Congress has established a legislative framework that shapes the careers and the management of general and flag officers. The Department of Defense (DOD) has proposed eliminating or amending a number of legislative provisions, such as revising existing statutory retirement limits based on age and years of service, to provide greater flexibility in managing its senior officers in order to retain experienced leaders. GAO is issuing this report in response to a mandate in the National Defense Authorization Act for Fiscal Year 2003. GAO’s objectives were to (1) develop a profile of general and flag officer careers and (2) assess DOD’s justification for its general and flag officer legislative proposals.

DOD did not present evidence that the legislative provisions it seeks to change hinder the management of general and flag officers or the agency’s ability to perform its mission. DOD presented various rationales for its proposals and sponsored a study of general and flag officer management but did not provide data to support the need for these proposals. GAO found that DOD can achieve its goal of extending some general and flag officers’ careers and assignments within the parameters of the current legislative framework since many general and flag officers retire several years before reaching the statutory retirement limits. More specifically, the career profile data show that more than three-fourths of general and flag officers who retired in grades O-9 and O-10 between fiscal years 1997 and 2002 could have served at least 3 more years before reaching the current statutory retirement limits. Existing legislative authority provides some flexibility in managing general and flag officers, but the Executive Branch has not made frequent use of this authority. In particular, the Executive Branch has rarely used its existing authority to defer the retirement of general and flag officers on a case-by-case basis. Additionally, factors other than the statutory limits, such as personal considerations and military service culture, may account for early retirements of general and flag officers. GAO also found that the proposals (1) would reduce congressional oversight and provide broad latitude to the Executive Branch in managing general and flag officers, (2) could impede the upward flow of officers by limiting promotion opportunities due to the extension of general and flag officer careers, and (3) would likely increase federal retirement outlays for retirement compensation, based on a cost estimate developed by GAO.