and Enlargement cites the need to maintain a robust overseas presence in several forms, such as flexible military forces, prepositioned equipment, exercises, military-to-military contacts, and foreign military assistance programs to deter aggression and advance U.S. strategic interests.

Overseas presence is also a determining factor in the size of U.S. naval forces. In its 1993 bottom-up review, DOD emphasized that presence needs can impose requirements for naval forces, especially aircraft carriers, that exceed those needed for the wartime requirement of fighting and winning two nearly simultaneous major regional conflicts. DOD, therefore, stated that it sized the naval force to reflect presence as well as warfighting requirements. DOD determined that it needed a total of 12 carriers, 10 of which would be adequate for two major regional conflicts. Retaining additional carriers for presence has significant budget implications because the nuclear powered aircraft carrier is the most expensive weapon system in the nation's arsenal. The Navy is currently building one aircraft carrier at a total estimated cost of $4.3 billion in fiscal year 1995 dollars and is planning for another carrier, which would begin

construction in fiscal year 2002 at a estimated cost of $5.4 billion in then-year dollars.

Regional Commands Use a Variety of Approaches to Meet Security Objectives

In peacetime, the United States maintains overseas presence to (1) provide an initial crisis response, (2) deter potential aggressors, (3) reassure allies of U.S. commitment, and (4) influence events overseas in ways favorable to U.S. interests. The five regional commanders in chief (CINC) are responsible for achieving these national security objectives in their assigned geographic areas (see fig. 1.1). These CINCs are the U.S. Atlantic Command (ACOM), the U.S. Central Command (CENTCOM), the U.S. European Command (EUCOM), the U.S. Pacific Command (PACOM), and the U.S. Southern Command (SOUTHCOM).

Figure 1.1: Areas of Responsibility Assigned to Regional CINCs

PACOM

SOUTHCOM

ACOM

EUCOM

CENTCOM
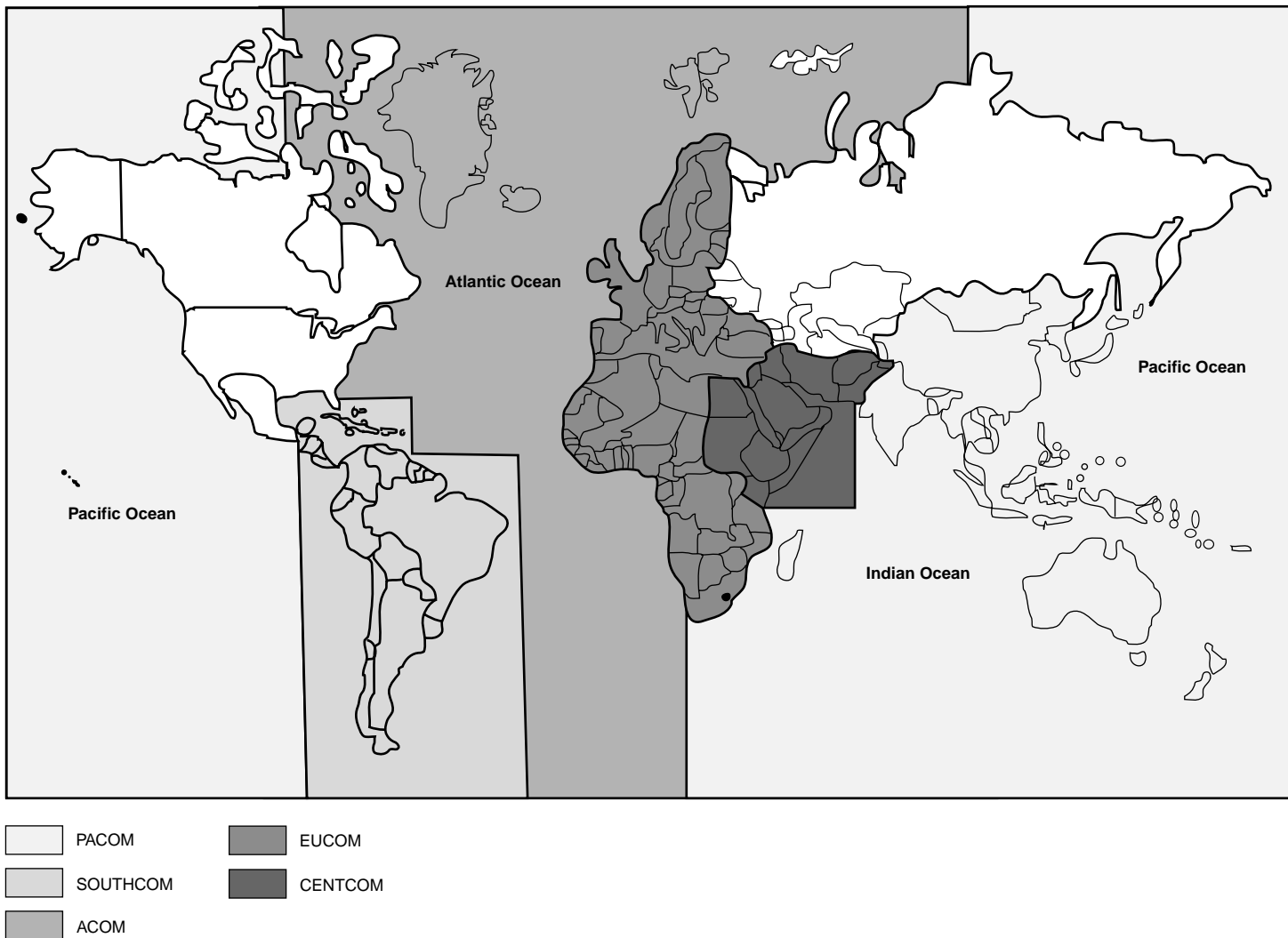
Source: Office of the Assistant Secretary of Defense (Public Affairs).

The CINCs use a variety of approaches—forces and activities—to achieve security objectives (see table 1.1). Although the CINCs generally use the same types of presence approaches, the level and mix may vary, depending on the circumstances in a particular region. For example, EUCOM and PACOM have significant numbers of forward-based forces

located in countries in their regions. On the other hand, access for basing U.S. forces in CENTCOM's area has been limited; therefore, most of the forces that the Command uses for overseas presence are on routine and temporary deployments.

Table 1.1: Approaches for Achieving U.S. Security Objectives

Approach	Description
Forward-based forces	Forces permanently based ashore in foreign countries
Routinely deployed forces	Forces that deploy from U.S. or overseas locations to conduct routine operations
Forces temporarily deployable for specific purposes	Forces that could deploy from the United States or overseas bases for specific purposes, such as operations or exercises
Prepositioned equipment	Warfighting equipment maintained at overseas locations (ashore and afloat)
Exercises	Individual (single service), joint (more than one service), and combined (U.S. and foreign forces) training involving forward-based and deployed U.S. forces
Military interaction	Activities such as exchange programs, contacts between U.S. and foreign military officials, participation of foreign military officers in U.S. professional education programs, port calls, and operations during peacetime, such as counterdrug and humanitarian assistance
Foreign military assistance	Programs that sell, finance, or donate U.S. defense equipment, services, or training to foreign governments

The forces that provide presence include both active and reserve force units. DOD provides the forces and related funding for overseas presence approaches. The Department of State provides policy guidance and funds foreign military assistance and all or part of certain military interaction activities, such as the International Military Education and Training program[1] and the Partnership for Peace program.[2]

DOD Is Reviewing Overseas Presence

In its 1995 report, the Commission on Roles and Missions of the Armed Forces noted that the U.S. national security strategy places a high priority on engaging others overseas and recognized that all services provide capabilities to meet the CINCs' overseas presence objectives. It also noted that overseas presence is challenging because of the difficulty in relating

[1]State Department funds this program to provide training in the United States to foreign military and civilian personnel.

[2]This program is a U.S. initiative started by the North Atlantic Treaty Organization to strengthen cooperation with 27 central and eastern European countries, including the former Soviet Union. DOD and the State Department fund the U.S. contribution to this program, including funds for training, equipment, and other assistance.

specific results to the efforts expended by the U.S. forces engaged in presence activities. The Commission suggested that, in light of the changing world, DOD look for more efficient and effective ways to achieve presence objectives. It recommended that DOD (1) revise the process for determining CINC presence requirements and (2) experiment with new approaches for achieving presence objectives.

In response to the Commission's recommendations, the Secretary of Defense, in August 1995, asked the Chairman of the Joint Chiefs of Staff, in conjunction with the Under Secretary of Defense for Policy, to conduct a comprehensive review of presence objectives and associated requirements processes. As discussed in chapter 4, a Joint Staff working group led this review and developed a proposal to establish a planning process on the engagement aspect of presence—activities that forces engage in during peacetime to shape the international security environment. This group, established in 1994 as one of DOD's Joint Warfighting Capability Assessment teams, focuses on regional engagement and overseas presence issues.[3] Prior to working on the Chairman's review of presence, the team prepared a paper describing U.S. military interaction activities with foreign governments and militaries.

Objectives, Scope, and Methodology

We examined (1) changes in DOD's approaches to providing overseas presence since the end of the Cold War, (2) funding related to providing overseas presence, (3) the importance that regional CINCs assign to national security objectives and presence approaches, and (4) DOD's means of determining requirements for overseas presence and assessing alternatives for meeting them. We did not evaluate the appropriate level of presence or the merit of specific approaches.

To determine how DOD's approaches for providing peacetime presence have changed since the end of the Cold War, we interviewed knowledgeable officials at the offices of the Assistant Secretary of Defense for Strategy and Requirements; the Joint Chiefs of Staff; the Army, the Air Force, the Navy, and the Marine Corps headquarters; and the Department of State. We also reviewed relevant documentation, including DOD studies on presence, the Future Years Defense Programs related to fiscal years 1988-96, and Department of State congressional presentation documents.

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[3]DOD established 10 assessment teams in selected mission areas to advise the Chairman on joint warfighting capabilities. According to DOD officials, the regional engagement and overseas presence team was originally chartered to study several select presence issues, but its scope was expanded to include all aspects of overseas presence.

To determine funding related to the approaches used for overseas presence, we analyzed the historical and current DOD Future Years Defense Programs; the Department of State budget documents; the President's fiscal years 1990-98 budgets; and reports and documents from the Office of the Secretary of Defense, Joint Staff, CINCs, and the Defense Security Assistance Agency.

To determine the importance that regional CINCs assign to national security objectives and presence approaches, we interviewed knowledgeable officials at the five regional CINCs and reviewed relevant documentation. We used an analytical hierarchy decision model called Expert Choice to guide our discussions with command officials. To apply this model, we categorized the forces and activities used for presence into seven approaches based on our analysis of DOD documents and the results of preliminary tests at two CINCs. We then convened a panel of command officials from major functional areas, such as intelligence, operations, logistics, and strategic plans and policy. We asked the panel to (1) respond to a series of questions on the relative importance of security objectives and approaches, (2) reach consensus, and (3) provide the rationale for their answers. The model then calculated the relative importance of the objectives and approaches, and we discussed the results with command officials to obtain their comments.

To identify how DOD determines presence requirements and assesses alternatives for achieving them, we interviewed knowledgeable officials and reviewed relevant documentation at the offices of the Assistant Secretary of Defense for Strategy and Requirements; the Joint Chiefs of Staff; the Army, the Air Force, the Navy, and the Marine Corps headquarters; the U.S. Army Training and Doctrine Command; the U.S. Air Force Air Combat Command; and the five regional CINCs. We also met with officials at the Department of State and the National Security Council.

We conducted this review from October 1995 through April 1997 in accordance with generally accepted government auditing standards.

Changes in the Security Environment Have Affected Presence Approaches

In response to changes in the security environment, U.S. presence has changed significantly in different regions of the world since the end of the Cold War. Among other things, force reductions have made fewer forces available for overseas presence and the frequency of force deployments has increased in some regions while decreasing in others. DOD has also restructured prepositioned equipment; engaged in new types of exercises and military interaction activities; and made adjustments in military assistance. Since the end of the Cold War, funding has decreased for some approaches and increased for others. The funding varies widely by approach, some of which can cost billions of dollars.

Fewer Forces Are Available for Presence and Deployments and Prepositioning Have Shifted

In the post-Cold War years, DOD has steadily reduced the total military force, from about 3.3 million in fiscal year 1988 to 2.4 million in fiscal year 1996, a 27-percent reduction. This reduction affected both active duty and reserve personnel. Table 2.1 provides a breakdown of the reduction in military personnel.

Table 2.1: Change in Military Personnel, Fiscal Years 1988 to 1996

Component	End of fiscal year 1988	End of fiscal year 1996	Change from fiscal year 1988 to 1996 (percent)
Active	2,138,213	1,471,722	666,491 (31)
Reserve	1,158,357	920,438	237,919 (21)
Total	**3,296,570**	**2,392,160**	**904,410 (27)**

Source: The Secretary of Defense's Annual Report to the Congress, 1997, and DOD reserve manpower statistics.

The force drawdown has significantly affected presence approaches because large reductions—about 56 percent—have occurred in the numbers of active duty personnel that are based ashore overseas or deployed routinely or temporarily overseas aboard Navy ships. Generally, forward-based and deployed active personnel represent the bulk of the U.S. forces available for presence activities on a daily basis. Table 2.2 shows the reduction in active duty personnel ashore or afloat overseas from fiscal year 1988 to 1996.

Table 2.2: Reduction in Active Duty Military Personnel Overseas, Fiscal Years 1988 to 1996

Overseas personnel	End of fiscal year 1988	End of fiscal year 1996	Change from fiscal year 1988 to 1996 (percent)
Ashore[a]	458,446	213,467	244,979 (53)
Afloat[b]	82,142	26,954	55,188 (67)
Total	**540,588**	**240,421**	**300,167 (56)**

[a]Figures reflect permanently based and temporarily deployed forces ashore in foreign countries.

[b]Figures reflect deployed forces afloat.

Source: DOD Worldwide Manpower Distribution by Geographic Area.

Compared to the other four CINCs, EUCOM has been the most affected by the reductions in active duty personnel ashore overseas (see table 2.3). Specifically, between fiscal year 1988 and 1996, it incurred a 66-percent reduction from 318,500 to 108,300 in its personnel ashore. This reduction of 210,200 people amounts to 86 percent of the total reduction in personnel ashore worldwide. ACOM, SOUTHCOM, and PACOM also experienced decreases, but the percentage reduction was less than EUCOM. Over the same time, CENTCOM experienced an increase in the number of personnel ashore.

Table 2.3: Reduction in Active Duty Military Personnel Ashore in Foreign Countries by Command, Fiscal Years 1988 to 1996

Command	Active duty military (end of fiscal year 1988)	Active duty military (end of fiscal year 1996)	Change from fiscal year 1988 to 1996 (percent)
ACOM	9,489	5,393	−4,096 (−43)
CENTCOM	2,361	8,986	+6,625 (+281)
EUCOM	318,519	108,301	−210,218 (−66)
PACOM	113,991	81,480	−32,511 (−29)
SOUTHCOM	13,169	7,670	−5,499 (−42)

Note: Figures do not include personnel located in areas that are not assigned to a regional command, such as the former Soviet Union, Canada, Mexico, and Antarctica.

Source: DOD Worldwide Manpower Distribution by Geographic Area.

The changing security environment has also affected naval deployments. During the Cold War, naval carrier battle groups—aircraft carriers with several surface combatant ships, submarines, and logistics support ships—deployed regularly to EUCOM's area. Since the post-Cold War drawdown, the amount of carrier battle group coverage in EUCOM's region

has decreased.[1] By contrast, as DOD has become more concerned about the threat in the Persian Gulf, routine naval deployments there have increased. Whereas three or four ships were deployed to the area before the 1980s and carrier battle groups were usually present outside the Gulf, a carrier battle group is now routinely deployed in the Gulf along with land-based aircraft and other units.

As the security environment has changed and DOD has reduced its forces overseas, DOD has restructured land-based prepositioned equipment (see table 2.4) and increased the amount of prepositioned equipment aboard ships. EUCOM has experienced the only reduction in Army land-based prepositioned equipment. Since the end of the Cold War, the Army has reduced its nine brigade sets of prepositioned equipment in Central Europe to two as of 1996. In addition, EUCOM has an Army brigade set in Italy and a Marine Corps brigade set in Norway. Meanwhile, DOD has started prepositioning equipment in CENTCOM's region. One brigade set is now located in Kuwait, another brigade set and equipment for a division headquarters is being placed in Qatar, and plans for a third brigade set are being considered. The amount of prepositioned equipment in PACOM's region is being increased by an Army brigade set now being placed in Korea.

Table 2.4: Changes in Army and Marine Corps Land-Based Prepositioned Equipment by Region From Fiscal Year 1988 to 1996

Commands	Brigade sets of prepositioned equipment (fiscal year 1988)	Brigade sets of prepositioned equipment (fiscal year 1996)
ACOM	0	0
CENTCOM	0	1 Army set 1 partial Army set[a]
EUCOM	9 Army sets 1 Marine Corps set	3 Army sets 1 Marine Corps set
PACOM	0	1 Army set
SOUTHCOM	0	0

[a]DOD plans to complete this set by the year 2000.

Sources: DOD data and the Secretary of Defense's Annual Reports to the Congress.

The amount of prepositioning aboard ships has increased since 1988 primarily because, in 1993, the Army started prepositioning equipment afloat. By 1996, the Army had equipment on 14 ships stationed in the Indian and Pacific Oceans in sufficient quantities to provide material for an armor brigade and other units. Since the mid-1980s, the Marines have

[1]Specific data on deployment frequency is classified.

maintained prepositioned equipment on 13 ships. In addition, the Navy, the Air Force and the Defense Logistics Agency currently have seven ships with prepositioned equipment and other war reserve material.

DOD Has Changed Its Exercises and Interaction Activities

The changing security environment has also affected the type and number of exercises and the importance of interaction activities. The Chairman of the Joint Chiefs of Staff's exercises are the principal vehicle for achieving inter-service and multinational operational training. Also, exercises demonstrate U.S. resolve and the capability to project military presence anywhere in the world. The nature of these exercises has changed in recent years from a few large-scale ones focused on preparing for global contingencies and conflicts to an increased number of smaller ones focused on regional contingencies. As a result, the number of exercises has increased from 90 in fiscal year 1990 to approximately 200 in fiscal year 1995. Of the 200 exercises, the vast majority involved the deployment of U.S. forces to ensure access to foreign seaports or airstrips and visibly demonstrate U.S. commitment. Other activities include humanitarian assistance and enhancing the professionalism of foreign militaries.

Military interaction[2] is an umbrella term we used in this report to describe a variety of programs carried out by DOD and the Department of State, whereby U.S. defense personnel interact with foreign personnel to shape the security environment in support of U.S. national security objectives. During the Cold War, U.S. forces participated in interaction activities at a minimum because they were perceived as diverting resources and undermining wartime readiness. In the mid-1990s, DOD's view of these activities changed as U.S. strategy shifted toward regional engagement and enlargement. As a result, the U.S. military now views military interaction such as training of foreign military personnel in the United States and counterdrug operations as more important and is involved in new activities such as Partnership for Peace and regional study centers. These activities are described below.

Training

The International Military Education and Training program provides professional education and training to foreign military and civilian personnel from over 100 countries annually. The Joint Staff considers this a cost-effective program. Over half a million foreign personnel have been trained since 1950, but the number trained annually has decreased in

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[2]This term as used in this report differs from DOD's definition of foreign military interaction in that it does not include the Department of State assistance programs foreign military sales, foreign military financing, and excess defense articles program, which we categorized as foreign military assistance.

recent years from almost 6,000 students in 1988 to less than 2,700 in 1995. Over this time, the type of training has changed from lower grade technical training to more senior officers attending war colleges. International Military Education and Training Program attendees receive training in U.S. values, regard for human rights, democratic institutions, and civilian control of the military.

Counterdrug Operations

In 1989, the Congress directed DOD to take charge of monitoring sea and air traffic to detect the transit of illegal drugs to the United States. In 1993, the administration's focus changed to helping source countries in their counterdrug operations. The CINCs implement a broad spectrum of counterdrug training and operational support within their regions. DOD support for source nations is oriented toward strengthening institutions within these nations so they can better conduct their own counterdrug operations. This assistance includes the detection and monitoring of the transit area, support for domestic drug law enforcement agencies, and dismantling cartels.

Partnership for Peace

Partnership for Peace is a 1994 U.S. initiative started by the North Atlantic Treaty Organization to promote stability and security throughout Europe. It comprises a broad program of activities designed to strengthen practical cooperation between the North Atlantic Treaty Organization and 27 Partnership for Peace countries in Central Europe and the former Soviet Union. Partnership for Peace prepares and equips the nations to successfully participate in joint missions such as peace operations, search and rescue, and humanitarian assistance.

Regional Study Centers

Regional study centers are a recent activity that provide the opportunity for foreign military personnel to enroll in academic courses on defense planning and management in democratic societies such as civilian and military relations and democracy, law of war and international humanitarian law, lessons learned from the Cold War, and combined peace operation training and exercises. EUCOM's George C. Marshall Center in Germany, established in 1992, focuses on educating mid- to senior-level defense officials from former Soviet states. PACOM's Asia-Pacific Center in Hawaii, established in 1996, facilitates the understanding of U.S. military, diplomatic, and economic roles in the Pacific.

Foreign Military Assistance Has Fluctuated, but Has Not Changed Significantly Since the End of the Cold War

Overseas presence also includes military assistance to foreign countries in the form of foreign military financing, foreign military sales, and excess defense articles. These three programs provide a means to transfer defense equipment, services, and training to friendly foreign militaries to enhance their capabilities and thereby benefit the United States. For the sales and financing programs, the regional CINCs make recommendations on the amount and type of assistance and ensure coordination of the assistance with U.S. diplomatic missions and DOD components. Of the three programs, only foreign military financing receives an annual appropriation. These funds are for grants and subsidies for loans to countries with which they can purchase U.S. defense articles or services. The other two programs, foreign military sales and excess defense articles, provide a mechanism for selling or giving U.S. defense articles to foreign countries.

The total appropriation for foreign military financing has varied from about $4.0 billion in fiscal year 1988 to $4.8 billion in fiscal year 1990 before decreasing to $3.3 billion in fiscal year 1996. Of this funding, $3.1 billion annually since fiscal year 1988 has gone to two countries, Egypt ($1.3 billion) and Israel ($1.8 billion), with the remainder of the grants distributed primarily to several other countries. For example, in fiscal year 1996, Jordan (CENTCOM) received $100 million, Cambodia (PACOM) received $1 million, the Partnership for Peace countries (EUCOM) received $53 million, the Caribbean countries (ACOM) received $2 million. None of the countries in SOUTHCOM's region received funding.

The foreign military sales program involves the government-to-government sale of U.S. defense equipment, services, training, and construction to foreign countries. The annual amount of these sales has varied from $11.3 billion in fiscal year 1988 to nearly $33 billion in fiscal year 1993 before declining to $10.5 billion in fiscal year 1996. Cumulatively, some of the major purchasers over these years have been Saudi Arabia ($36 billion), Egypt ($12 billion), Taiwan ($10 billion), and Israel ($7 billion).

The excess defense articles program donates or sells defense items no longer needed by the United States to eligible foreign countries. The current value of excess defense articles donated or sold has varied from $194 million in fiscal year 1994 to $151 million in fiscal year 1995. The primary countries receiving donations of excess defense articles valued at $138 million in fiscal year 1995 were Turkey ($58 million), Jordan ($26 million), Egypt ($19 million), and Greece ($17 million).

Funding for Overseas Presence Approaches Can Be Significant and Varies

Funding for overseas presence approaches can be significant and, based on the data available, varies widely by approach. DOD requires the largest amount of funds to maintain the forces that provide presence. Although DOD has some funding data on each of the approaches, this information is not complete. For example, DOD does not compile data on all of the activities associated with military interaction, such as the funding attributable to naval ship visits to foreign ports, military-to-military contacts, and exchange programs. Table 2.5 shows the fiscal year 1996 funding, to the extent that data was available, associated with each presence approach. The table is meant to be illustrative and, for the reasons cited above, does not include every component that makes up each approach.

Table 2.5: Examples of Fiscal Year 1996 Funding Related to Presence Approaches

Numbers in billions

Approach	Fiscal year 1996 funding[a]
Forward-based forces[b]	$16.354
Routinely and temporarily deployable forces	[c]
Prepositioned equipment[d]	0.957
Exercises[e]	0.379
Military interaction[f]	
International military education and training	0.039
Marshall Center	0.012
Traditional CINC activities	0.060
Peacetime operations	
Counterdrug	0.817
Peace operations[g]	0.455
Humanitarian, disaster, and civic assistance	0.036
Peace initiatives	
Partnership for Peace	0.093
Cooperative threat reduction	0.305
Foreign military assistance[h]	
Foreign military financing	3.292
Foreign military sales	10.339
Excess defense articles	0.168

[a]Figures may include some double-counting because of overlap in the approaches. For example, part of the Partnership for Peace funding is foreign military financing grants. Funding shown is budget authority, obligations, or values of items sold or donated.

[b]Reflects estimated military pay, operations and maintenance, transportation, military construction, and family housing and construction. Some of the funding includes funds to cover those costs incurred because the forces are located overseas, such as for transportation, as well as some costs incurred regardless of where the forces are based, such as military pay. Funding shown does not reflect support received from host nations.

[c]Funding data is not available because DOD does not compile data on the cost related to deploying forces from the United States or overseas locations for presence.

[d]Reflects funding for operations and maintenance, military personnel, and limited procurement related to prepositioning ashore and afloat.

[e]Reflects funding for support and transportation for exercises sponsored by the Chairman, Joint Chiefs of Staff. Funding for service exercises was not readily available.

[f]Reflects DOD and the Department of State funding for these approaches.

[g]Reflects funding for U.S. assistance to some international efforts to monitor and maintain areas of special concern and U.N. contributions for international peace operation activities.

[h]Reflects grants and loan subsidies that countries use to finance purchases of U.S. defense items and the value of U.S. items and services sold or donated to other countries.

Sources: GAO analysis of DOD's Future Years Defense Program data for fiscal years 1996 to 2001, DOD, EUCOM, Department of State, and the President's Budget for Fiscal Year 1998.

Since the end of the Cold War, the funding for some presence approaches has changed (see table 2.6), with some increasing and others decreasing, based on our comparison of available comparable data.

Table 2.6: Changes in Funding for Selected Presence Approaches, Fiscal Years 1989-96

Dollars in billions

Approach	Fiscal year 1989 funding	Fiscal year 1996 funding	Percent change
Forward-based forces	$27.387	$16.354	−40
Prepositioning	0.641[a]	0.957	+49
Exercises[b]	0.287	0.379	+32
Military interaction International Military Education and Training	0.046	0.039	−15
Counterdrug operations	0.314	0.817	+160

[a]Reflects fiscal year 1992 funding because comparable data for prior years was not available.

[b]Reflects funding for Joint Chiefs of Staff sponsored exercises.

Sources: DOD, Department of State, the President's Budget for fiscal years 1990 and 1998, and GAO's analysis of DOD's Future Years Defense Program data.

The changes in table 2.6 occurred for various reasons. For example, the reduction in funding for forward-based forces is directly linked to DOD's force drawdown. Increases in funding for prepositioning reflect the net increase in cost of operating and maintaining prepositioned equipment primarily at land-based locations. Funding for Joint Chiefs of Staff exercises has increased as the number of exercises has increased and their nature shifted from large global to smaller regionally focused scenarios that among other things, foster relationships with other nations' military forces. The International Military Education and Training Program funding decreased from $46 million in 1989 to $22 million in 1994 because of a perception that it was duplicative of another program, before increasing to its 1996 level of $39 million. Since 1989, considerable national attention has been given to stopping the flow of illicit drugs, resulting in a significant increase in counterdrug operations and related funding.

Agency Comments and Our Evaluation

DOD noted the report highlighted the costs of supporting presence overseas, but failed to assess the benefits. DOD emphasized that the return on investment in terms of deterring major conflict and shaping the security

environment is substantial. We agree that the benefits of maintaining overseas presence are significant. The report specifically states that presence is a key component of U.S. strategy that CINCs rely on to accomplish important national security objectives. It also discusses, in some detail, the CINCs views on the importance and impact of presence. We present cost information on the various presence approaches to show the extent of DOD's investment in the forces and activities used to achieve presence, and do not contrast the costs with the benefits.

Regional Security Environments Affect CINCs' Views on Presence

CINC officials view all national security objectives and presence approaches to be important, but differ on their relative importance based on the security environment in their respective regions. Officials at two regional commands cite initial crisis response and deterrence as the most important objectives, officials at one command cite deterrence, officials at one command consider all four objectives equally important, and officials at the other command cite reassurance and influence. To meet these objectives, officials at some commands prefer to use various types of forces and others prefer military interaction.

CINC Officials View Presence Objectives and Approaches Differently

Using an analytical hierarchy decision model, we solicited the views of officials from the five regional CINCs on national security objectives related to presence and on presence approaches. Specifically, we asked them, through a series of questions, to reach consensus on the relative importance of initial crisis response, deterrence, reassurance, and influence as these objectives related to the security environment in their region. Using the same methodology, they also provided consensus views on the relative importance of the seven presence approaches to achieving the objectives. Table 3.1 shows the results of our discussions.

Table 3.1: Objectives and Approaches That CINC Officials Consider to Be Most Important

	ACOM	CENTCOM	EUCOM	PACOM	SOUTHCOM
Objective					
Initial crisis response	X	X		X	
Deterrence	X	X	X	X	
Reassurance				X	X
Influence				X	X
Approach					
Forward-based forces			X	X	
Routinely deployed forces		X			
Temporarily deployable forces	X				
Prepositioning		X			
Exercises					
Military interaction			X		X
Foreign military assistance					

Officials from regional commands view all national security objectives and presence approaches to be important, but differ on their relative importance. In determining their most important objectives and

approaches, we asked CINC officials to base their assessments on factors such as threat, geographic characteristics, relationships with foreign governments and militaries, U.S. commitments, and the availability of U.S. forces. The following sections describe their specific views.

ACOM and CENTCOM Officials View Initial Crisis Response and Deterrence as Equal in Importance

ACOM and CENTCOM officials consider the same objectives to be most important for their regions, but differ on the approaches they think are most important to achieve these objectives.

ACOM

Command officials cite initial crisis response and deterrence as the command's top objectives because the Command is primarily concerned about dealing with regional economic stagnation and political instability. The crises it has to deal with usually relate to humanitarian assistance, migrant operations, and counterdrug operations, not military threats. An example of such crises is the refugee migration in Cuba that was concurrent with the loss and restoration of democracy in Haiti. According to Command officials, ACOM's deterrence efforts focus on conducting counterdrug operations and monitoring submarines of the former Soviet Union. These officials consider temporarily deployable forces to be ACOM's most important approach for achieving initial crisis response and deterrence because such forces, especially naval and ground forces, provide the flexible capability the Command needs.

CENTCOM

CENTCOM officials identify initial crisis response and deterrence as most important because of the potential for a major regional conflict. They stated that the Command's primary focus is to deter conflict. If deterrence should fail, the Command wants to limit the intensity of the conflict, and maintain the ability to prevail in combat. The Persian Gulf is their primary area of concern because of its substantial oil resources and key maritime routes. According to CENTCOM officials, Iraq and Iran pose threats to the flow of oil from the region to world markets and are involved in the proliferation of weapons of mass destruction and terrorism. In addition, other crises could arise. For example, CENTCOM is concerned that South

Asia border disputes and competition for resources between Pakistan and India may escalate.

CENTCOM officials consider routine deployments, especially naval deployments, and prepositioned equipment to be the most important approaches to provide initial crisis response and deterrence. Because the Command has few forward-based forces, deployments of forces to the region are considered by these officials to be the best deterrent to hostilities. They said political considerations constrain CENTCOM from having more than 2,800 personnel forward-based in the area. However, with routine and temporary deployments, the number of U.S. forces in the region at any given time can be 10,000 to 20,000. These deployed forces usually include a carrier battle group, an amphibious ready group, and Air Force aircraft. Command officials consider prepositioned equipment, located both afloat and ashore, to be important because it provides the necessary military equipment and ensures regional access for forces deploying into the region, thereby reducing risk and shortening the response time.

EUCOM Considers Deterrence to Be Most Important

EUCOM officials consider deterrence to be the Command's most important presence objective. Although they did not expect a major regional conflict to occur in the region, these officials noted that a number of lesser regional conflicts are possible due to instability. For example, they noted that the North Atlantic Treaty Organization members of Greece and Turkey still dispute territorial borders. Also, the Balkan countries in Eastern Europe may continue to be unstable for the rest of the decade. Furthermore, the Middle East continues to be a potential trouble spot. Regional instability may also occur as communist countries of the former Soviet Union, among other things, undergo severe economic turmoil, while democratic reforms remain under attack.

Despite the drawdown in its forward-based forces, EUCOM officials consider the 108,301 active military forces in EUCOM to be the most important approach to achieve deterrence. In their view, the basing of these forces in EUCOM's region are a visible reinforcement of U.S. commitment to the area. In addition, forward basing is the primary means by which EUCOM accomplishes its next most important approach, military interaction. Command officials view military interaction as important for deterrence because they promote stability through military-to-military contacts such as peace operations, humanitarian assistance, and the International Military Education and Training and Partnership for Peace

programs. According to DOD officials, in areas where forward basing is not available, such as Eastern Europe, or is not economically or strategically vital, such as Africa, they believe conflict is deterred through humanitarian assistance, exchange programs, and other interaction activities.

PACOM Views All Security Objectives as Equally Important

PACOM officials believe that initial crisis response, deterrence, reassurance, and influence are equally important. PACOM officials emphasized the need to balance these objectives with a proper mix of forward-based forces, routinely deployed forces, prepositioned equipment, and military interaction.

PACOM remains concerned about North Korea's uncertain intentions. However, PACOM is focused on nurturing bilateral relationships with countries in its region as a means of advancing security and stability throughout the region. According to Command officials, China's importance to the region and the world is unquestionable. China is a permanent member of the U.N. Security Council with vast economic potential and a nuclear weapons state, with a large conventional force. PACOM sees a potential for both cooperation and disagreement with this growing power, and articulated a desire to work together with China when there are common interests and to resolve problems when there are disagreements. PACOM officials viewed engaging China as a means of building contacts that enable cooperation and continued dialogue. They also expressed concern about India and its ongoing conflicts with Pakistan and Russia with the political changes it is undergoing. Some other concerns in PACOM's area are the proliferation of weapons of mass destruction, drug trafficking, and increasing competition for limited resources.

PACOM officials consider forward-based forces to be PACOM's most important approach. Their presence allows for a rapid response, demonstrates commitment, and provides the personnel for many of the presence activities. PACOM, in 1996, had about 307,000 military personnel assigned to its command, including about 80,000 that are based in South Korea and Japan. In 1995, PACOM personnel were engaged in over 1,900 presence activities. According to Command officials, many of these activities involve frequent contact between U.S. and foreign military personnel to increase U.S. influence in the area. For example, in 1995, PACOM conducted a total of 147 joint and combined exercises, 634 port calls, and 55 multilateral seminars and conferences that involved U.S. and foreign military personnel.

Reassurance and Influence Are Most Important to SOUTHCOM

SOUTHCOM officials consider reassurance and influence most important. According to Command officials, SOUTHCOM's desire is to promote stability in the region through efforts such as strengthening fragile regional democracies and combating the flow of illicit drugs. While the security environment in Latin America has become more stable in recent years as countries have transitioned to democracies and civilian control of the military, these officials believe that many of the new democracies are maturing and require reinforcement. In their view, the threats to regional stability include drug trafficking, governmental corruption, insurgencies, border disputes, crime, and economic instability.

SOUTHCOM officials consider military interaction to be the most important approach because maintaining military-to-military contact with foreign countries in the region is key. Some SOUTHCOM interaction activities include humanitarian projects such as providing medical care, constructing roads, and building schools; counterdrug operations; and peace operations. Because SOUTHCOM has relatively few forward-based personnel, Command officials note that temporarily deployed forces from the continental United States provide the needed capability to interact. For example, according to Command officials, over 56,000 personnel deployed to SOUTHCOM during fiscal year 1995, and about 40 percent of those deployed were reserve forces.

Agency Comments and Our Evaluation

DOD stated that our analytical approach had serious methodological limitations. By grouping forces and activities in a single list of presence approaches, DOD stated that the report mixes means (forces and infrastructure overseas) and ways (how these forces and infrastructure are employed). In DOD's view, this analytical construct, manifested in the Expert Choice model used to obtain CINC officials' views on the relative importance of approaches, is misleading and could lead a reader to incorrectly conclude that different approaches to presence are equivalent and interchangeable.

Our grouping of forces and activities in a single list of presence approaches is valid because it reflects the broader nature of presence, as depicted in the 1996 National Security Strategy and other DOD documents. The Expert Choice model is an analytical hierarchy decision model that can be used to make comparisons. For this study, we used the model as a tool to obtain CINC officials' views on the relative importance of presence approaches. We presented these views in a factual manner in the report

and did not state conclusions about whether the approaches were
equivalent and interchangeable.

Additional annotated evaluations of DOD's comments are presented in
appendix I.

DOD Needs to Assess Presence to Determine Whether More Cost-Effective Alternatives Exist

DOD does not have a specific process for determining CINC presence requirements. Most of the forces used for presence are also needed to meet warfighting needs and other purposes. DOD generally assigns forces to the CINCs based on these requirements, rather than presence. Currently, DOD does not compile comprehensive information on all CINC presence approaches as a basis for analyzing the effectiveness of these approaches or whether more cost-effective alternatives might exist. While the Joint Staff has proposed a process on peacetime engagement—activities that forces engage in during peacetime to shape the international security environment, it has not addressed how DOD will use this information to assess the effectiveness of all approaches that provide presence or consider alternatives. Three CINCs are beginning to develop information on their presence activities that could be useful to DOD in assessing presence.

DOD Does Not Have a Specific Process to Determine Presence Requirements and Allocate Resources

In general, DOD provides the forces and related funding that CINCs use for presence activities in their regions. While DOD has a specific process for determining warfighting requirements and allocating forces to meet these requirements, a similar process for all presence requirements does not exist. As part of its strategic planning system, DOD assesses wartime requirements and develops a joint strategic capabilities plan that identifies the mix of forces and capabilities that will be available to each CINC. Most of the forces needed in wartime are the same U.S.-based and forward-based forces that CINCs use to meet security objectives. DOD generally assigns forces to the CINCs in peacetime based on wartime requirements and other needs, such as diplomatic commitments, rather than presence. Such decisions occur through processes or actions that are usually independent of each other, such as broad defense reviews, updates of DOD policies on force deployments, or reviews of specific CINC requests, as indicated by the following examples:

- DOD determined the numbers of forward-based forces and quantities and locations of prepositioned equipment as part of its 1993 bottom-up review of post-Cold War defense needs.
- On a periodic basis, DOD reviews and updates its Global Naval Force Presence Policy. According to DOD officials, this policy specifies the frequency of routine deployments of naval forces during peacetime to the various CINCs' regions. It denotes the number of aircraft carriers, amphibious ready groups, surface combatants, and Tomahawk missiles that will be allocated to the CINCs, taking into account factors such as the equitable distribution of assets and the CINCs' requirements.

- The Chairman of the Joint Chiefs of Staff annually publishes the Chairman's sponsored exercises that will be conducted. On an annual basis, the CINCs submit requests for exercises in their region. The Joint Staff, in consultation with the military services, appropriate government agencies, and CINCs, evaluates the availability of resources to meet the CINCs' requests, resolve resource conflicts, and establishes an exercise program for a set period of time, usually 3 years. Based on this program, DOD, through the military services, allocates the necessary forces.

  Some presence approaches, such as military interaction and foreign military assistance, do not require forces to be formally allocated for all of their activities. For example, CINCs often use forward-based personnel to carry out military-to-military contacts or to conduct other interaction activities. These activities are determined by the CINCs or others and are not part of any formal DOD process. For example, the foreign military assistance programs provide funds, equipment, and training rather than forces. CINC officials, working with Department of State officials in their region, help develop assistance requirements and comment on annual requests for such things as the financing, sale, or transfers of U.S. defense items and services.

DOD Does Not Routinely Evaluate Whether More Cost-Effective Alternatives to Provide Presence Might Exist

DOD does not currently collect and analyze comprehensive information on all CINC presence requirements and the CINCs' use of presence approaches. For example, DOD does not collectively review presence requirements and objectives, or evaluate the effectiveness of the approaches that CINCs use to meet security objectives. Nor does DOD routinely consider, as part of a comprehensive analysis, whether more cost-effective alternatives might exist by developing and comparing different combinations of forward-based forces, routinely and temporarily deployed forces, prepositioning, interaction activities, and military assistance.

Such assessments would allow DOD and the CINCs to make judgments about the level and nature of effort—forces, activities, and funding—that is expended to provide presence, and determine whether adjustments should be made. For example, in 1993, we reported that there are opportunities to use less costly options to satisfy many of the carrier battle groups' traditional roles, including presence.[1] These options include relying more on increasingly capable surface combatants and amphibious assault ships and/or by employing a more flexible carrier deployment strategy. In

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[1]Navy Carrier Battle Groups: The Structure and Affordability of the Future Force (GAO/NSIAD-93-74, Feb.25, 1993).

evaluating alternative presence approaches to meet security objectives, DOD could examine the following types of questions and perform the analysis necessary to answer them.

- Is the current level and mix of approaches in a given region consistent with security objectives or should adjustments be made, such as increasing, decreasing, or eliminating the use of certain approaches?
- Can CINCs accomplish security objectives by using a different mix of aircraft carrier, surface combatant, air power, and ground force deployments than is currently employed?
- Given the significant cost of forward basing, what are the implications of increasing the number of temporary deployments, especially reserve forces, and reducing the number of forward-based forces?
- Since officials at some CINCs viewed interaction to be among the most important presence approaches, are there opportunities to increase the level of interaction and adjust the use of other presence approaches?
- Does the availability of satellites and other information technology offer DOD the opportunity to reduce the physical presence of U.S. forces—forward-based or deployed?

DOD and CINC Planning Efforts on Presence, If Expanded, Provide an Opportunity to Assess Alternatives

The Joint Staff has recommended a planning process on the engagement aspect of presence, but its scope as currently proposed, is limited. Three of the CINCs have initiated efforts to compile information that may be useful to DOD if it expanded its proposed planning process to include assessing presence requirements, effectiveness of all current approaches, and whether more cost-effective alternatives might exist. DOD and the CINCs' efforts are described below.

DOD

In May 1995, the Commission on Roles and Missions of the Armed Forces recommended that DOD revise its process for determining CINC presence requirements and experiment with new approaches for achieving presence objectives. In response, the Secretary of Defense, in August 1995, asked the Chairman of the Joint Chiefs of Staff and the Under Secretary of Defense for Policy to conduct a comprehensive review of presence objectives and related requirements processes. The Joint Staff's Joint Warfighting Capability Assessment team for regional engagement and overseas presence led this review, establishing a working group with participation from CINC and military service representatives.

Based on its review, the Joint Staff working group concluded that DOD does not have complete information on the CINCs' presence activities and proposed a process to integrate requirements for CINC engagement activities into DOD's strategic planning and budgeting systems. According to DOD, this process will provide (1) guidance on objectives, tasks, priorities, and resources related to these activities and (2) improve DOD's ability to resource engagement requirements and make decisions on engagement alternatives. However, the scope of the process as currently proposed is limited because it does not address how DOD will comprehensively assess the effectiveness of all presence approaches or whether cost-effective alternatives exist to the current levels and mixes of forces and activities that provide presence. As of May 1997, the Office of the Secretary of Defense was reviewing the Joint Staff's proposal.

EUCOM

In 1994, EUCOM initiated a Theater Security Planning System to (1) help link presence activities to U.S. National Security Strategy objectives and implement the CINC's theater strategy, (2) make the best use of limited resources for presence, and (3) assess the effectiveness of its presence efforts. This system involves developing a theater plan with supporting regional and country plans and evaluating presence activities using largely subjective measures of effectiveness. At the time of our visit, EUCOM had developed its theater plan and was working on the regional and country plans. According to DOD officials, EUCOM completed its first effectiveness analyses in late 1996.

PACOM

PACOM has been capturing information on its presence activities with foreign militaries since fiscal year 1993. While the Command believes this information has provided a good history, PACOM decided it needed a planning tool that would synchronize component activities and assist senior leaders in making tough choices. The tool will also allow the Command to apply more objective analytical rigor. According to DOD officials, PACOM's new Cooperative Engagement Planning System uses past information and CINC priorities to develop future presence plans.

CENTCOM

CENTCOM determines how to meet its presence needs as part of its total regional requirements determination process. Its methodology for deciding presence needs includes consideration of the CINC's judgment and information from key regional documents such as the CINC's Theater Strategy, the results of warfighting analyses, the Command's Strategic

Plan, exercise program, country goals, current access plan, and security assistance blueprint.

Conclusion

Given the changing security environment and diversity among CINC operating areas, DOD faces a challenge in determining the appropriate level and mix of forces and activities to provide overseas presence. While we agree that DOD's efforts to address the engagement aspect of presence are an important first step, further measures are needed to develop a viable planning and evaluation process that encompasses all presence approaches. Until DOD makes a commitment to collectively assess the CINCS' presence requirements, the effectiveness of all presence approaches, and alternatives to existing levels and mixes of forces and activities, it will be unable to determine whether alternatives exist that could meet national security objectives more cost-effectively.

Recommendation

We recommend that the Secretary of Defense, in coordination with the CINCS and the Secretary of State, compile and analyze information on CINCS' presence requirements and approaches in a manner that would allow assessments of the effectiveness of current levels and mixes of forces and activities, and whether alternatives exist that could achieve national security objectives more cost-effectively.

Agency Comments and Our Evaluation

DOD concurred with our recommendation. However, DOD disagreed with our conclusion that DOD does not routinely consider whether more cost-effective alternatives exist to meet presence requirements. DOD said it already makes decisions about the resources expended to provide presence and regularly assesses whether adjustments should be made. Specifically, DOD stated its planning system provides an approach to maintain warfighting readiness, deterrent posture and crisis response capability, and determines the location and deployment of forces and the number of personnel assigned overseas. DOD said that these results are reflected in its budgeting system that allocates resources for forces. Under these systems, DOD stated that it establishes priorities and considers the cost-effectiveness of alternatives. In agreeing with our recommendation, DOD said it is developing a planning process to review peacetime engagement—activities that forces engage in to shape the security environment.

We agree that DOD, through its planning and budgeting systems, makes decisions that affect presence. However, as DOD notes, these decisions relate to forces based on warfighting, deterrence, and crisis response needs. Presence encompasses a broader set of national security objectives, including deterrence, crisis response, reassurance, and influence, and is accomplished through a variety of forces and activities. DOD's systems do not currently include a mechanism to review presence requirements and approaches, and to evaluate the appropriate level and mix of forces and activities. While DOD's efforts to address the engagement (activities) aspect of presence are an important step, we believe that DOD should integrate and analyze information on all presence approaches. Unless DOD includes the entire range of forces and activities available to achieve presence, it will be unable to determine whether alternatives exist that could achieve security objectives more cost-effectively.

Additional annotated evaluations of DOD's comments are presented in appendix I.

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
2900 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-2900

STRATEGY
AND
REQUIREMENTS

MAY 9 1997

Mr. Richard Davis
Director, National Security Analysis
National Security and International Affairs Division
U.S. General Accounting Office
Washington, D.C.   20548

Dear Mr. Davis:

This is the Department of Defense (DOD) response to the General Accounting
Office (GAO) draft report, "OVERSEAS PRESENCE: More Data and Analysis Needed
to Determine Whether Cost-Effective Alternatives Exist," dated April 10, 1997 (GAO
Code 701076/OSD 1337). The Department partially concurs with the report with the
following observations:

Why U.S. Forces Are Overseas
Overseas presence supports two key elements of the United States' defense
strategy: *shaping* the international security environment and *responding* to the full
spectrum of crises. While the report's title suggests the GAO examined all aspects of
overseas presence, the report's content indicates that *engagement*, a component of
shaping, is its primary focus. Although a useful work, this narrower focus limits the
report's overall value.

An examination of overseas presence must account for the purposes of our forces
overseas. These forces and the activities in which they participate help shape the
international environment by promoting regional stability, fulfilling alliance
commitments, preventing or reducing conflicts and threats, and deterring aggression and
coercion on a day-to-day basis in key regions of the world. These forces also support the
"fight and win" and "deterrence and conflict prevention" components of the National
Military Strategy and are assigned to the geographical CINCs based on warfighting
requirements and other commitments, rather than just engagement. The report
acknowledges these reasons for overseas presence, but goes on to assess DOD's
processes for determining overseas presence requirements in the more limited context of
engagement.

Costs and Benefits

The report highlights the *costs* associated with U.S. forces that are deployed overseas, but fails to assess the *benefits* they generate. Perceptions of U.S. commitment, resolve and political will by both friends and potential adversaries are difficult to measure, but they are some of the very real benefits of our posture and activities overseas. Over-emphasizing financial costs in an area of national security characterized by these intangibles unnecessarily limits a reader's understanding of the complexities associated with overseas presence. Because these benefits are difficult to quantify, many of the decisions regarding overseas presence are necessarily subjective, relying on the judgment of senior leaders. The Department feels strongly that our presence abroad is a prudent investment in creating the kind of global security environment we seek. Additionally, the cost of forward-based forces for 1996 cited by the GAO ($16.5 billion) is not the incremental cost of basing forces overseas, but includes costs associated with forward-based forces that would be incurred regardless of their location, such as military pay.

Determining Overseas Presence

The Department disagrees with the GAO's assertion that DOD does not collect and analyze information on the costs and uses of our forces overseas and has no process for determining overseas presence requirements. Our overseas presence is the product of careful analysis of reliable data, and directly supports our defense strategy and National Security Strategy (NSS) of Engagement and Enlargement. As the GAO acknowledges, most of our forces overseas are assigned specific warfighting, conflict prevention and response missions. The locations of our forces, the types of deployments they undertake and the number of personnel assigned overseas are the results of extensive deliberate planning under the Joint Strategic Planning System (JSPS). These planning results are reflected in the Planning Programming and Budgeting System (PPBS), which ultimately allocates resources for the forces planned to be available for deployment overseas.

Limitations in Study Methodology

The report's analytical approach has serious methodological limitations. By grouping *forces* (people and hardware) and *activities* (things these forces do) in a single list of overseas presence approaches, the study mixes *means* (forces and infrastructure overseas) and *ways* (how these forces and infrastructure are employed). The study then ranks the relative importance of these ways and means according to consensus reached by panels of CINC staff officials. This analytical construct, manifested in the report's "expert choice" hierarchical decision model, misleads the reader unfamiliar with overseas presence issues by implying that means and ways are interchangeable. They are not. For example, the GAO groups forces that are necessary to conduct interaction as an equivalent approach with interaction activities. This could lead a reader to conclude that the means available to achieve an objective could be eliminated while simultaneously increasing emphasis on the ways those means are employed.

Intended Action

To the degree that the GAO has examined the *engagement* function of our overseas military presence, the report has value. The Department concurs with the recommendation that DOD should compile and analyze information on overseas presence in a manner that assesses the effectiveness of current posture and activities and considers cost-effective alternatives. The Department, through an effort led by the Joint Staff based on guidance from the Secretary of Defense, is currently developing an engagement planning process as a component of the Joint Strategic Capabilities Plan (JSCP) that will address this need. Development of a formal engagement planning process is expected to be one of the outcomes of the Congressionally-mandated Quadrennial Defense Review. Additionally, the Office of the Secretary of Defense will continue to work with the Joint Staff, the CINCs and the Services, to ensure U.S. military posture and activities overseas fully support our defense and national security strategies.

Technical corrections to the report were provided separately. Detailed comments to the report and its recommendation are provided in the enclosure. The Department appreciates the opportunity to comment on the draft report.

Michele A. Flournoy
Deputy Assistant Secretary
of Defense for Strategy

Enclosure

GAO DRAFT REPORT - DATED 10 APRIL 1997
(GAO CODE 701076) OSD CASE 1337

"OVERSEAS PRESENCE: MORE DATA AND ANALYSIS NEEDED TO
DETERMINE WHETHER COST-EFFECTIVE ALTERNATIVES EXIST"

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FINDINGS

FINDING A: Changes in the security environment have affected presence
approaches. The GAO reported that since the end of the Cold War, U.S. military
overseas presence has changed significantly as DOD has shifted its emphasis from global
to regional threats. According to the GAO, this shift in emphasis prompted changes in
DOD's overseas force posture and activities.

The GAO noted that the number of U.S. forces based overseas has decreased by 53
percent since 1989, accompanied by changes in both force deployments and the location
of prepositioned equipment. As an example of deployment changes, the GAO noted that
prior to the 1990s aircraft carriers did not enter the Arabian Gulf, whereas now, due to
changes in the regional security environment, carriers routinely patrol inside the Gulf. As
an example of changes in the location of prepositioned equipment, the GAO compared
the nearly 50 percent decrement in EUCOM's land-based prepositioned equipment to

increases in prepositioned equipment in USPACOM's and USCENTCOM's areas of
responsibility (AORs).

DOD Response: Concur. As noted in the National Security Strategy (NSS), the global
security environment has been "radically transformed" during the first half of this decade,
and the U.S. Government and Department of Defense have responded to this
transformation. By identifying overseas military presence, and the interaction between
U.S. and foreign militaries as "means of support" for U.S. global leadership, the NSS
highlights the vital role military forces play in shaping the international security
environment in ways that promote and protect U.S. national interests. Our forces
overseas and the activities in which they engage promote regional stability, fulfill alliance
commitments, prevent or reduce conflicts and threats and deter aggression and coercion
on a day-to-day basis in key regions of the world. U.S. military presence and engagement
are both key to shaping the environment and provide the essential foundation for our
ability to respond to the full spectrum of crises. *Our presence abroad is a prudent*
investment in creating the kind of future global security environment we seek.

As the threats to U.S. security and interests have changed, DOD has reoriented,
within policy and legal guidelines, its presence and activities overseas to best support
national security objectives.

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FINDING B: Funding for approaches is significant and varies. The GAO noted that
funding varies among overseas presence approaches. GAO stated that funding for forces
that were forward-based was about $16.5 billion in 1996. GAO claimed that while DOD
compiles aggregate data on the level of funding for (1) its total force and (2) maintaining
forward-based forces, it does not currently compile data on the level of funding for forces
rotationally or temporarily deployed for presence. Additionally, GAO stated that DOD
did not compile funding data on all of the activities associated with military interaction,
such as naval ship visits, military-to-military contacts and exchange programs. The GAO
reported that since FY 89 funding varied significantly for each overseas presence
approach. For instance, the GAO stated that funding for forward-based forces decreased
40 percent from FY 1989 to FY 1996. GAO attributed this drop to DOD's overall post-
Cold War drawdown. In this same period, GAO reported that funding increased 32
percent for exercises sponsored by the Chairman, Joint Chiefs of Staff (CJCS).
According to the GAO, this increase was due to DOD's increased focus on joint and
combined training to enhance interoperability and foster relationships with other nations'
military forces.

DOD Response: Partially concur. The finding reflects the diversity of challenges in the
international security environment. Although the cost of forward-based forces for 1996
cited in the report ($16.5 billion) was obtained from a DOD document, it is potentially
misleading. It is not the incremental cost of basing forces overseas because it includes
those costs that would be incurred regardless of the force's location, such as military pay.
Additionally, the report does not account for the substantial contributions from host
nations that support the presence of U.S. forces, such as in PACOM where host nations
contribute over $5 billion.

While the costs of supporting military presence overseas are significant, so too are
the benefits. Even if $16.5 billion were the incremental cost of presence, the return on
investment in terms of successfully deterring major conflict and effectively shaping the
global security environment is substantial. What is the value of stability in strategically
vital regions? How much is enough? The GAO, like others, is unable to quantify the
value of wars not fought and lives not lost. *This is the critical challenge in looking for
cost-effective alternatives to our presence overseas; the costs may be quantifiable, but the
value is not.*

The report does not address the costs of returning to CONUS forces that are
permanently forward-based. It is estimated that billions of dollars would have to be spent
to construct the housing and infrastructure necessary to adequately support the troops,
families and equipment that would return. Nor does the report account for the loss of
burden-sharing for those forces based in countries that assist in defraying the costs of
maintaining U.S. forces. Similarly, the GAO fails to note that several studies have
concluded that savings generated by replacing permanently-based forces with temporary
or rotational forces would likely be offset by increased TDY, transportation, and other
deployment costs.

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See comment 4.

DOD objects to the comment on page 16 of the draft report that singles out the cost of aircraft carriers. The focus on a single system is inconsistent with the stated purpose of the study and with the statement on page 22 of the draft that, "we did not evaluate the appropriate level of presence or the merit of specific approaches." Additionally, page 50 refers to a previous GAO study that recommended substituting other naval forces for a carrier. The assertion that other naval forces, such as surface combatant groups and large-deck amphibious ships, can substitute for an aircraft carrier does not adequately account for the differences in capabilities among those ships and is not supported by any of the analysis conducted for this report.

FINDING C: CINCs view the importance of security objectives and approaches differently. The GAO reported that CINC staff officials differed on the relative importance of the forces and activities that support national security objectives overseas. GAO noted that these differences in perception stemmed from the varied security environments of the CINCs' areas of responsibility.

Using an analytical hierarchy decision model called "expert choice," GAO solicited the views of CINC staff officials on regional security objectives (ends) and presence approaches (ways and means). The GAO then ranked the responses based on the relative importance of four postulated security objectives and seven different approaches. Those objectives and approaches that exceeded a predetermined response value were identified as "important" to that particular CINC.

After ranking responses, the GAO noted that officials at the CINC staffs had differing views on the most important objectives and approaches. For example, the GAO found that staff officials at CENTCOM chose initial crisis response and deterrence as their most important national security objectives. These officials selected routinely deployed forces and prepositioned equipment as the most important approaches to achieving those objectives. By comparison, the model indicated that EUCOM staff officials viewed deterrence as the most important objective, with permanently-based forces as their approach of choice.

The GAO noted that perceptions of objectives varied largely due to the inherent differences in the security environments of different AORs. Staff views on the most useful approaches sometimes reflected political constraints, such as the cap on permanently-assigned forces in the CENTCOM theater and national policies regarding approximate troop strength in the PACOM and EUCOM AORs.

DOD Response: Partially concur. It is true that the relative importance of both security objectives and the means and ways to achieve those objectives vary between the geographic CINCs. This reflects the different security challenges and opportunities present in each theater. The CINCs carefully structure theater infrastructure and the mix of permanent, rotational and temporary forces to achieve theater objectives at an acceptable level of strategic risk. While the security environment and political constraints

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may differ between regions, the presence and engagement of U.S. military forces send a clear signal to friends and foes about our interests, influence and values that transcends location.

Although the Department partially concurs with the finding, it should be noted that the expert choice model used by the GAO has only limited value in determining the importance assigned by CINCs to regional security objectives and the means to achieve them. *DOD believes the expert choice model's results could lead a reader to incorrectly conclude that different approaches to overseas presence are equivalent and interchangeable.*

The limitations of the model are readily evident in its result for the PACOM theater. According to the GAO's model, USCINCPAC, with responsibility for national security objectives across an AOR that includes an emerging China and the Korean peninsula, did not cite deterrence and initial crisis response as important regional security objectives. After reviewing the initial results of the expert choice model, USCINCPAC indicated that the report misrepresents USCINCPAC's views of theater security objectives, and that to be accurate Table 3.1 of the report should have an "x" for each security objective. The report does not reflect USCINCPAC's approach of balancing initial crisis response, deterrence, reassurance and influence objectives with a proper mix of forward-based forces, routinely and temporarily deployed forces, prepositioned equipment and foreign military interaction activities. Additionally, the report's statement that USCINCPAC believes the possibility of a major regional conflict between North and South Korea is lessening is incorrect.

FINDING D: DOD does not have a specific process to determine presence requirements and allocate resources. The GAO reported that while DOD has a specific process for determining warfighting requirements and allocating forces to meet those requirements, it lacked a similar process for overseas presence. The GAO acknowledged that most of the forces needed in wartime are the same U.S.-based and forward-based forces that are provided to the geographic CINCs to meet peacetime regional security objectives. These forces are generally allocated to the CINCs based on warfighting requirements and other commitments, rather than presence. The GAO further added that the processes used to allocate forces to the CINCs -- such as broad defense reviews, specific force deployment policy updates, CJCS overseas exercise scheduling or reviews of specific CINC requests in peacetime -- are usually independent of each other.

The GAO stated that some forces are not formally allocated, such as those involved in military interaction. The degree and nature of such activities are usually determined by the CINC. The GAO noted that foreign military assistance required no forces but involved the allocation of funds, equipment and training through a process involving the CINCs, regional embassies, DOD and the State Department.

DOD Response: Partially concur. As noted in the report, U.S. military presence overseas supports national objectives through the full range of military operations and

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activities discussed in the NSS. The Joint Strategic Planning System (JSPS) provides the framework for both deliberate and crisis-action planning and identifies requirements that help determine our military presence overseas. This deliberate planning process provides a comprehensive and forward-looking approach to maintaining global warfighting readiness, a credible deterrent posture and sufficient crisis response capability. Inherent in this process is the justification and periodic revalidation of the priorities and requirements for capabilities and resources located overseas.

CINC requirements for permanently-stationed overseas forces must also conform to legal limits, such as Congressionally mandated Overseas Troop Strength (OTS) limits and national policy. By law, OTS is limited to 203,000 personnel worldwide with a regional level of approximately 100,000 in Europe. Treaties, security agreements and diplomatic considerations also place limits on the National Command Authorities and CINCs in determining the appropriate levels of presence overseas. Together, these constraints play a significant role in determining the size and character of U.S. overseas presence.

DOD agrees that there is a need to integrate requirements associated with international peacetime engagement more effectively. The Department, through an effort led by the Joint Staff based on guidance from the Secretary of Defense, is currently developing an engagement planning process under the Joint Strategic Capabilities Plan (JSCP) component of the JSPS. This process will provide the CINCs and Services with strategic planning guidance on objectives, tasks, priorities and resources. Including engagement planning in the JSPS will facilitate integration of the requirements identified in the CINCs' theater engagement plans and improve the ability of Services and supporting CINCs to resource them. It will also improve DOD's ability to make informed decisions about engagement alternatives. Strategic engagement planning is being incorporated into the revised JSPS and is undergoing formal coordination.

A review of U.S. overseas military presence is being conducted in conjunction with the QDR. In consultation with the Joint Staff, CINCs and the Services, current U.S. overseas posture and alternatives are being reviewed. In the context of current (and anticipated) threats to U.S. interests and established national policies, this strategy-based review will consider alternatives to current force posture and activities. The review is expected to highlight a need for DOD to review CINC engagement activities systematically across all regions and identify which are essential and which could be modified or eliminated.

FINDING E: DOD does not routinely consider whether more cost-effective alternatives exist to meet presence requirements. The GAO reported that DOD does not currently collect and analyze information on the CINCs' presence requirements and use of various presence approaches. It asserted that DOD did not routinely consider whether more cost-effective alternatives might exist by developing and comparing different combinations of forces, prepositioned equipment, interaction activities and military assistance. The GAO concluded that such assessments would allow DOD to

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make informed judgments about the level and nature of the resources and effort expended to provide presence and whether adjustments should be made. In support of this effort GAO specifically recommended that DOD examine five questions (These questions are included in DOD's response below).

DOD Response: Non-concur. As explained previously, DOD already makes informed decisions about the level and nature of the resources expended to provide presence and regularly assesses whether adjustments should be made. Priorities are established and the cost-effectiveness of alternatives is considered in both the JSPS and the Planning Programming and Budgeting System (PPBS).

The answers to the GAO's five questions are as follows:

Question One: Is the current level and mix of approaches in a given region consistent with security objectives or should adjustments be made, such as increasing, decreasing, or eliminating the use of certain approaches?

Answer: Our overseas presence posture is the product of many carefully weighed force posture choices that directly support our defense strategy and National Security Strategy. Adjustments to global and regional objectives are evaluated frequently as the CINCs provide their prioritized inputs to the NCA. The QDR is expected to include a thorough review of regional objectives and presence options.

Question Two: Can CINCs accomplish security objectives by using a different mix of aircraft carrier, surface combatant, air power and ground force deployments than is currently employed?

Answer: The mix of forces assigned to the CINCs is regularly reviewed through the JSPS. The current mix of forces is considered adequate to support national security objectives. The mix of forces for engagement activities is routinely assessed by the CINCs through their theater engagement plans.

Question Three: Given the significant cost of forward basing, what are the implications of increasing the number of temporary deployments, especially reserve forces, and reducing the number of forward-based forces?

Answer: Previous studies have noted that there are little or no net savings associated with returning forward-based forces to CONUS. The costs of new infrastructure to house returning forces and families, and the travel of rotationally or temporarily deployed substitute forces, tend to negate savings.

Reserves are currently used to provide presence and conduct engagement activities. While the use of reserves alleviates the operational burden on active forces, the operational costs are significantly greater. As noted earlier, the report significantly

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overstates the cost of forward basing forces overseas and ignores the costs of using CONUS-based forces instead.

Question Four: Since officials at some CINCs staffs viewed interaction to be among the most important security approaches, are there opportunities to increase the level of interaction and decrease or eliminate the use of other presence approaches?

Answer: This question reflects the problem inherent in the GAO's tendency to equate forces and activities as presence "approaches." As noted above, DOD views these differently. Interaction is a desirable activity facilitated by the presence of forces overseas. Interaction is a *way* (employment of resources) to support regional security objectives through the application of the *means* (temporary, rotational or permanent forces) available. The question incorrectly assumes an equality among different presence "approaches." Through their regional engagement plans, the CINCs, in conjunction with State Department officials, manage regional interaction.

In determining whether to eliminate or decrease the use of other presence approaches in favor of interaction, it is important to consider all the reasons U.S. forces are overseas. Interaction and engagement are important, and it is not surprising that different staff officials consider interaction a useful tool. Replacement of one approach with another might be feasible in some circumstances, but the complex interrelationship of approaches to the full range of regional and global security objectives must be carefully considered. Substituting increased interaction for other activities would have to be assessed on a case-by-case basis.

Question Five: Does the availability of satellites and other information technology offer DOD the opportunity to reduce the physical presence of U.S. forces—forward-based or deployed?

Answer: While the assessment of our overseas force mix has been and will continue to be a DOD priority, the question of replacing overseas forces "with satellites or other information technology" ignores the value of physical presence for deterrence, crisis response and shaping the international security environment. Highly capable C4ISR systems enhance our awareness of specific events and improve warning. The ability of these systems to provide warning to the regional commander is *already* reflected in the assignment of forces in particular theaters. The best example of this is Southwest Asia, where the amount of warning available from our intelligence assets has influenced the size and shape of our in-theater force posture and the structure of our flexible deterrent options. But even the best C4ISR systems expected to be available in the next twenty years can not eliminate the physical limitations imposed by the "tyranny of distance" on our ability to project power to respond to crises. DOD already uses prepositioned equipment coupled with intelligence and warning capabilities to optimize forward-deployed deterrence and crisis response capabilities. Again, it is through the Department's deliberate planning process that the value of available C4ISR capabilities is integrated into decisions on force deployments and overseas posture.

See comment 6.

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FINDING F: DOD and CINC planning efforts on presence, if expanded, provide and opportunity to assess alternatives. GAO noted that the Joint Staff has recommended a process for planning peacetime engagement activities. According to the GAO, this proposal's scope is limited because it does not address how DOD will assess the effectiveness of current and alternative levels and mixes of forces and activities. The GAO also reported that three of the geographic CINCs have initiated efforts to compile information that might be useful to DOD if it expanded the proposed peacetime planning process to include assessing presence requirements, the effectiveness of current approaches and whether more cost-effective alternatives might exist.

While the GAO believes that the Joint Staff's proposed peacetime engagement planning system is an important first step, it asserts that further measures are needed to develop a viable planning and evaluation process. GAO concluded that until DOD makes a commitment to collectively assess the CINCs' presence requirements, the effectiveness of presence approaches, and alternatives to existing levels and mixes of forces and activities, it will be unable to determine whether more cost-effective approaches to meeting our national security objectives exist.

DOD Response: Partially Concur. The report understates the extent of the effort already underway to integrate engagement planning into the deliberate planning process. The Joint Staff is engaged in an extensive effort to include engagement planning in the JSCP. As with any complex process that has significant implications for national security and affects the interests of multiple commands and agencies, it is important to weigh decisions carefully. DOD believes this effort will allow the Department to better plan for future engagement requirements and better identify tradeoffs and alternatives. Each CINC's theater is unique, and the engagement planning process under development will ensure that the CINCs have the necessary planning flexibility to develop the optimum engagement plan for their respective theaters. In conjunction with the Joint Staff and the CINCs, OSD will continue to evaluate the effectiveness of our military forces overseas and the activities in which they engage.

****

RECOMMENDATION

RECOMMENDATION: The GAO recommended that the Secretary of Defense, in coordination with the CINCs and Department of State, compile and analyze information on CINC presence requirements and approaches to assess the effectiveness of current levels and mixes of forces and activities as well as the cost-effectiveness of alternatives.

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See pp. 10 and 41.

DOD RESPONSE: Concur. While the Department does not recognize overseas presence requirements per se, but rather warfighting requirements, engagement requirements and other commitments that result in U.S. forces being present overseas, DOD believes that there is great utility in developing a system that periodically reviews CINC regional engagement activities. This system would provide a mechanism for the NCA to establish priorities and for resource providers to highlight constraints (such as PERSTEMPO) and propose alternatives. Indeed, this is the intent of the Department's on going initiative to develop an engagement planning process as part of the JSPS. This step will be a major improvement over current processes, placing all strategic planning "under one roof" and increasing national-level integration of regional engagement plans and associated requirements. A formal engagement planning process is expected to be one of the outcomes of the QDR. It will include consultation with the State Department as appropriate.

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The following are GAO's comments on the Department of Defense's (DOD) letter, dated May 9, 1997.

GAO Comments

1. We modified the text to clarify the finding estimate for forward-based forces and to acknowledge that host nations contribute to the support of U.S. forces overseas.

2. We believe that the report points out the benefits of presence. For example, chapter one points out that overseas presence is a key component of U.S. strategy that Commanders in Chief (CINC) rely on to accomplish important national security objectives. Also, chapter three discusses the importance that CINC officials place on presence. We presented cost information on the various presence approaches to show the extent of DOD's investment in this area. We did not contrast the cost and benefits associated with providing presence.

3. We did not conclude that DOD should return forces that are permanently forward-based to the United States, and therefore, did not evaluate the related cost implications. Rather, we recommended that DOD evaluate different levels and mixes of presence approaches, such as different combinations of forces, prepositioning, interaction activities, and foreign military assistance.

4. Because DOD is retaining carriers to meet presence needs, beyond those required for warfighting, we believe it is relevant to discuss the budgetary implications of this decision and, therefore, include information on carrier costs. We cited our previous study because it is directly related to the issues discussed in this report. As stated in the previous study, we do not advocate abandoning the role and employment of carrier battle groups for presence and crisis response missions, but continue to believe that there are opportunities to rely less on these groups and use other, less costly types of forces for expanded roles in the new security environment.

5. We modified the text to reflect DOD's comments.

6. We did not evaluate DOD's specific responses to these five questions because we posed them as hypothetical questions that DOD could examine in evaluating alternative presence approaches. If DOD decides to make such an assessment, as we recommended, we would expect DOD to examine those type of questions and perform the analysis necessary to answer them.

7. We modified the text to clarify the extent of DOD's engagement planning.

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