

GAO

Report to the Chairman, Subcommittee  
on Readiness, Committee on Armed  
Services, House of Representatives

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October 1994

# DOD FORCE MIX ISSUES

## Greater Reliance on Civilians in Support Roles Could Provide Significant Benefits



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United States  
General Accounting Office  
Washington, D.C. 20548

**National Security and  
International Affairs Division**

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The Honorable Earl Hutto  
Chairman, Subcommittee on Readiness  
Committee on Armed Services  
House of Representatives

Dear Mr. Chairman:

In response to your request, this report identifies opportunities for the services to achieve operational efficiencies and budget savings through greater use of civilian personnel in support positions. On average, each civilian support employee costs about \$15,000 less per year than a comparably graded military person. The report also addresses the need to include requirements for civilian employees and contractors in contingency planning processes to ensure that they will be fully prepared to deploy to future conflicts, when needed. This report contains recommendations to the Secretary of Defense; the Chairman, Joint Chiefs of Staff; and the secretaries of each of the military services.

We are sending copies of this report to the Chairmen, Senate and House Committees on Appropriations and Senate Committee on Armed Services; the Director, Office of Management and Budget; the Secretaries of Defense, the Air Force, the Army, and the Navy; and the Commandant, U.S. Marine Corps. Copies will also be made available to other interested parties upon request.

This report was prepared under the direction of Mark E. Gebicke, Director, Military Operations and Capabilities Issues, who may be reached on (202) 512-5140 if you or your staff have any questions. Other major contributors are listed in appendix VI.

Sincerely yours,

Frank C. Conahan  
Assistant Comptroller General

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# Executive Summary

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## Purpose

As the Department of Defense (DOD) continues to downsize its work forces, DOD officials increasingly express concern for maintaining high operational requirements. Using civilians in support positions has been cited as a cost-effective way to help ensure that the best use is made of military personnel.

At the request of the Chairman, Subcommittee on Readiness, House Armed Services Committee, GAO examined DOD's guidance and decision-making processes for determining whether to use civilians or uniformed personnel. Specifically, GAO examined (1) DOD and the military services' efforts to replace military personnel in support positions with civilian employees and (2) the adequacy of planning for the future use of civilian employees and contractor personnel to support military operations in combat areas. GAO also followed up on actions taken to correct problems identified after DOD and the services assessed civilian deployments to the Persian Gulf War.

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## Background

The structure of the armed forces is based on the DOD Total Force Policy, which recognizes that all elements of the structure—such as active military personnel, reservists, civilian employees, defense contractors, and host nation military and civilian personnel—contribute to national defense. Civilian employees have been associated with the military establishment since the American Revolution, and today remain a significant part of DOD. Over time, civilians have filled support positions that were previously held by uniformed personnel. In fiscal year 1994, civilian employees constituted approximately one-third of DOD's active personnel, performing functions such as airplane, ship, and tank repairs; communications and logistical support; and operation and maintenance of military installations. Many civilian employees have agreed to continue to perform these functions in foreign areas and to deploy to armed conflicts, as needed, to support the military forces. Thousands of other civilians support DOD under contracting arrangements.

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## Results in Brief

Although DOD and the military services have general policies to use civilian personnel where possible, the services currently use thousands of military personnel in support positions that, according to DOD and service officials, could be civilian. Replacing these military personnel with civilian employees would reduce peacetime personnel costs and could release military members for use in more combat-specific duties.

DOD and the services have made various efforts to use more civilians by converting military positions to civilian ones in the past, but the results have not been well documented. The extent of change appears limited, since the ratios of military and civilian personnel have not changed significantly in recent years. Managers are reluctant to replace military personnel with civilian employees because, with current downsizing, both positions might be lost. Budget allocations and civilian personnel requirements decisions often have been made in isolation of each other, and sometimes have prevented officials from receiving sufficient funds to support civilian replacements.

Some DOD and service officials have informally cited potential deployability to a theater of conflict as a basis for maintaining military incumbency. As demonstrated in the Persian Gulf War, however, deployability was not a basis for excluding civilians, although problems occurred because of inadequate attention to civilian deployment planning. The services have taken actions to correct some of the problems identified during the Persian Gulf deployment, but they have not completely identified their future potential wartime requirements for DOD civilian employees or contractor personnel who perform combat-essential functions nor taken adequate steps to ensure that these personnel will continue their services during future crises.

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## Principal Findings

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### Opportunities Exist to Replace Military Personnel in Support Positions With Civilian Employees

The services have assigned many military personnel to support functions, such as personnel management and data processing, that are typically performed by civilian personnel and do not require skills gained from military experience. The services use military personnel and civilian employees, in varying degrees, to perform similar functions, which suggests that more support positions could be filled by civilians. For example, 17 percent of the Air Force's computer operators are civilians, while about 68 percent of the Army's computer operators are civilian, and about 53 percent of the Navy's are civilian.

Based on aggregate data for major job categories within each service, GAO identified thousands of positions that seem to have potential for civilian incumbency, but are instead now held by military personnel. Although using civilians has operational and budgetary advantages, determining the

appropriate mix of military and civilian personnel requires judgment by DOD officials. Operationally, civilians provide more continuity in certain positions and release the military for combat-specific functions; on the budget side, they are generally less costly than military personnel. Some DOD-sponsored cost studies indicate that, on average, a civilian employee in a peacetime support function costs the government about \$15,000 less per year than a military person of comparable pay grade.

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### Impediments Limit the Future Replacement of Military Personnel in Support Positions With Civilians

According to several DOD and service officials, decisions to use military or civilian personnel are often made by military leaders who prefer to use military personnel because they believe they can exercise greater control over such personnel. DOD directives and service regulations provide general guidance to help managers decide when military or civilian personnel should be used; however, the existing guidance allows for broad interpretations. Managers who are inclined to use military personnel can fill support positions with military members for reasons such as training, discipline, rotation, background, or even tradition.

Service officials are reluctant to identify existing military personnel in certain support positions to replace with civilian employees, in part, because civilian requirements and budget allocation decisions are often made independently of each other. Local commanders fear that, because of downsizing, they might not receive adequate funds to hire civilian replacements, or that they might even lose the replacement positions through civilian reduction targets imposed from higher headquarters. For example, at one location GAO visited, 2,200 military positions were identified in 1991 for replacement by civilian employees. A command official said the command lost about 2,000 of these military personnel, but gained only 800 civilians. According to this official, the command's budget was reduced, in part, due to downsizing, before civilians could be hired.

When funds are allocated to replace military personnel with civilians in support positions, the services may not have to use the funds for that purpose. Funds for civilian personnel are derived from several accounts that may be used for a variety of purposes. For example, in addition to civilian personnel costs, the operation and maintenance appropriation funds expenses such as the purchase of fuel, supplies, and repair parts for weapons and training of military personnel.

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## Improved Planning Is Needed for Future Civilian Deployments

Civilian employees and contractor personnel have historically supported the military forces in wartime theaters of operations. While many opportunities exist for greater peacetime use of civilians, a need also exists to better identify those who might have to deploy to operational theaters and properly prepare for such situations. Available DOD reports show that over 5,000 DOD civilian employees and nearly 9,200 contractor personnel voluntarily deployed to the Persian Gulf area to support the military forces during the Gulf War. However, the services were not fully prepared to deploy civilians to combat zones. This lack of preparation resulted in many problems; some—such as civilians deploying without gas masks and without proper training in their use—could have had serious consequences.

Although DOD and the services are currently addressing many of the administrative problems associated with civilian deployments that were identified in the Gulf War, they have not adequately addressed several important operational issues affecting future deployments. Requirements for civilian support functions in theaters of operations have not been included in joint staff and service contingency planning processes. Civilian employees who perform essential combat-support functions have not been completely identified, screened for medical fitness, and trained in basic survival skills.

DOD does not have reasonable assurances that essential combat support provided under commercial contracts during peacetime will continue to be performed during future crises. The services do not know how many contractor personnel perform essential combat-support functions, although a 1990 DOD instruction requires them to review existing contracts and determine which functions are combat-essential. While some DOD officials dismiss the significance of this issue, stating that contractor companies should be responsible for knowing how many personnel might need to deploy, GAO believes that proper identification of such civilians is a necessary first step to ensuring that they are adequately trained and prepared to deploy, if needed.

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## Recommendations

GAO is making several recommendations to the Secretary of Defense and the Chairman, Joint Chiefs of Staff to (1) increase the use of civilians in peacetime support positions and (2) ensure that essential functions provided by DOD civilian employees and contractor personnel will be continued in future contingencies.

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## Agency Comments

DOD concurred with all of GAO's findings and recommendations and agreed to take action to address the recommendations. (DOD's comments are presented in their entirety in app. V.)

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## Abbreviations

CONUS	Continental United States
DMDC	Defense Manpower Data Center
DOD	Department of Defense
GAO	General Accounting Office
JCS	Joint Chiefs of Staff
OSD	Office of the Secretary of Defense
RMC	Regular Military Compensation

# Introduction

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Civilians comprise a significant portion of the Department of Defense's (DOD) personnel strength; civilian employees alone account for one-third of DOD's full-time work force. These civilians provide important support to military combat forces in peacetime and in war. Some deploy and provide needed support within theaters of operation.

With the transition to an all-volunteer active-duty military force, DOD adopted the "Total Force" policy in 1973, which recognized that the reserves, retired military members, civilian government workers, and private contractor personnel could add to the active forces in ensuring the national defense. The objectives of DOD force management policies are to (1) maintain, during peacetime, as small an active-duty military force as possible and (2) use civilian employees and contractor personnel wherever possible, to free the military forces to perform military-specific functions. In 1990, DOD reported to the Congress that in implementing the Total Force policy, it had, among other things, improved use of the DOD civilian employee, contractor, and host nation support communities.<sup>1</sup>

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## Civilians Are a Significant Component of DOD's Work Force

In fiscal year 1994, DOD's programmed civilian end strength was estimated at 923,000 personnel, with an estimated cost of about \$42 billion in salaries and benefits. These civilians work for each of the military services; in Defense agencies, such as the Defense Logistics Agency or the Defense Finance and Accounting Service; and in other organizations, such as the Offices of the Secretary of Defense (OSD) or the Joint Chiefs of Staff (JCS). Civilian employees currently represent over one-third of DOD's total full-time equivalent force. This ratio has remained relatively constant since 1987, as table 1.1 shows. (App. I shows the same information by service and the Defense agencies.)

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<sup>1</sup>"Host nation support" refers to civilian and/or military assistance rendered in peace and war by a foreign nation to the U.S. military forces located on or in transit through the host nation's territory.

**Table 1.1: Active-Duty Military and Civilian End Strengths for Selected Fiscal Years, as of January 1994**

Numbers in thousands				
Fiscal year	Military	Civilian	Total	Percent civilian
1987	2,174	1,133	<b>3,307</b>	34.3
1993	1,705	937	<b>2,642</b>	35.5
1994	1,611	923	<b>2,534</b>	36.4
1995	1,526	873	<b>2,399</b>	36.4
1996	1,496	846	<b>2,342</b>	36.1
1999	1,453	794	<b>2,247</b>	35.3

Source: Office of the DOD Comptroller.

Note: Figures for prior years are actual; figures for the current and future years are projected as of January 1994.

As table 1.1 also shows, both military and civilian personnel end strengths have declined since 1987, when DOD was at its peak strength. Based on its fiscal year 1995 budget, DOD estimates that, by 1999, it will achieve a 33-percent reduction in its military end strength and a 30-percent reduction in civilian end strength since 1987.

While most civilians support the military forces both at home and abroad in peacetime and at home during times of war, some civilians historically have deployed with and supported the military forces within theaters of operations. As far back as the American Revolution, civilians served as wagoners and drivers to tow artillery and move supplies. During the Persian Gulf War, DOD used over 14,000 civilian employees and contractor personnel to support its military forces.

According to DOD's April 1992, final report to the Congress on the Conduct of the Persian Gulf War, civilian expertise contributed directly to the success achieved. DOD and service officials also generally recognize that during peacetime civilians cost less than military members of comparable pay grades.

## Prior Efforts Replaced Some Military Personnel With Civilians

Responding to various legislative provisions over the past 20 years requiring the use of the least costly form of personnel consistent with military requirements, DOD has gone through periods of concentrated efforts to replace military positions with civilian ones. For example, in the 1970s, the services replaced nearly 48,000 military personnel in support positions with 40,000 civilian employees. As shown in table 1.2, the

services, in recent years, targeted nearly 20,000 military positions for conversion to civilian ones. The services, however, did not maintain adequate records to substantiate the achievement of the intended conversions or validate the savings.

**Table 1.2: Military Positions Targeted for Conversion to Civilian During Fiscal Years 1991 Through 1993**

Service	FY 1991	FY 1992	FY 1993	Total
Air Force	3,046	3,045	3,045	<b>9,136</b>
Army	1,777	1,778	1,777	<b>5,332</b>
Navy	1,670	1,669	1,668	<b>5,007</b>
<b>Total</b>	<b>6,493</b>	<b>6,492</b>	<b>6,490</b>	<b>19,475</b>

Source: Based on data provided by service comptroller officials.

## Different Systems for Military and Civilian Personnel Affect DOD's Costs and Control Over Its Forces

Significant differences exist in the way military and civilian positions are managed. These differences affect DOD's costs and control over its forces.

The military personnel system is often described as a centrally managed, "closed" system, meaning that persons recruited with no prior military service are generally brought in at entry-level positions and progress through the ranks, whether in the enlisted pay grades or the officer corps. Decisions pertaining to assignment, promotion, rotation, and retention are centrally controlled at service headquarters. The military personnel management system operates totally under policies and guidance established by DOD, which helps ensure that military leaders have control over their personnel.

The civilian personnel system, on the other hand, is often described as a more "open," or decentralized, system. Such a system allows new hires to enter an organization at various levels, depending on each person's qualifications and experience. Although most civilians begin their government service at lower, entry-level pay grades, managers are not restricted to hiring them at lower-graded entry levels. Civilian employees are also subject to the federal civilian personnel regulatory framework that governs such issues as hiring procedures, working hours, overtime, and job retention rights.

Unlike their military counterparts, who are employed "globally" and can be transferred anywhere, civilian employees are generally employed at the local installation level. Career opportunities are generally identified at the local level. While civilian personnel management is described as being

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decentralized, local managers view their control over civilian force management as limited because budget guidance and downsizing goals, established at higher organizational levels, can mandate reductions in end-strength levels and constrain their hiring authority.

Unlike funding for military personnel, funding for civilian personnel is not aggregated into a single account that permits close monitoring. Rather, funding for civilian personnel is spread among several accounts within the DOD budget. For example, funding for most civilian personnel is included in the operation and maintenance appropriation in the DOD budget—an account that also includes spare parts, fuel for equipment, and military training.

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## DOD Policies for Determining Personnel Requirements

DOD's policy is to establish its total personnel requirements at (1) the minimum level and least cost necessary to carry out assigned peacetime missions aimed at deterring aggression and (2) a level sufficient to retain capability to quickly respond to any combat needs that develop. The first priority is major combat forces such as fighter pilots, tank crews, sailors, and submariners. Combat forces are exclusively military, whether active-duty or reserve.

After combat forces are determined, remaining forces are to be established to adequately support the combat forces. Support forces may include active-duty military, reserve military, civilian employees, contractor employees, and host nation personnel.

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## Determining Requirements for Peacetime Support Functions

Each service has implemented its own procedures for determining peacetime personnel requirements in support positions. These procedures—labeled by the different services as efficiency reviews, manpower surveys, or engineering studies—are intended to identify the most efficient personnel mix for performing assigned missions and tasks.

Although some variations exist in service procedures, decisions on peacetime personnel resources generally should include two major considerations. First, service officials are to identify a task to be performed and establish the number of personnel needed, by specific skill, to perform the task. Second, they are to determine whether civilian employees, contractor personnel, or military members are the most appropriate source of the required skills, based upon DOD and services policies.

These policies generally state that civilians are to be used in support positions that do not require military incumbency for reasons of law, training, security, discipline, rotation, or combat readiness, or that do not require military background for successful performance of the duties involved. When military incumbency is not essential, yet the work must be done by government personnel, civilian employees are to be used. If the workload is not military essential and not required to be done by government workers, contractor personnel may be used; however, decisions to use contractor personnel must be supported by cost comparisons.

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## Determining Wartime Requirements for Support Functions

The execution of military operations may require the use of additional military and civilian personnel to bring the peacetime force structure to required wartime levels. The buildup of forces to sustain a contingency operation is called mobilization; contingency planning, or mobilization planning, is the broad umbrella under which the services determine their wartime personnel and materiel requirements.

Military requirements are determined through analyses of numerous strategies and assumptions about how to fight a war and the need for a range of phased, incremental increases in force capability. Military forces needed immediately are programmed into the peacetime active-duty military. Other military forces needed for later deployment can be programmed into the reserves.

Requirements for civilians in theaters of operations will depend on the nature of the contingency and the types of military units involved. To ensure that DOD civilian employees would perform critical support functions in-theater during a conflict, DOD established the emergency-essential civilian employee program in 1985. One objective of this program is to obtain written statements from combat-essential employees affirming that they understand the commitments of their positions and that they will continue to perform their functions while other civilians are being evacuated from combat areas. In 1990, after criticism from our office and the DOD Inspector General,<sup>2</sup> DOD required the services to implement procedures to ensure that contractor personnel who perform combat-essential support functions will continue their services in-theater during conflicts.

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<sup>2</sup>Ensuring Retention of Essential Civilians Overseas During Hostilities (GAO/NSIAD-84-73, Mar. 14, 1984) and Retention of Emergency-Essential Civilians Overseas During Hostilities, Office of the Inspector General, DOD (Report No. 89-026, Nov. 7, 1988).

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## Objectives, Scope, and Methodology

Concerned about the extent to which DOD is addressing civilian personnel requirements as it downsizes and restructures its total force, the Chairman of the House Committee on Armed Services, Subcommittee on Readiness asked us to review the decision-making processes the services use to determine whether a position should be military or civilian. In response to this request we examined (1) DOD and service efforts to replace military personnel in peacetime support positions with DOD civilian employees and (2) the adequacy of planning for the future use of DOD civilian employees and contractor personnel to support military forces in theaters of contingency operations. We were also asked to follow up on actions taken to correct problems identified by DOD and the services that were associated with the deployment of civilians to the Persian Gulf War.

To identify trends and opportunities for replacing military personnel in support positions with civilian employees, we reviewed DOD and service criteria for determining when a position should be military or civilian. We obtained perspectives from personnel management officials on efforts to identify functions that civilians can perform. We also obtained available data on the number and types of military positions converted to civilian under a 1989 Defense Management Review Decision and interviewed DOD officials to identify reasons for not achieving the intended conversions. In addition, we obtained data from the Defense Manpower Data Center (DMDC) on the number of military personnel in support positions and identified potential opportunities to replace military personnel in such positions with civilians.

We validated the potential for significant cost savings by reviewing (1) several studies comparing the cost of military and civilian personnel and (2) the differences in ranks or pay grades for previously made conversions, when data were available. We did not identify the full range of military positions that might be candidates for conversion to civilian, or the specific pay grades of the civilian replacements. Our analysis with respect to this issue was limited to comparisons between military personnel and DOD civilian employees. We did not evaluate potential cost savings that might result from replacing military members with contractor personnel.

To determine the extent to which DOD and the services are identifying the need and properly planning for the use of civilian employees and contractor personnel in future operational contingencies, we reviewed DOD and service regulations. We interviewed officials in service headquarters' requirements and operations directorates, comparable officials at various

installations we visited, and officials of the Joint Staff. We obtained statistical information from DMDC on the number and occupational series of emergency-essential civilians in each of the services for the last 5 years. We compared these data across the services to identify patterns and followed up with officials at the locations we visited to validate the data.

To determine the number of DOD civilian employees and contractor personnel who deployed to the Gulf War, the functions they performed, and problems associated with their deployment, we reviewed DOD's April 1992 final report to the Congress, Conduct of the Persian Gulf War, with a particular focus on the "Civilian Support" appendix. We also reviewed "lessons learned" reports prepared by various service components and special studies performed by outside organizations under contract to the services. We conducted a group interview with representatives of several defense contractors who provided civilian support in the Persian Gulf. We also interviewed officials in the Office of the Assistant Secretary of Defense (Personnel and Readiness).

We performed our work at the following service headquarters, major commands, and installations:

- Office of the Under Secretary of Defense, Personnel and Readiness, Washington, D.C.;
- Office of the DOD Comptroller, Washington, D.C.;
- Joint Staff Directorates for Force Structure, Resources, and Assessments; Operational Plans and Interoperability; and Manpower and Personnel, Washington, D.C.;
- U.S. Pacific Command, Camp H. M. Smith, Hawaii;
- U.S. Transportation Command, Scott Air Force Base, Illinois;
- Army Deputy Chiefs of Staff for Personnel and Logistics, Washington, D.C.; Total Army Personnel Command, Alexandria, Virginia; Headquarters Army Materiel Command, Alexandria, Virginia; Army Training and Doctrine Command, Fort Monroe, Virginia; Army Combined Arms Support Command, Fort Lee, Virginia; Army Combined Arms Command, Fort Leavenworth, Kansas; Army Pacific Command, Fort Shafter, Hawaii; Headquarters, 4th Infantry Division (Mechanized), Fort Carson, Colorado; and Headquarters U.S. Forces Command, Fort McPherson, Georgia;
- Air Force Headquarters Directorates for Civilian Personnel, Programs and Evaluations, and Plans and Operations, Washington, D.C.; Air Combat Command, Langley Air Force Base, Virginia; Air Force Materiel Command, Wright-Patterson Air Force Base, Ohio; and Pacific Air Forces, Hickam Air Force Base, Hawaii; and

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- Offices of the Assistant Chief of Naval Operations and Bureau of Personnel, Washington, D.C.; Navy Atlantic Fleet, Norfolk, Virginia; Navy Pacific Fleet, Pearl Harbor, Hawaii, and subordinate commands in San Diego, California.

We conducted our review between January 1993 and June 1994 in accordance with generally accepted government auditing standards. We obtained DOD comments on a draft of this report. The comments have been summarized in chapters 2 and 3 and are presented in their entirety in appendix V.

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# Opportunities Exist for More Cost-Effective Peacetime Use of Military and Civilian Personnel

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Although DOD policy is to use civilians wherever possible, large numbers of military personnel perform technical, management, administrative, and other functions that civilians typically do. The services vary in the degree to which they use military or civilian personnel to perform similar functions. Opportunities exist for DOD to replace thousands of military personnel with civilian employees and, in so doing, save personnel costs and achieve operational benefits. In some instances, valid reasons exist for not replacing military support personnel with civilians. In other instances, replacements that should be made are impeded by a variety of factors. Some factors, such as current practice or broad directives and regulations, permit the continued use of military personnel. Other factors, such as downsizing and funding, limit the number of civilian replacements.

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## Many Military Personnel Perform Civilian Support Functions

The 1994 DOD Manpower Requirements Report indicated that more than 245,000 military personnel throughout the services and defense agencies were serving in noncombat program areas such as service management headquarters, training and personnel, research and development, central logistics, and support activities. Appendix II defines each of the program areas and shows the percentage of civilians in each area for fiscal years 1987 and 1994.

Many job categories, such as finance, administration, data processing, and personnel, within broad DOD programming areas, generally do not require knowledge or experience acquired through military service; skills to perform such functions are available in the civilian labor sector. Some DOD and service officials believe that a great majority of such positions should be civilian. Yet, DMDC data indicate that many of these job categories are filled more by military members than civilian employees. Table 2.1 shows, for example, that enlisted personnel and civilian employees of equivalent pay grades occupy 66 percent and 34 percent of the positions in data processing, respectively.

**Chapter 2**  
**Opportunities Exist for More Cost-Effective**  
**Peacetime Use of Military and Civilian**  
**Personnel**

**Table 2.1: Enlisted Military Personnel and Civilian Equivalents Occupying Support Positions DOD-wide, as of November 1993**

General job category <sup>a</sup>	Percent of positions occupied	
	Enlisted	Civilian
Data processing	66	34
Personnel and recruiting	64	36
Administration	31	69
Accounting and finance	26	74

Source: Occupational data from DMDC.

<sup>a</sup>These general job categories are composites of specific occupational specialties. For example, the data-processing category includes the occupational specialties of computer programmers and computer operators/analysts.

DMDC also maintains data on officer personnel, but the data do not clearly reveal the extent to which officers perform civilian functions. Many officers assigned to headquarters organizations and staff offices are classified as operational, even though they might primarily perform administrative functions. For example, an aircraft pilot assigned to manage personnel requirements functions at a local command would still be classified as a pilot in the DMDC database. However, our analysis of other data in DOD’s 1994 Manpower Requirements Report indicates that nearly 48,000 active-duty military officers, about 20 percent of the services’ total officers, were allocated to organizations outside of the services to perform a wide range of noncombat functions.

Service officials stated that many officer positions are needed in DOD-wide activities because of career progression requirements. For officers to be promoted to senior levels, they need experience in a “joint” activity. In many instances, however, these joint experiences may not occur within the officer’s military specialty and may have limited applicability to developing joint battle staff experience. Further, such assignments often last only 2 years, which may not provide enough time to develop the expertise to perform the duties proficiently. These frequent reassignments may also disrupt the continuity of key operations. At one joint command we visited, for example, about one-third of the management staff, including all of the directorate chiefs, rotated in 1 year alone. A command official said stability of the workforce and continuity of operations are important reasons for them to use more civilians.

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## **Variations Exist Among and Within the Services**

According to DMDC data, the services vary significantly in the degree to which they use military and civilian personnel to perform similar functions. For example, the services collectively employ more than 21,000 enlisted military and civilian equivalent personnel whose primary occupational specialty is computer operator. Only 17 percent of computer operators in the Air Force are civilian, whereas in the Navy more than 53 percent are civilian, and in the Army about 68 percent are civilian. Table 2.2 shows the occupational specialties with the greatest variations.

**Chapter 2  
Opportunities Exist for More Cost-Effective  
Peacetime Use of Military and Civilian  
Personnel**

**Table 2.2: Variations Among the Services in Using Enlisted Military Personnel to Fill Civilian Equivalent Positions**

Occupational specialty	Air Force enlisted and civilian personnel		Army enlisted and civilian personnel		Navy enlisted and civilian personnel	
	Number	Percent civilian	Number	Percent civilian	Number	Percent civilian
Administration, general	39,154	59.6	55,518	76.9	34,445	67.7
Auditing and accounting	4,370	42.7	5,332	88.5	4,396	100.0
Computer operators/analysts	11,279	16.7	4,663	67.5	5,639	53.4
Construction equipment	1,919	57.5	11,247	78.9	2,277	44.3
Electricians	3,615	41.9	1,906	86.5	7,111	81.9
Electronic instruments	20,027	44.2	8,059	82.7	8,223	77.4
Fire fighting and damage control	8,164	34.5	2,934	92.1	3,880	100.0
Food service, general	6,322	14.1	14,986	18.4	14,198	6.6
Information and education, general	5,038	52.9	5,309	88.7	2,553	76.2
Law enforcement, general	10,229	4.6	17,191	6.4	3,509	72.6
Mechanical and electrical equipment	4,590	100.0	5,043	75.0	12,033	85.9
Medical administration and logistics	6,108	19.8	6,626	50.6	1,468	100.0
Motor vehicle operators	5,491	43.3	14,280	23.4	1,929	100.0
Personnel, general	12,082	27.1	21,770	40.0	8,842	44.8
Recruiting and counseling	1,328	9.0	3,934	5.3	1,592	27.5
Security guards	16,782	2.2	1,896	100.0	1,496	57.8
Supply administration	25,109	40.7	42,206	32.3	24,390	45.7
Transportation	9,255	16.0	3,656	59.1	1,894	82.4
Utilities	10,428	42.9	8,604	88.8	13,052	73.4
Warehousing and equipment handling	9,026	49.5	9,645	86.6	7,904	100.0
<b>Total enlisted and civilian functions</b>	<b>491,419</b>	<b>27.1</b>	<b>674,843</b>	<b>28.2</b>	<b>603,177</b>	<b>27.3</b>

Source: Occupational specialty data provided by DMDC.

Some service officials attribute much of the variations to the unique missions of each service that require them to use personnel differently. For example, some Air Force officials explained that they have broad responsibilities to safeguard U.S. nuclear weapons and believe military security guards are more appropriate for this mission. Other DOD and service officials in the civilian personnel and manpower requirements

offices attribute the differences to the existing military culture, in which officials prefer to use military personnel instead of civilians. These officials state that there is no reason why the services cannot be more consistent.

Some DOD and service manpower officials explained that some of the military positions, which otherwise could be civilian, are needed to provide adequate time in the continental United States (CONUS) for service members rotating from tours abroad. They said that, as the United States continues to reduce its forces overseas, the need to maintain large numbers of rotation positions will also decline. Requirements officials said the Army and the Air Force are reducing their number of positions held for rotation purposes. They said the Navy is also adjusting, to some extent, the number of positions held for rotation downward.

We also observed differences within the services. For example, the Navy uses civilians in the Pacific Fleet to perform its shore personnel staffing analyses (called efficiency reviews), while the Atlantic Fleet uses many military personnel for the same function. According to service officials, the Atlantic Fleet is substantially behind the Pacific Fleet in reviewing all of its shore facilities. Atlantic Fleet officials attribute the delays to the frequent turnover of military personnel. Such turnover, the officials said, prevents military members from developing the level of expertise needed to efficiently perform the reviews. Atlantic Fleet officials explained that they currently do not have adequate funds to hire civilians to do their efficiency reviews and are forced to rely on available military personnel, who are always going through a learning curve. The Pacific Fleet, on the other hand, uses civilians who, because of longer tenures, have become more proficient in completing the studies.

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## **Replacing Military Personnel With Civilians Can Save Personnel Costs and Achieve Operational Benefits**

Significant differences exist between the compensation costs for comparable military and civilian pay grades; replacing the thousands of military personnel who perform civilian functions with civilian employees of comparable ranks can offer significant potential to save personnel costs. Using civilians in certain support positions also provides operational advantages for DOD because a greater proportion of military strength can be devoted more directly to combat-related functions. Some civilians already have technical expertise that would require additional training for military personnel to acquire, especially in areas such as high-technology communications. Civilians also provide continuity in their

positions and provide institutional memory, since they are less subject to the frequent assignment rotations associated with military personnel.

Increasing the percentage of civilians in specific occupations will free up military positions to be used for other purposes. If, for example, all the services adopted a 50-to-50 ratio between military members and civilians in personnel management—a function DOD officials describe as primarily civilian—about 5,200 military positions would be available for conversion to civilian ones. Similar patterns exist in the areas of data processing and disbursing. Using the 50-to-50 ratio, table 2.3 shows over 14,000 positions within four occupational specialties where large numbers of military personnel perform functions that civilians potentially could do.

**Table 2.3: Number of Military Positions That Can Potentially Be Replaced With Civilians**

Job specialty	Air Force		Army		Navy/Marine Corps		Military positions that could be replaced with civilian ones
	Military end strength		Military end strength		Military end strength		
	Current	50-to-50 Ratio	Current	50-to-50 Ratio	Current	50-to-50 Ratio	
Personnel	8,810	6,041	13,063	10,885	4,884	4,634	5,197
Analysts	9,401	5,640	1,518	1,518	3,519	3,386	3,894
Programmers	3,246	1,623	1,602	801	1,139	570	2,993
Disbursing	1,283	990	2,737	1,986	3,306	2,210	2,140
<b>Total</b>	<b>22,740</b>	<b>14,294</b>	<b>18,920</b>	<b>15,190</b>	<b>12,848</b>	<b>10,800</b>	<b>14,224</b>
Difference between current and 50-to-50 ratio		8,446		3,730		2,048	14,224

Source: Occupational specialty data from DMDC.

Some of our reports and other DOD-sponsored studies show that civilian employees generally cost the government less than military personnel. The differences vary by pay grade, but, as table 2.4 shows, the average difference is about \$15,000 per person per year for peacetime support functions performed in CONUS.<sup>1</sup> (App. III provides more detail on the components of military and civilian compensation by pay grade.)

<sup>1</sup>Several reasons account for these differences. Military personnel do not contribute to their retirement systems or health insurance; civilians pay a portion of such expenses. Military personnel routinely receive allowances for housing and subsistence, while civilians do not. Many service members receive special financial incentives according to occupational specialty. Although training costs are not included in most comparisons of military and civilian costs, they are a major factor in the cost of using military or civilian personnel.

**Chapter 2**  
**Opportunities Exist for More Cost-Effective**  
**Peacetime Use of Military and Civilian**  
**Personnel**

**Table 2.4: Differences Between Annual Government Costs for Military and Civilian Personnel Stationed in CONUS, for Selected Comparable Pay Grades, as of January 1994**

Military compensation		Civilian compensation		Difference
Grade	Pay	Grade	Pay	
O-5	\$92,277	GS-14	\$79,824	\$12,453
		GS-13	66,887	25,390
O-4	76,116	GS-12	55,524	20,591
O-3	60,871	GS-11	47,837	15,034
		GS-10	42,824	18,047
E-8	53,313	GS-6	28,370	24,943
E-7	46,144			17,774
E-6	39,815	GS-5	25,507	14,308

Source: Based on grade comparability tables in DOD Directive 1000.1 and cost data from DOD's Office of Compensation.

Savings to be achieved from military-to-civilian conversions will depend on whether DOD eliminates a position from its military end strength or retains the position and reassigns the military member to another unfilled military-specific position. The savings may be even greater than they first appear from table 2.4 because civilian replacements, in the past, have sometimes been made at lower grades than the comparability table suggests. For example, at one command we visited, two supply management officers at the O-3 level were replaced with GS-9 civilians, even though comparison studies show that the comparable civilian pay grade for an O-3 officer is GS-11. On average, the replacement of just two military O-3 personnel with two civilian GS-9 personnel would result in a potential cost savings to the government of more than \$46,000 in 1 year alone, if the military positions were eliminated from the service's end strength. (Even if the two military O-3 personnel were replaced with civilian GS-11 personnel, the government would still save more than \$30,000.)

DOD officials said civilian employees can be paid at grades lower than their military counterparts because civilians either enter government service with specific expertise or they develop more expertise at an earlier stage in their careers since they do not rotate as frequently. DOD officials also told us that, for similar reasons, there have been cases where one civilian replaced more than one military member, thus resulting in greater savings than a one-for-one replacement would suggest.

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## Impediments Limit the Services' Ability to Achieve Military-to-Civilian Conversions

DOD and service officials recognize that opportunities exist to replace military personnel with civilian employees. In fact, DOD requirements officials have recently initiated a study that will, in part, examine the potential for replacing military personnel with civilians within OSD, JCS, and all defense agencies and field activities. This study, to be completed in late 1994, was initiated after a DOD task force determined that the "military essentiality" of some positions was not always apparent.

The Air Force has recently initiated an internal study that will examine, among other things, opportunities to replace officers with civilians. During our review, data were not available to suggest how many positions might be affected, and a time frame for completing the study was not provided.

However, we believe that making these replacements will be difficult without special attention by DOD officials to overcome existing barriers, such as military culture, downsizing, and funding.

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## Broad Guidance Allows Use of Military Personnel in Support Positions

Although DOD's and the services' general policies call for the use of civilian personnel where possible, they also allow service managers wide latitude in filling positions with military personnel. No single directive explains how DOD's "Total Force" policy should be implemented or the specific criteria to use in determining the appropriate mix of personnel. Therefore, because of the broad nature of the guidance, tradition, and cultural preferences, DOD and the services often merely maintain the status quo on military incumbency.

Guidance on the mix of personnel needed to perform DOD functions is contained in several DOD directives—some dating back to 1954—and in service regulations. For example, DOD Directive 1100.4, "Guidance for Manpower Programs," August 20, 1954, states that civilian employees shall be used in positions that do not require military incumbency for reasons of law, training, security, discipline, rotation, or combat readiness, or that do not require military background for successful performance of the duties involved and that do not entail unusual hours not normally associated or compatible with civilian employment. DOD Directive 1400.5, "DOD Policy for Civilian Personnel," March 21, 1983, provides little specificity on civilian functions or positions.

Service implementing regulations expand the requirements for military incumbency outlined in the DOD directive. These regulations clearly define personnel requirements for combat functions, since only military

personnel are expected to perform such roles. For example, the Manual of Navy Total Force Manpower Policies and Procedures, June 11, 1990, requires military members if the person must engage in or be prepared to engage in combat.

In the case of support positions, which may be appropriate for civilians to fill, the service regulations still tend to give greater emphasis to military incumbency. Army Regulation 570-4, "Manpower Management," September 25, 1989, for example, states that all support positions will be military if they have tasks that, if not performed, could cause direct impairment of combat capability. However, this does not reflect current Army operations, since civilians routinely perform equipment maintenance functions that are important to maintaining combat capability.<sup>2</sup>

Service regulations enable officials to use military members in certain administrative, security, and supply personnel positions simply because they have traditionally done so. In addition, a preference for using military personnel has often existed because the military personnel system provides a high degree of management control.

Informally, DOD and service officials have often cited probable deployability to theaters of operations in wartime as a basis for maintaining military incumbency. However, this position does not reflect current practice, since thousands of civilians were deployed to the Persian Gulf War.

DOD and service officials told us they are in the process of updating and consolidating some of these policies. They did not, however, have firm dates for completing the updates.

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## **Downsizing Limits Potential Numbers of Civilian Replacements**

Due to changes in the world security environment and budget constraints, DOD is reducing the size of its military and civilian workforces. By fiscal year 1999, active-duty military end strengths are to be reduced by 33 percent from the 1987 peak strength. Approximately 73,000 active-duty military personnel reductions are currently planned in the end strength between the beginning of fiscal year 1995 and the end of fiscal year 1999, based on DOD's 1995 budget.

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<sup>2</sup>Army Maintenance: Strategy Needed to Integrate Military and Civilian Personnel Into Wartime Plans (GAO/NSIAD-93-95, Apr. 29, 1993).

In theory, DOD could achieve many of its military reductions by replacing military personnel with civilian employees. However, the simultaneous downsizing of civilian employees works against such replacements. Civilian end strengths, by fiscal year 1999, are to be reduced by 30 percent from the 1987 peak strength. Over 79,000 civilians are programmed for reduction from the DOD workforce between fiscal years 1995 and 1999, based on DOD's 1995 budget. In addition, executive branch efforts to reduce the number of high-graded (GS-14 equivalent and above) civilian positions throughout the federal government impairs attempts to reduce or replace officers. Many officer positions, if converted, may likely be replaced with high-graded civilians.

DOD officials explained that, especially during this period of downsizing, their civilian personnel end strengths have been driven more by available dollars than by requirements. Local officials said they have little, if any, incentive to identify military-to-civilian replacements during the drawdown. Officials see little opportunity to obtain the necessary funding to support new civilian positions, particularly in the wake of what they sometimes view as arbitrary cuts in end strengths and budgets. Likewise, they expressed concern that while funding might be provided at one point, this would not preclude subsequent reductions as part of broad guidance to meet other reduction targets.

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**Inadequate Integration**  
**Between Requirements**  
**and Budgeting Processes**  
**Hampers**  
**Military-to-Civilian**  
**Replacements**

Many DOD and service personnel managers identified the inadequate integration between the process for determining civilian requirements and the budget process that funds these requirements as a barrier against replacing military personnel with civilians. Although local commanders determine their civilian requirements based on estimated workloads and request budgets to cover the costs of such requirements, budgets are allocated from higher levels and often do not support the identified requirements. According to some DOD and service officials, constant pressures to reduce the defense budget and personnel strengths compel them to allocate anticipated reductions across all defense programs on a proportional basis. According to local officials, the reductions are perceived as having been made arbitrarily, without fully considering civilian requirements.

As a result, local officials have become reluctant to identify military positions for conversion to civilian ones because they fear they will ultimately lose both positions. From a commander's perspective, the military position will be deleted from the installation's military end

strength because this process is centrally managed. Before civilians can be hired, the budget may be reduced by service headquarters and the installation will be unable to hire the civilians.

For example, at one command we visited, 2,200 military members were identified in 1991 for replacement with civilian personnel. These replacements were to be achieved in stages between 1991 and 1995. A command official told us that they lost approximately 2,000 military members, but gained no more than 800 civilians even though the command had no change in workload. This result was attributed to the fact that higher command levels significantly reduced this installation's budget before the civilian positions could be filled. This official said hiring civilians often takes 6 months because of the required lengthy processes of advertising vacancies and reviewing applications.

Even when funds are allocated to replace military personnel in support positions with civilians, the services may not be required to use the funds for that purpose. Funds for civilian personnel are derived from several accounts that may be used for a variety of purposes. For example, the operation and maintenance appropriation funds the purchase of fuel, supplies, and repair parts for weapons and equipment, and training of military personnel, in addition to civilian personnel.

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## Conclusions

Although DOD and the military services have general policies requiring them to use civilian personnel where possible, the services currently vary in the extent to which they use thousands of military personnel in support positions that, according to DOD and service officials, could be civilian. No single answer is apt to be found to precisely identify the appropriate mix of military and civilian personnel. However, achieving greater consistency among the services by increasing the proportion of civilians performing data processing, personnel management, and other similar functions could free up thousands of military personnel for reassignment.

Eliminating military positions and replacing them with civilians can save significant personnel costs, since some cost analyses estimate that, during peacetime, each civilian costs about \$15,000 per year less than a military person of comparable pay grade. The high degree of variation among the services in how they use military or civilian personnel to perform similar functions suggests a need for high-level oversight by OSD and/or the JCS to ensure balanced consideration of personnel requirements across the services.

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However, various interrelated factors discourage commanders from pursuing military-to-civilian conversions or replacements. These factors range from a traditional preference for military personnel where possible, to concerns over retaining civilian positions in the current downsizing environment.

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## Recommendations

We recommend that the Secretary of Defense establish a joint review board and provide it with a mandate to work with the services to ensure a thorough and consistent review of military support positions that may have potential for conversion to civilian.

We also recommend that the Secretary of Defense direct the services to identify military positions that should be replaced with civilians and eliminate, to the extent possible, existing impediments to using civilians when they would be less costly.

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## Agency Comments

In commenting on a draft of this report, DOD concurred with our findings and recommendations. DOD stated that it will review the military essentiality of positions in its support structure and report its results to the Congress by April 30, 1995, in accordance with requirements of the fiscal year 1995 National Defense Authorization Act. This review will entail recommendations by the military services for converting military positions to civilian. DOD is also aware that various cost analyses acknowledge a less costly civilian substitute for military personnel performing similar type work. However, DOD policies governing military versus civilian manpower mix are not predicated upon the comparative cost factor alone, nor modified based on a single conflict experience.

# Civilian Deployment Problems During the Persian Gulf War Highlight Operational Planning Shortfalls

Thousands of civilians deployed to the theater of operation in support of U.S. military forces during the Persian Gulf War. Civilian deployments for that operation revealed important administrative weaknesses related to the use of civilians in such circumstances; many of those weaknesses are now being addressed by DOD or one or more of the services. That deployment also demonstrated up-front operational planning problems with the deployment of civilians that have not been completely resolved.

## DOD Used Thousands of Civilian Employees and Contractors in Combat Areas During the Persian Gulf War

During the Gulf War, the United States deployed over 14,000 civilians, both government employees and contractor personnel,<sup>1</sup> to the theater of operations. (About 500,000 military personnel deployed to the Persian Gulf War.) According to DOD's April 1992 report to the Congress on the Persian Gulf War, civilians worked aboard Navy ships, at Air Force bases, and with virtually every Army unit. Only the Marine Corps did not employ significant numbers of civilians in-theater. Civilians served in a wide variety of support positions, including transportation, maintenance and repair, and other weapon system support roles. (App. IV provides a more detailed account of the types of civilian specialists deployed in support of the Gulf War.) DOD's April 1992 report to the Congress on the Conduct of the Persian Gulf War acknowledges that civilian expertise was invaluable and contributed directly to the success achieved.

The services acknowledge that they did not have good data systems to track civilians in-theater during the Gulf War, particularly for contractor personnel. Given these limitations, table 3.1 shows how the numbers break down among the services and between DOD civilian employees and contractor personnel.

**Table 3.1: DOD Civilians and Contractor Personnel Deployed for the Persian Gulf War**

Type of civilian	Number of civilians deployed			
	Air Force	Army	Navy	Total
DOD government employees	213	2,000	3,000	<b>5,213</b>
Contractor personnel	154	3,898	5,126	<b>9,178</b>
<b>Total</b>	<b>367</b>	<b>5,898</b>	<b>8,126</b>	<b>14,391</b>

Source: DOD and service after-action reports on the Persian Gulf War and studies by outside organizations under contract to the services.

<sup>1</sup>DOD and service data systems did not systematically keep track of all civilian employees and contractor personnel who deployed to support the Gulf War. The estimate is drawn from available service data and contractor studies.

Historically, DOD civilians and contractor personnel have served in theaters of operations during wartime; however, the Persian Gulf War deployment was somewhat different from scenarios expected during the Cold War. U.S. defense planning for the threat of war in Europe during the Cold War era relied upon host nation support, augmented by U.S. reserve forces, to help meet support requirements. Defense planning also relied partly on the assumption that some civilians working for DOD in Europe would continue to perform their functions in time of conflict. These employees were designated as emergency essential; as such, they were expected to remain in the area when combat began.

U.S. military leaders now expect that, with the collapse of the Soviet Union, future conflicts will more likely occur against regional powers, similar to the Persian Gulf War against Iraq. U.S. forces will be expected to operate in areas that have little or no military support infrastructure. Therefore, DOD officials expect that they will have to deploy more support capability from the United States, some of which will be provided by civilian employees and contractor personnel.

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## Operational Planning Shortfalls Created Problems With Civilian Deployments to the Persian Gulf War

DOD and service officials acknowledge that they were not adequately prepared to process, deploy, or support civilians in the Persian Gulf theater of operations, although a 1990 DOD directive required that emergency-essential civilians be identified and prepared for potential deployment. Specifically, this directive required emergency-essential employees to sign agreements stating that they accept certain conditions of employment, including relocating to foreign areas during crisis situations to perform their duties. The directive also required the services to provide emergency-essential civilians with protective equipment and work-related training.

According to the services' after-action reports on the Persian Gulf War, a number of problems arose in deploying civilians to the Gulf War and caring for them in the theater. Some problems, including those described below, could have had serious consequences. Many of these problems were attributed to poor planning.

- Most of the civilian employees had not been previously designated as emergency essential.
- Many civilians were not screened to ensure that they were medically fit to serve in desert conditions. Some arrived in the desert with medical and

physical limitations, such as severe heart problems and kidney disorders, that precluded them from effectively performing their duties.<sup>2</sup>

- Some deploying civilians did not initially receive protective gear, such as gas masks, because civilians were not included on military equipment and supply lists. Nor were adequate efforts made to ensure that civilians were trained in the use of such equipment.
- Dental records, which are an important source of identification, were not available for deploying civilians because dental screenings had not been done.
- Some civilians did not receive identification cards, provided under terms of the Geneva Convention, to identify them as noncombatants.

Other problems, while not as grave, also indicated a lack of preparation for civilians in-theater.

- Clear procedures did not exist to ensure that civilians received medical care, housing, or transportation comparable to that received by military members.
- Procedures were not in place to provide for overtime or danger pay in this environment.
- Questions existed concerning whether civilian life insurance policies contained war exclusion clauses that would have precluded their survivors from receiving accidental death benefits had the civilians been killed while there.<sup>3</sup>
- Unlike military personnel, civilians were not entitled to free mailing privileges.<sup>4</sup>

Our discussion with representatives of several contractors who deployed personnel to the Persian Gulf War indicated they were delayed in getting personnel and equipment to the theater of operations. They reported having to arrange for their own transportation. They also reported receiving little assistance from DOD in helping them prepare their employees for deployment.

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<sup>2</sup>Army Maintenance: Strategy Needed to Integrate Military and Civilian Personnel Into Wartime Plans (GAO/NSIAD-93-95, Apr. 29, 1993).

<sup>3</sup>In a July 1993 letter interpreting existing regulations for the Federal Employees Group Life Insurance program, the Office of Personnel Management—which has regulatory oversight over government-sponsored life insurance—determined that civilians who deploy with the military are not considered in “actual combat.” Therefore, they are entitled to accidental death and dismemberment benefits if covered by the Federal Employees Group Life Insurance. This letter did not discuss civilian employees covered by other insurance policies or contractor personnel regardless of their insurance coverage.

<sup>4</sup>The Congress, in Public Law 103-160, Nov. 30, 1993, extended free mail privileges to civilian employees of DOD while assigned to overseas areas during armed conflicts.

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## Some Corrective Measures Are Being Taken

Each service has modified some of its regulations to respond to the problems identified during the Persian Gulf War. The definition of emergency-essential civilian employees has been clarified, and requirements for training, identification cards, and medical evaluations, among other things, have been defined. However, these changes have not yet been fully implemented.

The Army, in particular, has responded very extensively. For example, the Army issued an extensive annex to the Army Mobilization and Operations Planning and Execution System and revised its civilian mobilization planning regulations. The Army Materiel Command has published a guide for deploying and processing its civilians. The guide addresses the key problems identified during the Gulf War. DOD officials indicate that they would like to use the Army's deployment guide as a prototype for the other services.

Some problems identified during the Gulf War are only partially solvable by DOD and will require coordinated action with other agencies. For example, DOD officials acknowledge that civilians should be entitled to danger pay when serving in hostile areas; however, specific designation of foreign areas subject to danger pay requires a formal determination by the Secretary of State. The Army's Civilian Deployment Guide outlines how such pay is to be provided and its relationship to other pay and allowances.

Similarly, rules governing overtime pay limits are controlled by the Office of Personnel Management. Waivers to the pay caps may be granted by the Office of Personnel Management when appropriate forms are completed by the civilian employees. According to DOD and service civilian mobilization officials, steps will be taken during future civilian deployment processing to ensure that DOD employees are aware of the forms and waiver request procedures.

The above actions are oriented to DOD civilians, not civilian contractor personnel. Some officials said they believe contractor companies should be responsible for ensuring that their employees are ready for potential deployment, as well as caring for them while in-theater. These officials believe, however, that DOD should be responsible for ensuring the noncombatant status of civilian contractor personnel by issuing them Geneva Convention identity cards.

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## Operational Planning for Future Contingencies Does Not Fully Integrate Civilian Roles

DOD and the services have not fully integrated into their wartime planning systems requirements for essential wartime support that civilian employees and contractor personnel will perform in-theater during future conflicts. Such planning includes identifying civilian personnel requirements, designating emergency-essential employees, and ensuring the availability of contractor personnel for potential deployments.

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## Civilian Requirements Are Not Being Fully Identified

Officials in DOD, JCS, and service contingency planning offices acknowledge the importance of DOD civilian employees and civilian contractor support to war-fighting efforts. To some extent, each also acknowledged that adequate planning is not currently being done, and sometimes pointed to each other's office to take the lead in this area.

For example, DOD and some service personnel officials told us that requirements for wartime civilian support should be identified during the service-level operational planning for potential contingencies. During such planning, the services examine the requirements outlined by regional war-fighting commanders in chief in their various contingency plans, and develop time-phased force deployment plans for meeting the regional commanders' needs.

Service operational planners told us that civilians were not included in prior operational plans or force deployment plans, nor are they anticipated to be in the future, in part, because service policies for these functions deal only with military personnel. Moreover, these officials believe civilian deployment issues are the responsibility of civilian mobilization planners, not operational planners.

On the other hand, some service civilian mobilization planners told us that civilian requirements should be included in the operational and deployment plans to ensure that civilians will have the proper equipment, such as gas masks. According to these officials, the major barrier to effective planning for civilian support in military operations is a hesitation by military leaders to fully accept (1) civilian wartime roles and (2) their responsibility for such civilians in the combat area.

DOD mobilization officials expressed the view that civilian requirements should be integrated in joint staff and service contingency planning processes. They do not believe civilians should be included in the military-oriented deployment plans because these plans cover units, rather than individuals. These officials believe that civilians should be handled

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like some reservists who deploy as individuals rather than with units. They also believe current mobilization and contingency planning policies do not adequately address civilian deployment issues. These officials told us they plan to consolidate DOD mobilization policies into a single directive, rather than continuing with multiple directives that address only certain aspects of the issue. These officials would like to assign responsibility to the Chairman, JCS, to ensure that war-fighting commanders in chief recognize civilian wartime support functions in their planning processes, but provided no time frame to complete this action.

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**Mobilization and Training  
Exercises Can Identify  
Civilian Deployment  
Problems**

Two military exercises, one before the Persian Gulf War and one more recently completed, have pointed out civilian deployment problems and the need for improved planning. The military exercise Proud Eagle 90 was the first major DOD-wide exercise to recognize civilian mobilization as a significant element. The exercise was designed to include all command levels in testing how well plans, policies, and procedures would work in responding to a world crisis. Many of the problems that subsequently surfaced in the Persian Gulf War were identified during this exercise, including vagueness in defining what constitutes an emergency-essential civilian, absence of an accurate civilian personnel data system, lack of clear understanding of civilian entitlements, and inadequate processing procedures.

According to DOD officials, no DOD-wide exercise with a specific objective of evaluating mobilization issues has been held since Proud Eagle 90, due to the constraints of ongoing contingency operations. However, civilian deployment-related issues did surface in a recent U.S. military exercise in Egypt. An after-action report noted that emergency-essential civilian employees were not trained in accordance with DOD directives.

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**Emergency-Essential  
Employees Are Not Being  
Fully Identified**

Once requirements for potential civilian deployments to theaters of operations have been identified, action is then required to formally designate such personnel as emergency essential, to better facilitate deployment action, if and when it is required. The services have varied in the extent to which they have identified emergency-essential personnel and the extent to which such designations pertained either to the potential for overseas deployments or to peacetime contingencies in the United States.

Data available from DMDC shows fluctuations over time in the numbers of civilian employees designated as emergency essential by the services. During fiscal year 1987, for example, over 1,100 civilians were designated as emergency essential. This number rose to about 2,700 emergency-essential civilians in 1990 and declined to nearly 1,900 in fiscal year 1993. The Army has consistently maintained the largest number of such designations and the Navy the least. The data do not show any emergency-essential designations for the Navy until 1991.

Our review of the data showed that many administrative personnel were designated as emergency essential, despite policy guidance stipulating that such designations include only those civilians who perform critical combat-support functions. Many secretaries, clerks, and other administrative personnel were designated emergency essential because they were stationed in overseas areas and had a key role in base operations. Service officials told us they realize these types of personnel generally will not remain in an area during a conflict or deploy elsewhere to a combat area to support military forces.

Other variations in emergency-essential designations also reveal some confusion over the definition. For example, the services designated as emergency essential many employees who were required to work in the United States during emergencies with no likelihood of deployment. In other cases, emergency-essential designations were given to employees who were required to report to work in the United States when other personnel were excused for such reasons as snowstorms.

According to DOD and DMDC officials, the emergency-essential designations in their database are understated because many commands are still implementing the 1992 guidance for identifying and reporting emergency-essential information. Although these officials did not provide a time frame for updating the database, they said they are working with the services to ensure that personnel not expected to deploy to combat areas are removed from the lists. We believe such data are likely to remain understated until DOD and the services fully assess civilian deployment requirements as part of contingency planning efforts.

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**Planning for Future  
Civilian Contractor  
Deployments Also  
Remains Problematic**

Various DOD and service officials, and published studies, recognize a growing dependence on contractor personnel to support high-technology military systems. In November 1990, DOD issued a policy instruction intended to ensure the continuation of essential contractor services during

hostilities. Yet, little has been done to develop data on persons who perform combat-essential functions under contracts or to ensure the continuity of such contracts. Disagreement exists among DOD, the services, and contractors as to who should be responsible for the readiness and safety of contractor personnel performing essential wartime support.

The 1990 instruction directs the services to develop and implement plans and procedures that would reasonably assure the continuation of essential services during crisis situations. Requirements of the directive include, among other things, the following:

- The services must review all contracts annually to determine which functions will be essential during crisis situations.
- The services must maintain a current, generic description of the essential contractor service, the number of contractor employees, and equivalent staff years required to perform the essential services.

The directive does not specify what assistance contractors can expect to receive from DOD, other than the issuance of Geneva Convention identity cards. Representatives of several contractors that deployed personnel to the Persian Gulf War said they received little assistance from DOD to help them prepare their employees for deployment, and said such assistance might have prevented deployment delays.

One mechanism the services use to ensure continuation of services has been the inclusion of a “crisis clause” in contracts. At some locations we visited, boilerplate language had been included in some of the contracts related to essential functions. In general, this language states that the contractor shall be responsible for performing all requirements of the contract notwithstanding the existence of any state of war or emergency and states that failure to perform may subject the contractor to a termination of the contract for default.

However, mobilization and operational planners at local commands could not tell us whether all of the command’s contracts had been reviewed for their wartime essentiality. Neither local commands, service headquarters, nor DOD officials could provide summary data on contractor employees performing essential combat-support functions as required by DOD, or verify whether all contracts had been reviewed. Some officials said they did not need to know the number of personnel because contractor companies are responsible for deploying and protecting their employees.

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The DOD Inspector General reported in 1988 and 1991 that no major command could provide data concerning all contracts vital to combat or crisis operations.<sup>5</sup> According to the reports, a contributing factor was the absence of a central DOD activity with oversight over contractors with wartime essential functions. During our review, officials in the Office of the Under Secretary of Defense for Personnel and Readiness, who must monitor the implementation of the DOD directive, said that oversight is still decentralized, and, while several organizations have some responsibility, no single headquarters organization wants to assume full control. For example, contracting for logistics support of major weapon systems is delegated to the managers of individual weapon programs in the systems acquisition chain, while war planning associated with using these systems rests with operational support personnel. According to the Personnel and Readiness officials, such decentralization slows efforts to address contractor deployability.

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## Conclusions

Although DOD officials have informally cited potential deployment to theaters of operations as reasons for retaining military incumbents in selected support positions, civilians have historically deployed to combat areas to support the military forces. The recent Persian Gulf War showed that, to the extent civilians are to be used in combat areas, improved up-front contingency planning is needed.

The services are making progress in developing and implementing policies to prevent problems that arose during the deployment of civilian employees and contractor personnel to the Persian Gulf War. However, they still have not adequately addressed civilian support requirements in their existing war-planning processes. They have not fully identified civilian employees or contractor personnel who perform combat essential functions and who might be called to deploy. Some confusion exists among organizations involved with contractor support for military operations on what assistance DOD should provide and who should be responsible for the readiness and safety of these personnel.

Proper identification of civilian employees and contractors would help ensure that deploying individuals are properly trained and prepared to enter combat areas. Many personnel officials believe recognition of

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<sup>5</sup>Civilian Contractor Overseas Support During Hostilities, Office of the Inspector General, Department of Defense (Report No. 91-105, June 26, 1991) and Ensuring Retention of Emergency-Essential Civilians Overseas During Hostilities, Office of the Inspector General, Department of Defense (Report No. 89-026, Nov. 7, 1988).

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wartime requirements for civilians must come from the JCS before service planners will include civilians in their operational plans.

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## Recommendations

We recommend that the Secretary of Defense and the Chairman, JCS clarify organizational responsibility for ensuring that civilian support to military operations is considered during contingency planning processes. These officials should direct operational planners to integrate civilian requirements for DOD civilian employees and contractor personnel into appropriate plans for deploying forces to combat areas.

We also recommend that the service secretaries direct commanders of major support organizations to establish time frames for reassessing their needs for emergency-essential civilian employees. The commanders should expeditiously purge existing lists of administrative persons to prevent unnecessary spending on training for persons who will not deploy to theaters of operation. The commanders should ensure that emergency-essential civilians (1) receive appropriate training, including basic survival skills; (2) participate in job-related DOD-wide training exercises; and (3) are otherwise prepared to deploy to combat areas when needed.

We further recommend that the Secretary of Defense clarify the type of assistance, such as deployment processing, training, transportation, housing, or care in-theater, that DOD will provide to contractors who perform essential, combat-support functions. The Secretary should also direct the service secretaries to establish time frames for identifying contractors and the personnel who provide essential combat-support services, and initiate actions to ensure that such personnel will be prepared to deploy to combat areas, if needed.

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## Agency Comments

DOD concurred with our recommendations and agreed to pursue, in fiscal year 1995, initiatives to ensure that military operational planning includes necessary civilian support. DOD also agreed to request all subordinate organizations to validate their requirements for emergency-essential civilian employees and contractor personnel and provide for required training. DOD noted, however, that deployment-related issues affecting contractors are complex and will probably not be resolved over the next fiscal year.

# Active-Duty Military and Civilian End Strengths for Selected Fiscal Years

<b>Army</b>				
<b>Fiscal year</b>	<b>Military</b>	<b>Civilian</b>	<b>Total</b>	<b>Percentage civilian</b>
1987	780,800	412,200	<b>1,193,000</b>	34.6
1990	750,600	380,400	<b>1,131,000</b>	33.6
1993	572,400	294,200	<b>866,600</b>	33.9
1994	540,000	293,500	<b>833,500</b>	35.2
1995	510,000	281,000	<b>791,000</b>	35.5
1999	495,000	268,800	<b>763,800</b>	35.2

Source: The Department of Defense (DOD) Manpower Requirements Reports and data from the Office of the DOD Comptroller.

Note: All figures are rounded. Figures for 1987-1993 are actuals; those for 1994-1995 are projections, as of July 1994.

<b>Air Force</b>				
<b>Fiscal year</b>	<b>Military</b>	<b>Civilian</b>	<b>Total</b>	<b>Percentage civilian</b>
1987	607,000	264,300	<b>871,300</b>	30.3
1990	539,300	248,900	<b>788,200</b>	31.6
1993	444,400	201,700	<b>646,100</b>	31.2
1994	425,700	201,500	<b>627,200</b>	32.1
1995	400,100	195,400	<b>595,500</b>	32.8
1999	388,800	175,700	<b>564,500</b>	31.1

Source: DOD Manpower Requirements Reports and data from the Office of the DOD Comptroller.

Note: All figures are rounded. Figures for 1987-1993 are actuals; those for 1994-1999 are projections, as of July 1994.

**Appendix I**  
**Active-Duty Military and Civilian End**  
**Strengths for Selected Fiscal Years**

<b>Navy</b>				
<b>Fiscal year</b>	<b>Military</b>	<b>Civilian</b>	<b>Total</b>	<b>Percentage civilian</b>
1987	586,800	331,500	<b>918,300</b>	36.1
1990	582,900	320,500	<b>903,400</b>	35.5
1993	510,000	267,000	<b>777,000</b>	34.4
1994	471,500	250,500	<b>722,000</b>	34.7
1995	441,600	227,300	<b>668,900</b>	34.0
1999	393,900	202,400	<b>596,300</b>	33.9

Source: DOD Manpower Requirements Reports and Data from the Office of the DOD Comptroller.

Note: All figures are rounded. Figures for 1987-1993 are actuals; those for 1994-1999 are projections, as of July 1994.

<b>Marine Corps</b>				
<b>Fiscal year</b>	<b>Military</b>	<b>Civilian</b>	<b>Total</b>	<b>Percentage civilian</b>
1987	199,500	21,600	<b>221,100</b>	9.8
1990	196,700	20,500	<b>217,200</b>	9.4
1993	178,400	18,200	<b>196,600</b>	9.3
1994	174,000	17,900	<b>191,900</b>	9.3
1995	174,000	18,000	<b>192,000</b>	9.4
1999	174,000	17,000	<b>191,000</b>	8.9

Source: DOD Manpower Requirements Reports and data from the Office of the DOD Comptroller.

Note: All figures are rounded. Figures for 1987-1993 are actuals; those for 1994-1999 are projections, as of July 1994.

**Appendix I**  
**Active-Duty Military and Civilian End**  
**Strengths for Selected Fiscal Years**

<b>Defense agencies</b>				
<b>Fiscal year</b>	<b>Military</b>	<b>Civilian</b>	<b>Total</b>	<b>Percentage civilian</b>
1987	9,200	97,800	<b>107,000</b>	91.4
1990	10,000	102,500	<b>112,500</b>	91.1
1993	176,900	155,800	<b>332,700</b>	46.8
1994	175,600	159,600	<b>335,200</b>	47.6
1995	171,300	151,700	<b>323,000</b>	47.0
1999	Not available	Not available	<b>Not available</b>	Not available

Source: DOD Manpower Requirements Reports and data from the Office of the DOD Comptroller.

Notes: All figures are rounded. Figures for 1987-1993 are actuals; those for 1994-95 are projections, as of July 1994.

Military end strengths include personnel accounted for in the services.

The decrease in the percentage of civilian personnel in the Defense agencies results primarily from the transfer of common functions from the military services to Defense-wide agencies and the accompanying reassignment of military personnel performing such functions. Examples include the transfer of various medical personnel to the Defense Health Program and the transfer of DOD's common transportation mission to the U.S. Transportation Command.

# Civilians Within the Military Services as a Percentage of Personnel by Programming Categories

**Table II.1: Civilians Within the Military Services as a Percentage of Personnel by Programming Categories for Fiscal Year 1987**

Programming category	Percentage of employees that are civilians			
	Air Force	Army	Navy	DOD-wide
Central logistics	94.2	92.2	96.5	95.2
Combat installations	31.0	76.0	57.7	50.6
Communications/intelligence	17.1	18.6	17.2	22.9
Force support training	6.7	28.2	10.5	10.0
Joint activities	17.7	25.0	36.1	24.4
Medical support	18.3	44.6	27.5	32.9
Research and development	44.7	79.4	84.5	71.9
Service management headquarters	35.1	66.8	65.7	54.4
Strategic forces	10.4	25.0	13.6	11.3
Support activities	55.3	76.3	52.8	65.0
Tactical/mobility	16.2	6.1	2.3	6.1
Training and personnel	24.7	28.8	13.4	27.6
Aggregate of above categories	30.3	34.6	36.1	34.3

Source: DOD Manpower Requirements Reports for selected fiscal years.

Note: DOD-wide data includes civilian personnel assigned to Defense agencies, such as the Defense Logistics Agency.

**Table II.1: Civilians Within the Military Services as a Percentage of Personnel by Programming Categories for Fiscal Year 1994**

Program category	Percentage of employees that are civilians			
	Air Force	Army	Navy	DOD-wide
Central logistics	86.9	96.2	94.7	94.1
Combat installations	30.9	78.0	44.0	50.1
Communications/intelligence	21.9	32.0	20.0	29.9
Force support training	8.4	25.9	9.9	9.5
Joint activities	7.5	16.2	22.4	25.3
Medical support	19.9	52.5	27.6	35.3
Research and development	46.5	84.6	89.4	80.7
Service management headquarters	39.5	66.9	54.7	53.0
Strategic forces	22.9	40.0	24.7	24.3
Support activities	47.9	77.4	58.2	66.8
Tactical/mobility	24.8	3.5	4.5	7.7
Training and personnel	36.8	35.2	19.4	38.0
Aggregate of above categories	31.8	35.0	34.3	36.2

Source: DOD Manpower Requirements Reports for selected fiscal years.

Note: DOD-wide data includes civilian personnel assigned to Defense agencies, such as the Defense Logistics Agency.

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## **Definitions of Program Categories**

Central logistics covers program elements for the operation of supply depots and centers, inventory control points, and centralized procurement offices. It also includes centralized repair, modification, maintenance, and overhaul of equipment, and activities such as industrial preparedness.

Combat installations contain elements for the operation and maintenance of installations of the strategic, tactical, airlift, and sealift commands. Functions include real property maintenance, base communications, housekeeping, and installation administration.

Communications and intelligence include centrally managed communications and intelligence-gathering activities.

Force support training covers advanced flight training conducted by combat commands, Navy training conducted at sea and ashore in direct support of combat units, and certain Army and Marine Corps unit training activities.

Joint activities cover billets that are outside the control of each service. They includes requirements for the Joint Staff, unified commands, the staff of the Secretary of Defense, Defense agencies, and those personnel assigned to support other federal agencies.

Medical support includes medical care in regional medical centers and related research and development programs in support of medical research, equipment, and clinics.

Research and development includes major defense-wide activities conducted under centralized control of the Office of the Secretary of Defense. Specific areas include meteorological, topographic, oceanographic, and navigational activities.

Service management headquarters includes organizations to support service combat and support commands, such as U.S. Army, Europe and U.S. Navy, Pacific Fleet.

Strategic forces include nuclear offensive, defensive, and control and surveillance forces that have as their fundamental objective deterrence of and defense against nuclear attack upon the United States, our military forces and bases overseas, and our allies.

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**Appendix II**  
**Civilians Within the Military Services as a**  
**Percentage of Personnel by Programming**  
**Categories**

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Support activities include operation and maintenance of installations of the auxiliary forces, research and development, logistics, and training and administrative commands.

Tactical/mobility forces include (1) land forces of the Army and Marine Corps; (2) air components of the Air Force, Navy, and Marine Corps such as fighter, attack, reconnaissance, and special operations squadrons, direct support aircraft, armament and electronics maintenance units, and operational headquarters for these forces; and (3) Naval forces such as forces aboard warships, antisubmarine warfare vessels, amphibious forces, and forward logistical supporting forces, intermediate maintenance activities and telecommunications units. Mobility forces of the Air Force, Army, and Navy include airlift, sealift, and land movement of passengers and cargo. They also include sea port systems, traffic management, and aerospace rescue and recovery. Special operations forces are also embedded in this category.

Training and personnel includes staff and faculty for formal military and technical training conducted under centralized control of service training commands. It also includes personnel-related activities such as recruiting, centrally funded welfare and morale programs, and civilian career training.

# Comparison of Military and Civilian Compensation

This appendix sets forth the principal definitions and methodology underlying the cost estimates presented in chapter 2 and shows cost differentials by pay grade between military and civilian personnel (see table III.1). The methodology is based in part on a 1988 RAND Note, prepared for the Office of the Assistant Secretary of Defense for Force Management and Personnel.<sup>1</sup> Except where otherwise indicated, the estimates are based on unpublished data obtained from the Department of Defense (DOD); figures used here represent defense-wide averages, and all costs are in 1994 dollars.

**Table III.1: 1994 Average Cost Comparison of Annual Military and Civilian Compensation Between Comparable Pay Grades in CONUS**

Military compensation		Civilian compensation		Difference
Grade	Pay	Grade	Pay	
O-10 through O-7	\$170,836 through \$130,534	ES-6 through ES-1	\$141,047 through \$113,257	\$29,789 through \$17,277
O-6	110,663	GS-15	95,853	14,810
O-5	92,277	GS-14 GS-13	79,824 66,887	12,453 25,390
O-4	76,116	GS-12	55,524	20,591
O-3	60,871	GS-11 GS-10	45,837 42,824	15,034 18,047
O-2	48,240	GS-9 GS-8	37,756 34,953	10,484 13,287
O-1	36,064	GS-7	31,294	4,770
E-9	63,011	GS-6	28,370	34,641
E-8	53,313			24,943
E-7	46,144			17,774
E-6	39,815	GS-5	25,507	14,308
E-5	33,750			8,243
E-4	29,234	GS-4	22,840	6,394
E-3	24,361	GS-3	20,417	3,944
E-2	22,274	GS-2	18,720	3,554
E-1	20,163	GS-1	15,727	4,436

Notes: Numbers have been rounded to the nearest dollar.

Data are based on military and civilian grade level comparisons established for Geneva Convention purposes (DOD Instruction 1000.1, Jan. 30, 1974).

<sup>1</sup>Adele R. Palmer and David J. Osbaldeston, "Incremental Costs of Military and Civilian Manpower in the Military Services," A RAND Note (July 1988), N-2677-FMP.

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## Military Compensation

All personnel entitled to active-duty compensation receive the sum of four main elements of military compensation included in Regular Military Compensation (RMC); basic pay, basic allowance for quarters (including any variable or overseas housing allowance), basic allowance for subsistence (or subsistence in kind), and Federal income tax advantage. RMC is the basic level of compensation every service member receives, directly or indirectly, in cash or in kind every payday, that is consistent with all military personnel of a particular pay grade, years of service, and family size. For the purpose of comparing military and civilian compensation, an additional amount is included in the RMC to account for the nontaxability of the allowances for quarters and subsistence. This is known as “federal income tax advantage.” Federal income tax is computed using the standard deduction and 1994 tax rates, including the earned income tax credit.

Military personnel may also receive other elements of compensation, depending on their military specialty (such as physician), where they are stationed, the nature of their duty assignment, and so forth. For example, some personnel may be entitled to a variable housing allowance if they are stationed in a high-housing-cost area of the United States and are not assigned to government quarters. Other personnel may receive hostile fire (or imminent danger) pay for serving in hostile areas that may subject them to physical harm or imminent danger. The RMC data in this report are applicable only to personnel in the continental United States (CONUS) because they include the variable housing allowance, but not the overseas housing allowance.

For the purpose of this report we used all cash pay grade averages for RMC from DOD’s Selected Military Compensation Tables: January 1994 Pay Rates Report.<sup>2</sup> Table III.2 shows the annual RMC, including retirement benefits, received by military personnel. The retirement benefits are actuarially costed as a percentage (36 percent as of FY 1994)<sup>3</sup> of active-duty basic pay. An actuarially-costed retirement benefit assumes that if the percentage of basic pay is set aside annually in an interest bearing account, it would accrue enough principal and interest to pay off future benefits as needed. We did not include other costs associated with providing such benefits as medical care, training, or unemployment compensation.

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<sup>2</sup>Department of Defense, OASD, Directorate of Compensation, “Selected Military Compensation Tables: January 1994 Pay Rates,” undated publication.

<sup>3</sup>Source: DOD Office of the Actuary.

Note: The actuarially determined percentage is also known as the Normal Cost Percentage.

**Appendix III  
Comparison of Military and Civilian  
Compensation**

**Table III.2: 1994 Annual Regular  
Military Compensation, Including  
Retirement Benefits, in CONUS**

<b>Grade</b>	<b>Military base pay</b>	<b>Retirement benefits (36% of base pay)</b>	<b>Regular military compensation (RMC)</b>	<b>Total (Retirement benefits and RMC)</b>
O-10	\$108,202	\$38,953	\$131,883	\$170,836
O-9	99,212	35,716	122,596	158,312
O-8	89,896	32,363	112,845	145,208
O-7	79,333	28,560	101,974	130,534
O-6	66,364	23,891	86,772	110,663
O-5	53,816	19,374	72,903	92,277
O-4	44,313	15,953	60,163	76,116
O-3	35,385	12,739	48,132	60,871
O-2	27,581	9,929	38,311	48,240
O-1	20,051	7,218	28,846	36,064
E-9	36,095	12,994	50,017	63,011
E-8	29,653	10,675	42,638	53,313
E-7	24,993	8,997	37,147	46,144
E-6	20,983	7,554	32,261	39,815
E-5	17,393	6,261	27,489	33,750
E-4	15,137	5,449	23,785	29,234
E-3	12,035	4,333	20,028	24,361
E-2	11,200	4,032	18,242	22,274
E-1	9,994	3,598	16,565	20,163

Note: Numbers have been rounded to the nearest dollar.

## Civilian Compensation

For the purpose of this report, civilian compensation consists of base pay, other pay, and benefits. Base pay is regular salaries and wages; other pay includes overtime and holiday pay; and benefits include life insurance, health benefits, worker's compensation, and pension and retirement benefits. We used a 17 percent average civilian compensation adjustment factor for other pay and regular benefits for nonwage-rate workers.<sup>4</sup> The adjustment factor for other pay and regular benefits was multiplied by the annual base amounts to calculate civilian annual direct costs.

<sup>4</sup>Although this adjustment factor is taken from the 1988 RAND Note, DOD officials stated that the factor has not changed significantly in recent years. Therefore, for the purpose of this report we have used the same adjustment factors to calculate direct costs per civil service staff year in CONUS as of 1994. Source: Adele R. Palmer and David J. Osbaldeston, "Incremental Costs of Military and Civilian Manpower in the Military Services," A RAND Note, (July 1988), N-2677-FMP.

**Appendix III  
Comparison of Military and Civilian  
Compensation**

Table III.3 provides average adjusted basic pay for general schedule and senior executive service positions in CONUS. The average adjusted basic pay is equal to basic pay plus any locality adjustment. Average adjusted basic pay was taken from the Office of Personnel Management's Central Personnel Data File. The base pay for senior executive service professionals is an average of all locality pay areas in the United States provided by the Office of Personnel Management.

**Table III.3: 1994 Annual Civilian  
Compensation in CONUS**

<b>Grade</b>	<b>Average adjusted basic pay)</b>	<b>Adjustment factor for other pay and regular benefits (17% of base pay)</b>	<b>Total (base pay, other pay, and regular benefits)</b>
ES-6 through ES-1	\$120,553 through \$96,801	\$20,494 through \$16,456	\$141,047 through \$113,257
GS-15	81,926	13,927	95,853
GS-14	68,226	11,598	79,824
GS-13	57,168	9,719	66,887
GS-12	47,456	8,068	55,524
GS-11	39,177	6,660	45,837
GS-10	36,602	6,222	42,824
GS-9	32,270	5,486	37,756
GS-8	29,874	5,079	34,953
GS-7	26,747	4,547	31,294
GS-6	24,248	4,122	28,370
GS-5	21,801	3,706	25,507
GS-4	19,521	3,319	22,840
GS-3	17,450	2,967	20,417
GS-2	16,000	2,720	18,720
GS-1	13,442	2,285	15,727

Note: Numbers have been rounded to the nearest dollar.

# Civilian Specialists Deployed to the Persian Gulf War

Service	Civilian employees		Contractor personnel	
	Number	Functions	Number	Functions
		Contracting		Maintenance
		Training		Transportation
		Logistics		Logistics
		Plumbing		ADP support
		Food service		
		Mortuary		
		Maintenance and supply		
		Postal services		
		Engineering		
		Quality assurance		
		ADP specialists		
		Transportation		
<b>Army Total</b>	<b>2,000</b>		<b>3,894</b>	
		Maintenance/equipment		Maintenance
		Civil engineers		Transportation
		Mortuary affairs		Aircraft specialists
<b>Air Force Total</b>	<b>213</b>		<b>154</b>	
		Engineering		Ship crews
		Medical personnel		
		Linguists		
		Science advisors		
		ADP specialists		
		Merchant marines		
<b>Navy Total</b>	<b>3,000</b>		<b>5,126</b>	
<b>DOD Total</b>	<b>5,213</b>		<b>9,178</b>	
<b>Total DOD civilian employees and contractors</b>			<b>14,391</b>	

Source: DOD and service after-action reports on the Persian Gulf War and studies by outside organizations under contract to the services.

# Comments From the Department of Defense



PERSONNEL AND  
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE  
4000 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-4000



SEP 27 1994

Mr. Frank C. Conahan  
Assistant Comptroller General  
National Security and International Affairs Division  
U.S. General Accounting Office  
Washington, D.C. 20548

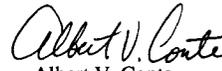
Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "DEPARTMENT OF DEFENSE: Greater Reliance on Civilians in Support Roles Could Provide Significant Benefits," dated August 4, 1994 (GAO Code 391217), OSD Case 9755. The Department concurs with the report.

The Department agrees with the GAO that civilians represent a significant component of the DoD workforce, both in peacetime and in wartime. The Department is also aware that various cost comparative analyses acknowledge a less costly civilian substitute for military personnel performing similar type work. However, DoD policies governing military versus civilian manpower mix are not predicated upon the comparative cost factor, alone, nor modified based on a single conflict experience.

As the draft report acknowledges, variations in assigned missions often account for differences in manpower mix across Service organizations. Lessons learned in the Persian Gulf War have caused each Service to modify their regulations and procedures pertaining to civilian deployment. The DoD agrees that further improvements can be made. In FY 1995, the Department will be conducting a review of the military essentiality of its support structure and considering any conversion actions that may be warranted.

The detailed DoD comments on the draft report recommendations are provided in the enclosure. The DoD appreciates the opportunity to comment on the draft report.

  
Albert V. Conte  
Principal Deputy

Enclosure:  
As stated.



GAO DRAFT REPORT - DATED AUGUST 4, 1994  
(GAO CODE 391217) OSD CASE 9755

"DEPARTMENT OF DEFENSE: GREATER RELIANCE ON CIVILIANS IN  
SUPPORT ROLES COULD PROVIDE SIGNIFICANT BENEFITS"

DEPARTMENT OF DEFENSE COMMENTS  
ON THE GAO RECOMMENDATIONS

\* \* \* \* \*

o **RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense establish a joint review board and provide it with a mandate to work with the Services to ensure a thorough and consistent review of military support positions that may have potential for conversion to civilian. (p. 9, p. 43/GAO Draft Report)

**DoD RESPONSE:** Concur. The House Conference Report, dated August 12, 1994, on the National Defense Authorization Act for Fiscal Year 1995, also directs that the Department review military essentiality in the DoD's support structure. The report requires that the Department report its results to the Congress by April 30, 1995. The DoD actions to respond to the Section 347 direction will satisfy both that requirement and the intent of the GAO recommendation.

o **RECOMMENDATION 2:** The GAO recommended that the Secretary of Defense direct the Services to identify military positions that should be replaced with civilians and eliminate--to the extent possible--existing impediments to using civilians when they would be less costly. (The GAO suggested that options might include ensuring that funding for civilian personnel to cover the costs of military-to-civilian conversions is provided to those officials who recommend replacing military positions with civilians, provided they justify the actions as either cost savings or operational efficiencies. The GAO also suggested that another action could be to designate certain categories of support positions that must be civilian and require cost comparisons when officials attempt to fill them with military members. The GAO observed that some degree of protection is needed from across-the-board personnel reductions that could negate the conversion actions, such as ensuring that efforts of command officials to change requirements from military to civilian are fully considered when end-strength reductions are allocated.) (p. 9, pp. 43-44/GAO Draft Report)

**DoD RESPONSE:** Concur. The Department's anticipated review of military essentiality in the DoD support establishment, in FY 1995, will entail recommendations by the Military Services for potential conversion.

o **RECOMMENDATION 3:** The GAO recommended that the Secretary of Defense and the Chairman, Joint Chiefs of Staff clarify organizational responsibility for ensuring

Now on pp. 5 and 29.

Now on pp. 5 and 29.

Now on pp. 5 and 39.

that civilian support to military operations is considered during contingency planning processes. The GAO further recommended that those officials should direct operational planners to integrate civilian requirements for DoD civilian employees and contractor personnel into appropriate plans for deploying forces to combat areas. (p. 9, p. 62/GAO Draft Report)

**DoD RESPONSE:** Concur. During FY 1995, the Department will pursue initiatives to ensure military operational contingency planning includes necessary civilian support. Primary responsibility for such initiatives rests with the Joint Staff and Service military operational planning organizations.

o **RECOMMENDATION 4:** The GAO recommended that the Service Secretaries direct commanders of major support organizations to establish time frames for reassessing their needs for emergency-essential civilian employees. The GAO recommended that the commanders expeditiously purge existing lists of administrative persons to prevent unnecessary spending on training for persons who will not deploy to theaters of operation. The GAO also recommended that the commanders ensure that emergency-essential civilians (1) receive appropriate training, including basic survival skills; (2) participate in job-related DoD-wide training exercises; and (3) are otherwise prepared to deploy to combat areas when needed. (p. 9, p. 62/GAO Draft Report)

Now on pp. 5 and 39.

**DoD RESPONSE:** Concur. The Department agrees that current management information pertaining to emergency-essential civilian positions and employees can be improved. During FY 1995, the DoD will request that all organizations review and validate their requirements for emergency-essential civilians and provide for the appropriate designation in both manpower and personnel data files. During FY 1995, the Department will also review current guidance pertaining to deployment-related training and take what steps may be necessary to ensure compliance.

o **RECOMMENDATION 5:** The GAO recommended that the Secretary of Defense clarify the type of assistance--such as deployment processing, training, transportation, housing, or care in-theater--that the DoD will provide to contractors who perform essential, combat-support functions. (p. 9, pp. 62-63/GAO Draft Report)

Now on pp. 5 and 39.

**DoD RESPONSE:** Concur. During FY 1995, the Department agrees to address DoD responsibilities to contractors who perform essential, combat-support functions. This issue is a complex legal issue and will probably not be resolved over the course of the next fiscal year.

o **RECOMMENDATION 6.** The GAO recommended that the Secretary of Defense direct the Service Secretaries to establish time frames for identifying contractors and the personnel who provide essential combat-support services, and initiate actions to ensure that such personnel will be prepared to deploy to combat areas, if needed. (p. 9, p. 63/GAO Draft Report)

Now on pp. 5 and 39.

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**Appendix V**  
**Comments From the Department of Defense**

**DoD RESPONSE:** Concur. During FY 1995, the DoD will request that all organizations validate and document their requirements for emergency-essential civilians and provide for required training. However, documentation and training requirements pertaining to deployable contractors will be contingent upon the DoD's assessment of its responsibilities in this regard. (See the DoD response to Recommendation 5.)

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