



THE ANNUAL REPORT OF THE MARINE CORPS TO CONGRESS

by Gen A.M. Gray
Commandant of the Marine Corps

Mr. Chairman,
Members of the Committee,

I welcome this opportunity to present my second annual report to Congress and the Nation. Last year I outlined the programs we initiated in order to remain fit and ready for service. I want to share with you the highlights of those institutional changes, make you aware of the issues we face today, and

give you our vision of the future.

Past Year

I was entrusted with a Corps built on a strong foundation. No Commandant has ever assumed stewardship of a Marine Corps comprised of better people or equipped with more modern arms and equipment than I. I interpreted my charter as that of building

on this solid foundation, seeking ways to refine and strengthen the Corps' capabilities.

Roles & Missions

Over the past year, we've taken a hard look at ourselves and assessed the direction of the Corps. Through this effort, we reaffirmed our roles and missions. We are not only the Nation's

most deployable force, but the most employable across the spectrum of conflict. Recent operations in the Persian Gulf and Panama serve as examples of our broad utility and expeditionary capability.

If this Nation faced a crisis today, Marines could go to war tonight without mobilization. We are unique in this respect. The Navy-Marine Corps team has been used in 80 percent of the incidents involving the United States since World War II. The Naval Service is the force of choice. Your Corps remains prepared for the most likely conflict while maintaining the capability for general war.

Institutional Changes

We realized that the maintenance and improvement of our capabilities with respect to future requirements would have to be made by drawing on every available resource from within. We were challenged in this respect by last year's 2,900 man end-strength reduction. The cost to the Nation was *three active infantry battalions*. We now have 24 active infantry battalions vice the previous 27 infantry battalions. We recognized a window of opportunity that would allow us to make necessary change—but we had to act quickly. We looked at the lessons learned in previous studies, concepts, and reports, and revisited old techniques that had served us well in the past. We then assembled some of our best and brightest officers, and charged them

with identifying the changes needed to make the Corps better. Herein lay our formula for success in institutionalizing change. Our junior leadership generated ideas and identified the basic means to implement them; our senior leadership validated these ideas, and together we committed ourselves to their accomplishment while staying within current resource limits. We avoided the lengthy, bureaucratic staffing process that can so often stifle or kill a worthwhile concept.

Marine Corps Combat Development Command

Within four months of inception, we formally reorganized the Marine Corps Development and Education Command at Quantico into the Marine Corps Combat Development Command and gave this new organization a much broader charter. It is now designed to have direct interface with our Fleet Marine Forces, thus providing more effective means for meeting the needs of our operating forces. At the Marine Corps Combat Development Command, we are now better able to identify requirements, make changes to organization and doctrine, and improve our warfighting capabilities.

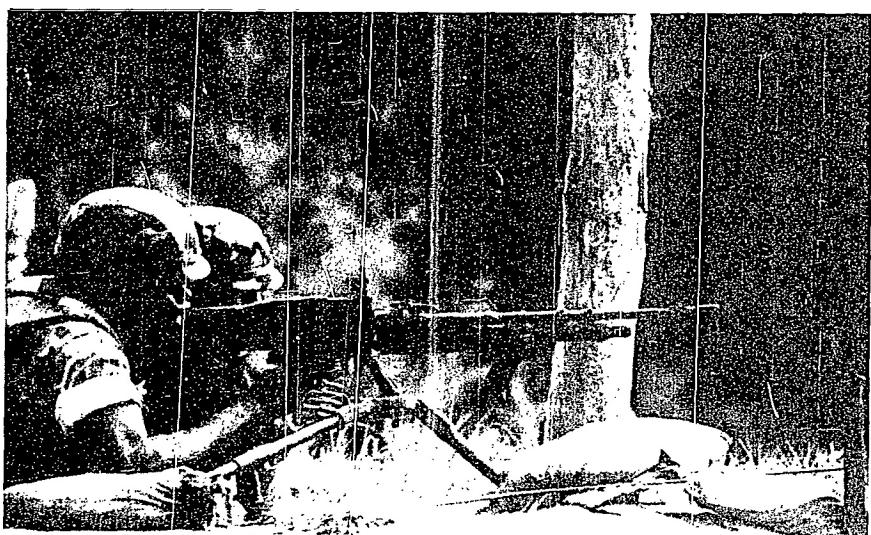
Marine Corps Research, Development, and Acquisition Command

Fewer than three months after a proposal emerged to effect a major reorganization of our research, development, and acquisition (RD&A), we

formally activated the Marine Corps Research, Development and Acquisition Command. By consolidating our RD&A efforts, we eliminated bureaucratic layering and significantly streamlined our procedures. As with our Marine Corps Combat Development Command, we effected these changes with available resources. There have been some rough edges that have needed smoothing as the organizations have evolved. The important point, however, is that they are up and operating—in many ways better and more rapidly than expected.

As mentioned in last year's report, we embarked on a number of other important initiatives that have essentially dealt with how we fight and train. These initiatives are being implemented or have already been completed. In line with the "best and brightest" technique already discussed, a study group was formed to determine the direction of the Corps in the emerging national security environment. This group determined that, while the most demanding threat to the free world would continue to be the specter of high-intensity war with the Soviets, the most likely threats to our security interests would be low- to mid-intensity conflicts. It realized that in order to remain this Nation's premier force in readiness, the active force must be structured and equipped to react immediately and decisively to these threats without relying on mobilization of Reserves. The study group

Marines from the USS Iowa practice infantry tactics ashore. Every Marine is trained to fight and win.





LAV-25s from a light armored infantry battalion on maneuvers.

also concluded that in an era of constrained budgets, the Nation could not afford to maintain large forces that had utility in limited scenarios. Forces that had ready utility across the entire spectrum of conflict provided the greatest savings.

Warfighting Enhancement Initiatives

Another study group of officers, taken predominantly from the Fleet Marine Forces, was given 45 days to analyze Fleet Marine Force structure from the bottom up. They developed a plan to strengthen our active structure in order to meet the most likely demands, while retaining within our Reserve structure the capabilities needed to "heavy up" for general war. The group proposed in excess of 30 recommendations, which have been, or will be, implemented as our Warfighting Enhancement Initiatives. Specifically, these initiatives added more Marines to our infantry battalions, provided scouts to our light armored vehicle battalions to convert them to light armored infantry battalions, transferred the heavy assets needed in general war to the Reserves, and amalgamated our intelligence assets within the Marine expeditionary forces. Several initiatives were difficult to implement because manning and resources did not increase in either the last or present year's budget. We did, however, accomplish these changes through significant and, in some cases, painful reallocations of manpower from within our operating forces and supporting establishment. Similarly, other resources have been reprogrammed where possible. Your leaner and more opera-

tionally capable Corps cannot sustain further reductions.

Training & Education

We determined that acquisition streamlining and reorganization of our operating forces alone would not result in Marines being thoroughly trained and confident in their equipment. Our training had to change to meet the demands of the security environment, and our Marines had to be able to carry out the variety of tasks they could expect to face in real-world missions. The modern battlefield subjects all Marines to an enemy threat whether in forward infantry units or in rearward logistic areas. In early 1988, we established the Marine Air-Ground Training and Education Center at Quantico, consolidating training management assets from our Washington headquarters with those in our Education Center. We expanded this new organization's responsibilities to oversee literally all training and education throughout the Marine Corps and to interface with comparable institutions in the other Services. Beginning from the bottom up, we instituted a program of Marine Battle Skills Training to ensure that every Marine, regardless of specialty, was prepared to do what the Nation expected—fight and win. We are continuing to develop and refine other training and education programs. While new privates are learning their basic combat skills in the Schools of Infantry, officers, staff noncommissioned officers, and noncommissioned officers are polishing their professional knowledge and decisionmaking abilities through a pro-

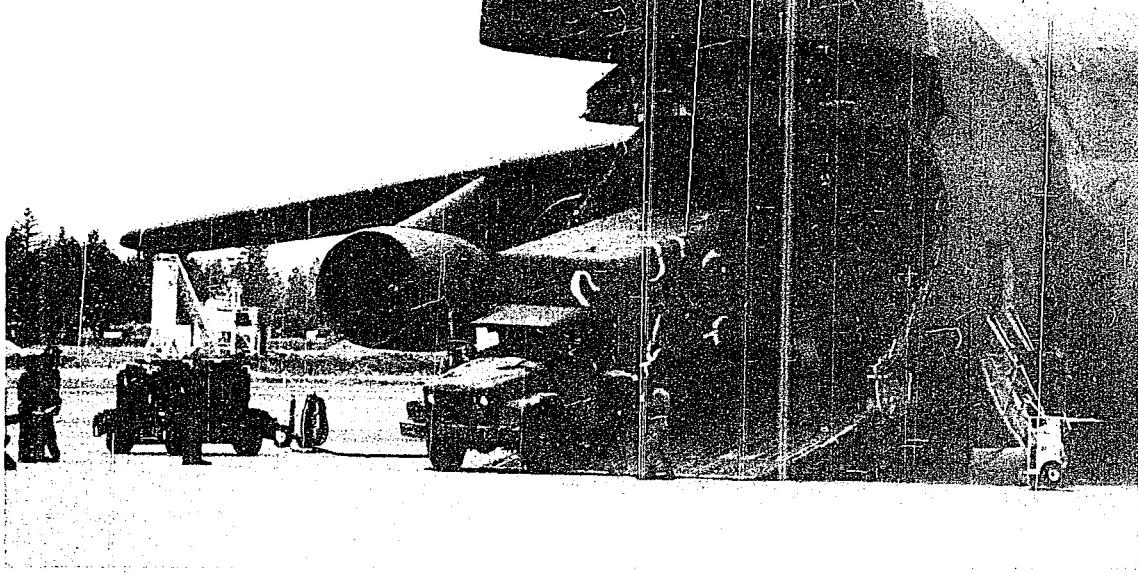
gram of mandated professional military education, wargames, and staff exercises. We intend that Marines at every grade will become more proficient in their primary duties as warriors.

Marine Corps Planning

Marine Corps planning has undergone considerable revision and is institutionalizing our vision for the future. Significant effort is being dedicated to charting the direction of the Corps. The *Marine Corps Campaign Plan* will document the intent of the Corps. It outlines where it is going and why, what it will do, and how it will do it. The *Marine Corps Long-Range Plan* will establish future goals. The *Marine Air-Ground Task Force (MAGTF) Master Plan* will serve as the impetus for all planning and programming efforts. It will be the definitive statement of future Marine air-ground task force operational requirements and will provide implementing measures in the form of doctrine, training, education, and equipment changes needed to attain the necessary capability. By clearly articulating what we will do tomorrow, we can better use our existing assets today.

Current Issues

The greatest issue that the Congress and Marine Corps jointly face is how our forces can best contribute to national security within the constraints of the budget. We have based our request to Congress on analysis of the threat and the role we will play in countering it. Our emphasis is placed on meeting the challenges of the most likely conflict, while remaining pre-



Air Force C-5 is loaded at Twentynine Palms during a strategic mobility exercise. Training closer to home is the goal for 1990-91.

pared for general war. We seek to give the Nation the greatest return on its investment. Our fiscal strategy has been developed to support our operational requirements, frequently at the expense of other areas. The FY90-91 Marine Corps budget highlights our emphasis on force structure and resulting end-strength, making it our first priority. We have balanced our total program by slowing down modernization, reducing our support to our fixed plant, and changing the way we train. In pursuing such a strategy, a number of other issues arise that require your attention and support. We make the following issues known to you for these reasons.

Manpower

The Marine Corps is a manpower intensive organization and remains sensitive to force structure reduction. A key issue we face today is the maintenance of a quality force, built as a result of your past support. Our Marines are smarter, more mature, and less prone to disciplinary problems than at any time since the inception of the All Volunteer Force.

Our recruiting continues to provide the input needed to keep your Corps strong. Retention remains high, providing the skills and experience necessary for success on the battlefield. Unauthorized absence and desertion rates are low, which means a larger percentage of our Marines are available for training and deployment. Readiness and morale remain high because

of the quality of our Marines. This is the ultimate argument for maintaining our high standards.

We will further improve training and readiness by providing a balanced flow of Marines through our training pipeline, a policy of "level-loading." Despite the near-term costs of level-load accession phasing, we are fully committed to this policy for its long-term gains. Assigning recruits evenly throughout the year provides a manageable flow through Marine Battle Skills Training. It facilitates planning and results in efficient use of training assets and school quotas.

Total Force

The Corps is becoming more closely integrated as a total force. This integration is important to national strategy, as a constrained budget causes us to rely even more on Reserve components and civilian employees. We have merged our Manpower and Reserve Departments into one organization that will integrate planning and force management. All Marine Corps manpower assets, Active and Reserve, are now under single leadership. This consolidation of functions has provided for economies of scale, facilitated mobilization planning, and given us an increasingly modern Reserve force.

Marine Corps civilian employees are an integral part of our total force. They constitute 31 percent of our supporting establishment and are even more critical as a result of moving Marines from the supporting establish-

ment to the Fleet Marine Forces. For years, civilians provided critical continuity at our bases, stations, and major headquarters. Our request for 21,659 civilians is the minimum needed to provide adequate support to the Marine Corps. The supporting establishment and our Fleet Marine Forces are presently operating at the limits of their capacity.

Our worldwide commitments require fully combat-capable units. Since end-strength reductions of the past year caused us to cadre three infantry battalions, I am opposed to any more reductions in manpower. We must maintain our end strength; this is our top priority. If required to cut end strength, we will maintain our Marine air-ground-logistics integrity, but we will cut vertically rather than horizontally. We will continue to provide the Nation combat ready units; end-strength reductions will only result in fewer of them.

Quality of Life

Quality of life is important to retain the high caliber of young men and women we spend so much time to recruit and train. It has a direct effect on readiness. Our ability to provide services in this respect is being challenged by the fact that over the last three years, the number of dependents has surpassed the number of active duty Marines. We have taken measures to alleviate the pressure being placed on services we provide. As an example, we are realigning units within the

Southern California area. The 7th Marine Regiment and its associated combat support units are being relocated from Marine Corps Base Camp Pendleton, California where a shortfall in facilities exists, to Marine Corps Base Twentynine Palms, California, which has sufficient facilities. These efforts are only a partial solution to the problem of supporting the growing number of dependents. Some aspects of support are beyond our capabilities.

Medical Care

As I mentioned last year, the adequacy of medical care for our Marines and their families is of continuous concern to me and to the Secretary of the Navy. There are inadequate numbers of doctors, nurses, and corpsmen. Significant delays occur in the receipt of CHAMPUS payments. Some medical practitioners no longer accept CHAMPUS for this reason. I again ask Congress to correct this critical deficiency.

Cost of Living

The high cost of living in certain areas is having an impact on the quality of life of our enlisted Marine families. In many areas, both spouses must work to meet the minimum requirements for food, clothing, and shelter. Unlike the private sector, the employment of a Marine's spouse can bring unique problems in Service life that is occasioned by family separa-

tion and instability resulting from frequent moves.

Intrafamilial Relations

The pressure and the stress of Service life can manifest themselves in a variety of ways. Its worst form is family violence. All sources of family stress are of personal interest to me. This issue impacts readiness. In August of this past year, a general officers' task force was convened to examine family stress. The subject also received considerable attention in our general officers' symposium. The results of the study and the responses of general officers are currently being evaluated by my staff.

We are placing the greatest emphasis on family service centers and child development centers. In FY88, over 250,000 contacts were made with family service centers—a 400 percent increase since FY83. However, the ceiling on appropriated fund support to morale, welfare, and recreation activities inhibits providing affordable child care at an affordable cost to our Marines.

Moral, Welfare, and Recreation

In other morale, welfare, and recreation activities, we are continuing to make other significant improvements. Following congressional direction, we consolidated these activities under single management for the dual purposes of reducing administrative costs and, more importantly, seeking out inno-

vative business ventures that our patrons would support. We have consolidated our morale, welfare, and recreation and Marine Corps exchange staffs into a single agency responsible for executing their programs. This effort has resulted in a more effective use of limited resources and complies with congressional guidance. Above all, Marines are the real benefactors of this program.

Aviator Retention

Another issue of concern is the potential reduction in the retention of Marine aviators. So far, we have been able to keep the numbers we need. Whether we will be able to continue to retain enough pilots in the future is questionable considering the potential impacts of aggressive airline hiring and the fact that aviation career incentive pay (flight pay) has not changed since 1981. The extent of this concern has been documented in the recent DOD Aviator Retention Study.

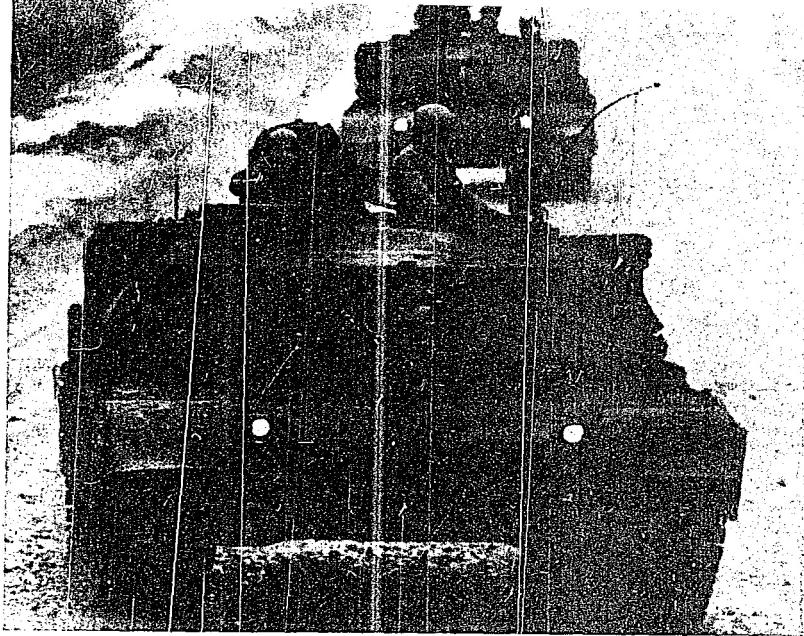
Legislative Proposals

The last manpower issues I want to address are two separate initiatives that seek relief with regards to the Defense Officer Personnel Management Act (DOPMA) requirements. Since the enactment of DOPMA, the Marine Corps has realized higher retention rates when compared with pre-DOPMA rates. The result of this high retention has been a steady climb in



Pilot and aerial observer ready for a mission at El Toro. Keeping Marine aviators is an issue of concern.

M1A1 main battle tanks like these are taking a hefty share of the procurement dollars.



the average time to promotion and an aging of the officer corps. We are drafting a legislative proposal requesting that officers in the grade of lieutenant colonel through major general be allowed to retire after two years in grade vice three years. To maintain a youthful, vigorous, fully combat-ready officer corps, we have lowered the officer promotion opportunities between five and ten percent. Projections for timely promotions in the future can be achieved with this promotion policy and the approval of our recommended legislation. Our second problem is the longstanding difficulty the Marine Corps has experienced with DOPMA officer grade ceilings, especially in the grade of major. The current ceilings obstruct our ability to shape and manage our officer corps. We are reviewing its requirements determination process through an Officer Force Management Review Panel and may seek legislative relief to amend our grade tables.

Operation & Maintenance

In real terms, Operation and Maintenance, Marine Corps funding decreased nine percent from FY89 to FY90, and funding in this area for FY91 is essentially level with FY90. It is not possible to reduce funding by such a magnitude without making some hard choices. We have to reduce programs; however, we have tried to make these reductions with the least effect on readiness. On a percentage basis, the largest impact is on operating forces. This major reduction has oc-

curred partially because this area was not affected as much as other programs in previous years. We are emphasizing less costly but equally effective training techniques. We are increasing individual and small unit training, conducting fewer large-scale exercises, and training closer to home. We have not compromised on those aspects of operations and maintenance, such as battle skills training, which are fundamental to our readiness. We have increased the funding for specialized skills training. We have ensured that those areas that affect our equipment maintenance receive the emphasis necessary to maintain our overall readiness. The resources needed to maintain the high-quality recruits have been allocated as well. To do these things, we have had to accept some tradeoffs. The maintenance of our real property, such as roads, facilities, and ranges, has been reduced. With our changes in training, we have been able to reduce our requirements for transportation and supply support. These reductions can be sustained over a short-term period without a negative impact. However, over the long term, continued reductions to our logistics functions will limit what we can do in our day-to-day operations. The operation and maintenance appropriation is a major factor in promoting the quality of life for Marines and their dependents. It provides for the training, operation, and support of our base activities. Before leaving operations and maintenance, I would like to reemphasize that we did

not cut this funding across the board. We shifted our efforts toward such programs as battle skills training. At the same time, we are protecting the quality of life programs that are necessary to our Marines and their dependents.

Procurement

With regard to Procurement, Marine Corps, we have experienced nine percent negative growth over the last year. We have little flexibility left, due to the purchase of the M1A1 tank, which comprises such a large percentage of this appropriation. The flexibility that we do have in procurement is being used to maintain current capabilities.

Aviation

Our progress within aviation is important to note. First, this past year has been the safest in the history of Marine Corps aviation. Second, we are pursuing those programs that will take us into the 21st century. The MV-22 program is the *most important* advance in military aviation since the helicopter. It is my *number one* aviation priority. The MV-22 Osprey tiltrotor aircraft, with its tactical mobility and strategic deployment enhancements, will provide a decisive advantage in over-the-horizon operations. It flies twice as fast, twice as far, and is many times more survivable than the 25-year-old CH-46 helicopter it replaces.

The application of tiltrotor technology has the potential for revolutioniz-

ing commercial aviation. The first MV-22 has been built but has not yet flown. Engineers are currently proceeding through a series of meticulous preflight tests prior to the first launch. During this preflight testing, some problems have surfaced with integrating the new technologies found in the aircraft. None of these problems is individually serious, but each must be solved to total satisfaction before the first flight will be permitted. The Osprey's first flight will occur when all systems are ready. We will not fly or field an aircraft that is not safe or fully combat capable. The procurement of the F/A-18 continues, and the AV-8B Harrier II program is on track as well. The AV-8B multiyear purchase saves \$128 million and will bring us to a procurement level of 276. Beginning in late 1989, all production AV-8Bs will be equipped with night-attack features, including a forward-looking infrared sensor, a color digital moving map, and night vision goggles for the pilot. Simply put, the AV-8B is the best close air support airplane in the world. Your provision of \$46 million in FY89 as advance multiyear procurement funding for 3 more years of 14 CH/MH-53E aircraft, which was planned to allow us to meet our procurement objective, is greatly appreciated. Unfortunately, FY90-91 fiscal constraints did not allow us to keep these aircraft programmed. We have, however, managed to work in enough funds to keep

the line open for one more year. This is vitally important, as no plan for another heavy-lift helicopter exists.

In the case of our AH-1W Cobra, our last buy was in FY88 and provides the active force with 6 squadrons, with 12 aircraft in each. In FY89 the production line will remain open to complete the AH-1T to AH-1W conversions. Unfortunately, FY90-91 budget constraints did not allow programming of funds to replace our Vietnam era AH-1Js in our Reserves before the production line goes cold.

Air Cushion Landing Craft

The Navy and the Marine Corps appreciate the Congressional support for the procurement of Navy programs critical to the mission of the Marine Corps, particularly the air cushion landing craft (LCAC). The multiyear buy results in considerable savings for the taxpayer. The LCAC is already paying dividends in our operations in the Pacific and Mediterranean. Even more important is the role it will play in the future. The LCAC remains essential to the development of the over-the-horizon amphibious assault.

Amphibious Shipping

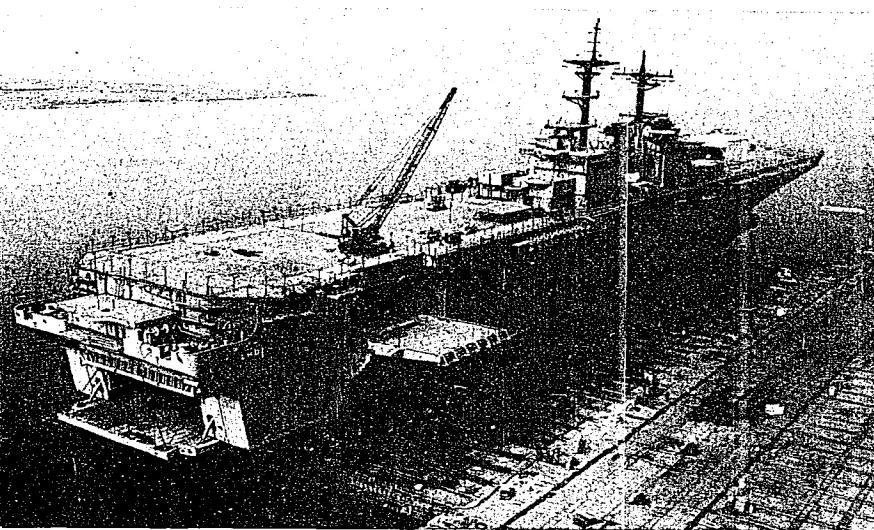
Amphibious shipping is of great concern. Since World War I, we have had a real requirement to lift the assault echelon of a Marine expeditionary force in the Atlantic and Pacific, simultaneously. For affordability rea-

sons, however, we have agreed to accept a goal of amphibious lift for only the assault echelons of a Marine expeditionary force and a Marine expeditionary brigade. Despite this compromise, a shortfall still exists. Simply stated, we do not have enough shipping to meet operational requirements. Of great concern is the block obsolescence we face between the years 2000-2008. During this period, 47 of our current 63 amphibious ships will reach the end of their normal 35-year service life. While the construction of the multipurpose Wasp class amphibious assault ship (LHD 1) and the Whidbey Island class landing ship dock (LSD 41) will enable us to attain our programmatic goal near the turn of the century, it will not be enough to sustain us beyond the next decade. In a world in which the ability to base our forces overseas is declining, our ability to project power and conduct seabased operations by means of amphibious shipping is critical to a forward-deployed strategy. The overall negative trend in amphibious shipping must be reversed. Your support for the timely construction of amphibious shipping in the budget request is crucial.

Research & Development

A major portion of our efforts in research and development are in programs that will enhance over-the-horizon assault. Our first priority is the advanced assault amphibian concept, which will replace our current assault amphibious vehicle, now approaching the end of its extended service life. Our requirement is for a craft that will achieve speed needed to close on the beach from positions over the horizon in a matter of minutes. Such a capability can be accomplished by taking advantage of mature technology-base developments in lightweight, composite materials, advance power, and propulsion engines.

We need to upgrade the firepower and tactical mobility of our forces. Numerous studies have verified the need for a lightweight, highly mobile, direct-fire capability in our light armored infantry (LAI) battalions. An assault gun on our existing light armored vehicle will add firepower to tactical mobility. We are exploring the feasibility of various gun systems to provide the optimal firepower compatible with our mobility requirements.



The first Wasp class amphibious assault ship (LHD 1) (nearing completion here) will be delivered to the Navy this summer. Three LHDs will follow.

We need an LAV-AG and will select a system only if it meets our stated requirements.

Future

The decisions we make today must be viewed in the context of our vision of the future. I do not see our national interests nor the fundamentals of national military strategy changing. Our strategy should continue to be based on three basic tenets: deterrence, forward defense, and coalition defense. As we closely examine our ability to deal with the prospective imbalance between commitments and capabilities in the near future, we cannot prudently eliminate or significantly modify any of these supporting tenets without incurring unacceptable additional risk. We need to significantly broaden our strategic focus to better balance our alliance commitments with the need to protect our unilateral interests worldwide. I continue to believe that our most effective deterrent is our ability to respond rapidly to any threat across the spectrum of conflict with an appropriate and measured response.

A belief exists that the threat of general war is abating. If it is, so much the better. But, no matter what happens tomorrow, this Nation's greatest strategic advantage lies in its ability to control the seas. We must have forces that are capable of moving and maneuvering on the seas for the ultimate purpose of influencing actions on a foreign shore; forces that are flexibly structured, self-sustaining, and of utility not just in a single scenario or level of intensity, but across the entire spectrum of conflict. The conflicts and unexpected threats that have been posed to our interests in distant regions of the world over the lifespan of our Nation continue to argue for such an expeditionary force capable of rapid response. For this reason the Marine Corps as an element of our national seapower remains forward leaning and forward deployed, prepared for instant employment when required. It is imperative that we maintain such a combat-ready force for whatever tasks may be at hand. We will not have this if the Corps is driven to force structure reductions. In the 1970s, we went

through a similar period of austerity in which readiness and combat force structure were reduced. We remember painfully how reduced military capability limited our ability to respond to crises and achieve our national objectives.

Your Marine Corps is more combat ready today than it was at the time of my last report. It will continue to improve. We have pursued efficiency, but not at the cost of effectiveness. The ability of our operating forces to fight has been enhanced and our supporting establishment has been streamlined. Our focus is on readiness. We are leaner, more mobile, and more expeditionary. If asked, we could go to war tonight. Despite changes, one constant remains: *our objective is to fight and win on any battlefield*. We remain prepared to do whatever has to be done to protect national interests throughout the world. And just as I have promised you in the past, in the demanding times ahead we'll take what you give us, do what's required—and more.

Our requests for FY90-91 are as follows:

(\$ MILLIONS)

Appropriation Table

Military Personnel

Marine Corps

FY89

FY90

FY91

Reserve Personnel

315.1

319.2

337.7

Marine Corps

1,855.8

1,745.1

1,802.5

Operation and Maintenance

Marine Corps

77.6

77.4

79.4

Marine Corps Reserve

1,291.8

1,207.6

1,415.3

Procurement

Marine Corps

Family Housing

Marine Corps Allocation

157.3

122.9

127.2

Marine Corps Projects

275.8

172.4

164.8

Marine Corps Reserve Project

4.7

10.6

8.9

Stock Fund

Marine Corps

32.8

20.8

26.6

Total

\$9,730.1

\$9,494.9

\$9,946.5

