



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

MANPOWER AND
RESERVE AFFAIRS

5 DEC 1975



MEMORANDUM FOR The Deputy Secretary of Defense

SUBJECT: Report to the Congress on FY 1976/T Manpower
Reductions - ACTION MEMO

The FY 76 Authorization Act reduced total active military strength by 9,000 for end FY 76 and 7T. Total civilians, direct and indirect hires, were reduced by 22,500 for end FY 76, and 1,000 more (23,500) for end FY 7T. The Act requires the Secretary of Defense to allocate the reductions among the Components and to report to the Congress within 60 days (on or before December 6), on the allocation by Component and function with rationale for each reduction. This report (TAB A) will, in effect, establish fixed ceilings on the military strengths of the four Services for FY 76 and 7T. However, the civilian ceiling in the FY 76 Authorization Act applies to the Department in total; civilian spaces may be reallocated among the Components throughout the year.

The Services and Agencies have already been notified of the allocation of the military and civilian reductions as follows:

Allocation of FY 76/T
Manpower Reductions
(Thousands)

	<u>Military</u>	<u>Civilian</u>	
	<u>FY 76/T</u>	<u>FY 76</u>	<u>FY 7T</u>
Army	- 3.0	- 7.5	- 8.5
Navy	- 2.9	- 9.6	- 9.6
Marine Corps	- .1	- .4	- .4
Air Force	- 3.0	- 4.0	- 4.0
Defense Agencies		- 1.0	1.0
Total DoD	- 9.0	- 22.5	- 23.5

The above allocations, along with details by function and rationale developed by the Services, are contained in the proposed report at TAB A.



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Because of the December 6 deadline, we must submit this report prior to completing the current budget review and prior to enactment of the FY 76 Appropriation Bill. This means the Service manpower programs for FY 76/T implied by this report might differ from those which will eventually be displayed in the FY 77 Manpower Requirements Report, accompanying the FY 77 President's Budget. We believe the Service totals, military and civilian, established by this report will not conflict with results of the budget review, i.e. they will not be exceeded in the budget. Concerning the functional details, the report states that the functional allocation displayed is primarily to illustrate the effect of the reductions and that the actual operating programs will appear in the FY 77 Defense Manpower Requirements Report. (We used this technique successfully last year in reporting the allocation of civilian reductions.)

The report highlights our efforts to apply reductions in areas recommended by the Senate Armed Services Committee, including base operating support, command activities, individual training and savings from Thailand withdrawal.

The report also notes that some civilian reductions may have to be applied at industrially funded activities. The Authorization Conferees suggested we not reduce industrially funded activities; Chairman Price re-emphasized that guidance in a letter to the Secretary. In answering Chairman Price's letter in October, we pointed out that final decisions regarding industrial fund reductions have not been made but that the House and Senate Appropriations Committees have recommended specific civilian reductions at industrially funded activities in all Services and have deleted dollars accordingly; we also mentioned the need to reduce manpower when workloads decrease. The attached report echoes our answer to Chairman Price.

Recommend you sign letters transmitting the report to the Speaker of the House and the President of the Senate.

John F. Ahearn
John F. Ahearn
Principal Deputy

COORDINATION:

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