

'Everything on the table'

Mullen says tough choices coming on budget cuts, pay and benefits, force size

Army Times, By Andrew Tilghman

Troops should expect to tighten their belts in the coming years — but by how much remains an open question, the nation's top military officer said.

“We are a well compensated force right now — and we should be, given what we're doing,” Adm. Mike Mullen, chairman of the Joint Chiefs, said in a wide-ranging interview with Military Times editors July 7.

“But the reality is... we're going to have to make some changes where the money is.” The defense budget's personnel account, he said, “is where an awful lot of the money is.” The Pentagon is conducting a sweeping review to try to flesh out what the pay and compensation package should look like in the future, he said. Mullen spoke to Military

Times at length about force structure and compensation levels for the first time since former Defense Secretary Robert Gates announced plans earlier this year to cut up to 47,000 troops from the Army and Marine Corps, and since President Obama said in April that he wants to slash \$400 billion from the defense budget over the next 12 years.

“I worry about hollowing out the force,” Mullen said. “There are limits on how much programs we can take out or slow down to meet that kind of goal. But as I've said, everything needs to be on the table right now.” Budget pressures are forcing the individual services to consider further force reductions as one way to bring overall spending down, Mullen said.

“You get into the force structure discussion pretty quickly. Each of the services is looking at how they might get at meeting the fiscal challenges that are there.”

Steep troop cuts unlikely

However, he added, there's little chance of steep cuts in the next several years. The military's complex personnel systems make it difficult for the individual services to cut more than about 10,000 troops, at most, in a given year, Mullen said.

“You can only get end strength out so quickly. The system just couldn't absorb moving out any more quickly than that,” Mullen said.

The Army and Marine Corps are still struggling to reach an operational tempo that allows for twice as much time at home as time spent deployed. They may reach that by the end of 2013, Mullen said. Cutting back on troop levels also will have a direct effect on the future stress on the force.

“In doing simple math, clearly any drastic reduction in end strength ... is going to have an immediate impact on dwell [time]. It must, or we've got to slow [operations] down. Those are the two variables that you can actually adjust,” Mullen said.

After nearly three years as the top military adviser to two presidents, Mullen's stint as chairman will end in September, when he likely will be replaced by Army Gen. Martin Dempsey. Military compensation will have to remain competitive because the nation is fundamentally committed to an all-volunteer force, Mullen said.

"Any changes that we make, we have to keep in mind this all-volunteer force. So we're in a time right now where retention is good, recruiting is good. It's always better [for the military] when you're in some kind of recession. So the decisions we make have to be informed by the fact we will swing out of this [recession] at some point and retention will not be as good in the future, nor will recruiting."

Changes to retirement?

As part of the Pentagon's cost-cutting initiatives, some top officials have begun reviewing the military's retirement package — specifically, its promise of a healthy lifetime pension immediately after 20 years of service. Mullen said he does not think changes to the retirement system are imminent, but also noted that he can't be sure — and in the budget discussions to come, he believes everything should be on the table.

"There is nothing out there, from my perspective, that has [military retirement benefits] on the table for immediate changes, that I am aware of," but at the same time, he said, the military retirement system's budget "is not an insignificant amount of money." Mullen said he supports the existing system and views it as a vital retention tool. He hopes officials will consider ways to maintain it into the future.

"We've got to make sure that we have a force that can prevail in these fights and also prepare itself for the future," he said.

"If we were going to make changes specifically to the retirement system, I think we have to figure out a way to do it in a way that sustains the force, incentivizes our people in ways that are positive," Mullen said.

"The retirement package is a very robust retirement package. Is it exactly right? I think we need to [work] our way through what the possibilities might be," he said.

Mullen noted that past efforts to revise the retirement package, notably the disastrous Redux bonus experiment in the 1990s, have been "viscerally opposed" and ultimately failed. Mullen said a critical question will be this: "If we make changes, who do we grandfather because of previous commitments?" For all the talk of lopping money out of the defense budget, Mullen said that in the final analysis, the military makes up only 20 percent of federal spending.

"The budget deficit and crises in this country is not going to get solved in the Pentagon," he said. "That's not where the money is."

Debt ceiling and pay freeze: Mullen wants to see it resolved

The nation's highest ranking officer said it is unclear what may happen to military paychecks if Washington lawmakers fail to reach an agreement on raising the federal debt limit.

“I am just not privy to the details of how this would be resolved,” Adm. Mike Mullen, chairman of the Joint Chiefs, said in an interview with Military Times editors.

The U.S. Treasury has previously said that a freeze on military pay would be one effect if the U.S. goes into default. The government will run out of money and borrowing power Aug. 2 unless Congress votes to raise the nation’s \$14.3 trillion legal debt limit. It’s a potentially serious concern, Mullen said.

Although any frozen pay would be made up retroactively once an agreement was reached, Mullen said a “significant” number of troops still live “paycheck to paycheck.”

“When you’ve got forces deployed in war who need to be focused on that mission — that is a great concern.” “I, like many other people, hope we get that resolved in the next couple of weeks,” he said.