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General and Flag Officers in the U.S. Armed Forces: Background and Considerations for Congress

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Summary

In the exercise of its constitutional authority over the Armed Forces, Congress has enacted an array of laws which govern important aspects of military officer personnel management, including appointments, assignments, grade structure, promotions, and separations. Some of these laws are directed specifically at the most senior military officers, known as general and flag officers (GFOs). Congress periodically reviews these laws and considers changes as it deems appropriate. Areas of congressional interest have included the number of GFOs authorized, the proportion of GFOs to the total force, compensation levels of GFOs, and duties and grades of certain GFOs.

As of December 2015, there were 896 active duty GFOs subject to statutory caps, which is 66 less than the maximum number authorized by law. There were also another 19 exempt from the statutory caps. The current number is about average for the post-Cold War era, though substantially lower than the number of GFOs in the 1960s-1980s, when the Armed Forces were much larger in size than they are today. However, while always very small in comparison to the total force, the general and flag officer corps has increased *as a percentage of the total force* over the past five decades. GFOs made up about one-twentieth of one percent (0.048%) of the total force in 1965, while they made up about one-fifteenth of one percent (0.069%) of the total force in 2015, indicating that the share of the total force made up of GFOs increased by 43%. Some argue that this increased proportion of GFOs is wasteful and contributes to more bureaucratic decisionmaking processes. Others counter that the increased proportion is linked to the military's greater emphasis on joint and coalition operations, core organizational requirements, and the increasing use of advanced technologies.

Compensation for GFOs varies. One commonly used measure of compensation, known as regular military compensation (RMC), includes basic pay, basic allowance for housing, basic allowance for subsistence, and the federal tax advantage associated with allowances, which are exempt from federal income tax. The lowest-ranking GFOs make about $194,000 per year in RMC, while the highest-ranking GFOs make about $231,000 per year. For the past two years, Congress has included provisions in the National Defense Authorization Act to deny GFOs any increase in basic pay, which is the largest component of RMC.

Congress has also used its authority to specify the grade and duties of certain GFO positions. For example, Congress increased the grade of the Chief of the National Guard Bureau (CNGB) from Lieutenant General to General in 2008. Three years later, Congress again changed the law to specify that the CNGB was a member of the Joint Chiefs of Staff whose duties included "the specific responsibility of addressing matters involving non-Federalized National Guard forces in support of homeland defense and civil support missions."

This report provides an overview of active duty GFOs in the United States Armed Forces—including authorizations, duties, and compensation—historical trends in the proportion of GFOs relative to the total force, criticisms and justifications of GFO to total force proportions, and statutory controls. National Guard and Reserve GFOs are not addressed in this report, unless they are serving on active duty in a manner that counts against the active duty caps on GFOs.

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Background

The Constitution provides Congress with broad powers over the Armed Forces, including the power "to raise and support Armies," "to provide and maintain a Navy," and "to make Rules for the Government and Regulation of the land and naval Forces."[1] It also provides the Senate with the authority to provide "Advice and Consent" on presidential nominations of "all other Officers of the United States," which includes military officers.[2] On the basis of its constitutional authority, Congress has passed a number of laws which govern important aspects of military officer personnel management, including appointments, assignments, grade structure, promotions, and separations.

The most senior officers in the Army, Air Force, and Marine Corps are known as general officers. The most senior officers in the Navy[3] are known as flag officers. The phrase "general and flag officers" or "GFO" refers to all officers in paygrades O-7 through O-10, thereby including one-star, two-star, three-star, and four-star officers. At the highest level, O-10, GFOs hold the most visible and important military positions in the Department of Defense, including the Chairman of the Joint Chiefs of Staff, the chiefs of the four military services, and the combatant commanders. At the lowest level, O-7, they hold positions that span an array of roles, including commanders, deputy commanders, and key staff roles in large organizations.

This report provides an overview of active duty GFOs in the United States Armed Forces—including authorizations, duties, and compensation—historical trends in the proportion of GFOs relative to the total force, criticisms and justifications of GFO to total force proportions, and statutory controls. National Guard and Reserve GFOs are not addressed in this report, unless they are serving on active duty in a manner that counts against the active duty caps on GFOs.

Given the authority granted to general and flag officers, Congress has developed a statutory framework applicable to this elite group, and considers changes to these laws as it deems appropriate. Congress also periodically reviews the number, duties, and compensation of GFOs. A frequent tension during these reviews has been DOD requests for additional GFOs versus congressional concerns that there are too many GFOs. As one senior DOD official noted during a 1997 congressional hearing:

> throughout our history there has been a dialogue, just as is going on now, that has ebbed and flowed between the Congress and the military on the number of general and flag officers we need.... I think it is fair to say that over the years, the Congress has consistently taken the view that we have needed fewer general and flag officers, and that we have taken the opposite view, that we needed more than the Congress would allow. These debates tended to intensify during periods of major downsizing and restructuring of our forces, such as after World War II, the Korean War, the Vietnam War, and now after the cold war.[4]

References in this report to specific grades (ranks) within the general and flag officer corps will use the appropriate capitalized title, insignia, or paygrade as indicated in **Table 1**.

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[1] Article I, Section 8.

[2] Article II, Section 2. This section also provides that "the Congress may, by law, vest the appointment of such inferior Officers, as they think proper, in the President alone, in the Courts of Law or in the Heads of Departments."

[3] The Coast Guard uses the same rank structure as the Navy. While the Coast Guard is one of the armed forces, it is not covered in this report, as it normally operates under different statutory authority (Title 14) than the Army, Navy, Marine Corps, and Air Force (Title 10).

[4] Testimony of Frederick Pang, Assistant Secretary of Defense for Force Management Policy, before the before the Subcommittee on Personnel of the House National Security Committee, April 8, 1997, in House National Security Committee Report No. 105-6, 388.

Table 1. Grade, Insignia and Paygrade of General and Flag Officers

Grade (Army, Air Force, Marine Corps)	Grade (Navy)	Insignia	Paygrade
General	Admiral	four-stars	O-10
Lieutenant General	Vice Admiral	three-stars	O-9
Major General	Rear Admiral	two-stars	O-8
Brigadier General	Rear Admiral (Lower Half)	one-star	O-7

Source: Grades from 10 U.S.C. 741; paygrades from 37 U.S.C. 201; insignias from Department of Defense, available here: http://www.defense.gov/About-DoD/Insignias/Officers.

Current Number of General and Flag Officers

As of the first week of December, 2015, there were 896 active duty GFOs (not including 19 who are exempt from the statutory caps).[5] Distribution by grade and service is summarized in **Table 2**. This amount is lower than the maximum of 962 authorized in statute (see "Grade Limits" later in this report). This was an intentional decision made by DOD in 2011 as part of an efficiency initiative directed by then-Secretary of Defense Robert Gates.[6] By keeping GFO numbers substantially below the maximum authorized, this policy provides DOD flexibility to respond to new requirements for GFOs without the delays caused by the need to find an "offset" by downgrading or eliminating another GFO position.[7]

[5] For a discussion of the statutory caps and exclusions, see the later section of this report entitled "Grade Limits".

[6] The initiative resulted in the Secretary of Defense deciding to eliminate 102 GFO positions, reduce 23 more, and request changes to statute to downgrade five other positions. Secretary of Defense Robert Gates, Track Four Efficiency Initiatives Decisions memorandum, dated March 14, 2011, available here: http://www.acq.osd.mil/dpap/pdi/pc/docs/3-14-2011_Track_Four_Efficiency_Initiatives_Decisions.pdf

[7] According to then-Under Secretary of Defense for Personnel and Readiness Clifford Stanley, Secretary of Defense Gates "has approved a new governance structure that will maintain the number of G/FOs below statutory ceilings and provide us needed flexibility to rapidly adapt service force structures to meet the emerging requirements. This is a significant change to the way we will manage our G/FO forces in the future, and we understand the value of this flexibility rests with an understanding of our previous force management practices. In the past, DOD always maintained the number of G/FOs as close to statutory ceilings as possible. While this provided sufficient numbers of G/FOs to meet the most pressing needs, anytime a new requirement arose, delays ensued while an offset was identified and then downgraded or eliminated. Just as this committee gave flexibility to the joint community through new legislation in 2009, the creation of the joint pool, the Secretary of Defense has directed reductions which, through self-imposed policies, will similarly allow the military departments to operate below authorized ceilings and gain that same flexibility. We refer to this as a "Service buffer or Services buffer." This buffer served as a shock absorber against new requirements allowing an offset position to be eliminated without negative impact on the mission or personnel caused by ill-timed action." Statement of Honorable Clifford L. Stanley, "General and Flag Officer Requirements," Subcommittee on Personnel of the Senate Armed Services Committee, September 14, 2011, Senate Hearing 112-258.

Table 2. Current Number of Active Duty General and Flag Officers

As of December 2015

Grade	Army	Navy	Marine Corps	Air Force	TOTAL
General/Admiral	12	10	4	12	38
Lieutenant General/Vice Admiral	50	35	17	43	145
Major General/Rear Admiral	124	62	26	91	303
Brigadier General /Rear Admiral (Lower Half)	133	110	36	131	410
TOTAL	319	217	83	277	896

Source: Office of the Assistant Secretary of Defense for Legislative Affairs, compiled from service reports.

Note: Does not include 19 active duty GFOs who are exempt from the statutory caps, or reserve component GFOs serving on active duty for limited periods of time. See the later section of this report entitled "Grade Limits" for more information on the caps and exclusions.

Responsibilities of General and Flag Officer Positions

While Congress has specified functions or duties for a few key positions—such as members of the Joint Chiefs of Staff,[8] the Combatant Commanders,[9] the top two officers of each service,[10] the Commander of U.S. Special Operations Command,[11] and the Chief of the National Guard Bureau[12]—the great majority of GFO positions are not defined in statute. In these instances DOD uses the following criteria for determining whether a position should be filled by a general or flag officer:

- Nature, characteristics, and function of the position
- Grade and position of superior, principal subordinates, and lateral points of coordination
- Degree of independence of operation
- Official relations with other U.S. and foreign governmental positions
- Magnitude of responsibilities
- Mission and special requirements
- Number, type, and value of resources managed and employed
- Forces, personnel, value of equipment, total obligation authority
- Geographic area of responsibility
- Authority to make decisions and commit resources

[8] 10 U.S.C. 151-154.

[9] 10 U.S.C. 164.

[10] Specifically, the Chief of Staff of the Army (10 U.S.C. 3033), the Vice Chief of Staff of the Army (10 U.S.C. 3034), the Chief of Naval Operations (10 U.S.C. 5033), the Vice Chief of Naval Operations (10 U.S.C. 5035), the Commandant of the Marine Corps (10 U.S.C. 5043), the Assistant Commandant of the Marine Corps (10 U.S.C. 5044), the Chief of Staff of the Air Force (10 U.S.C. 8033), and the Vice Chief of Staff of the Air Force (10 U.S.C. 8034).

[11] 10 U.S.C. 167.

[12] 10 U.S.C. 10502.

- Development of policy
- National commitment to international agreements
- Impact on national security and other national interests
- Effect on the prestige of the nation or the armed force[13]

Historical Changes in General and Flag Officer Levels

A summary of the number of active duty GFOs and the proportion of GFOs relative to the total force over the past five decades is provided in **Table 3**. A review of GFO levels indicates a fairly stable *number* of four-star officers (36 in 1965 vs. 38 in 2015) and an 18% increase in the number of three-star officers (119 vs. 141). At the same time, the number of one-star and two-star officers has decreased by about 29% (1,284 vs. 909).

However, during this time period, the size of the total force was cut roughly in half, dropping from 2.66 million in 1965 to 1.31 million in 2015. Thus, a more salient measure may be the proportion of GFOs to the total force. Looking at the data from this perspective, it is clear that while GFOs have always made up a very small percentage of the total force, the general and flag officer corps has increased *as a percentage of the total force* over the past five decades. GFOs made up about one-twentieth of one percent (0.048%) of the total force in 1965, while they made up about one-fifteenth of one percent (0.069%) of the total force in 2015, indicating that the share of the total force made up of GFOs increased by 43%. This historical trend is more pronounced with respect to four-star officers (which grew from 0.0014% of the total force to 0.0029%, a 113% increase) and three-star officers (which grew from 0.0045% of the total force to 0.0107%, a 140% increase). One and two star officers as a percentage of the total force increased less rapidly (from 0.0425% of the total force to 0.0556%, a 31% increase).

These increases occurred at the same time that the size of the officer corps in general was increasing as a percentage of the total force. As indicated in the last column of **Table 3**, between 1965 and 2015, the officer corps increased from 12.76% of the total force in 1965 to 17.54% in 2015, indicating that the share of the total force made up of officers increased by 37%.

[13] Criteria provided by Office of the Assistant Secretary of Defense for Legislative Affairs, May 12, 2015.

Table 3. Historical General and Flag Officer Levels

(As of September 30th of each year)

Year	4 Star Officers	3 Star Officers	2 Star Officers	1 Star Officers	1 & 2 Star Officers	All GO & FO	All Officer	Total Force	4 Star Officers As Percent of Total Force	3 Star Officers As Percent of Total Force	1 & 2 Star Officers As Percent of Total Force	All GFOs As Percent of Total Force	All Officers As Percent of Total Force
1965	36	119	n.a	n.a	1,129	1,284	338,822	2,655,389	0.0014%	0.0045%	0.0425%	0.048%	12.76%
1970	40	141	n.a	n.a	1,157	1,338	402,226	3,066,294	0.0013%	0.0046%	0.0377%	0.044%	13.12%
1975	36	118	443	584	1,027	1,181	292,424	2,128,120	0.0017%	0.0055%	0.0483%	0.055%	13.74%
1980	32	113	406	559	965	1,110	277,622	2,050,627	0.0016%	0.0055%	0.0471%	0.054%	13.54%
1985	36	125	370	519	889	1,050	308,919	2,151,032	0.0017%	0.0058%	0.0413%	0.049%	14.36%
1990	36	121	367	530	897	1,054	296,591	2,043,705	0.0018%	0.0059%	0.0439%	0.052%	14.51%
1995	35	110	274	432	706	851	237,602	1,518,224	0.0023%	0.0072%	0.0465%	0.056%	15.65%
2000	34	119	282	436	718	871	217,178	1,384,338	0.0025%	0.0086%	0.0519%	0.063%	15.69%
2005	35	128	272	439	711	874	226,619	1,389,394	0.0025%	0.0092%	0.0512%	0.063%	16.31%
2010	39	150	310	482	792	981	234,000	1,430,985	0.0027%	0.0105%	0.0553%	0.069%	16.35%
2015	38	141	310	420	730	909	230,468	1,313,940	0.0029%	0.0107%	0.0556%	0.069%	17.54%

Source: CRS compilation of data produced by the Defense Manpower Data Center

Note: The data above does not include 5-star officers, as there were none actively serving during the time frames specified.

Criticisms of the Increasing Proportion of GFOs

There have been two principal criticisms raised against the increasing proportion of GFOs relative the total force. The first criticism revolves around the increased cost of employing a GFO in comparison to a lower ranking officer. The second relates to the belief that too many GFOs slow down decisionmaking processes. Each point is explained in more detail below.

- **Cost**. GFOs cost more to employ than officers of a lower rank. In part, this is due to the higher compensation they receive. For example, the average GFO in paygrade O-7 received $194,272 in "regular military compensation" in 2015, while the average officer in paygrade O-6 received $169,849. Additionally, there can be other costs associated with GFOs, particularly at higher grades, such as the costs of larger staffs, official travel, security details, and aides.[14] An example of this perspective was provided by a witness at a 2011 congressional hearing, who stated "The progression towards a more top-heavy force is not without its consequences.... The cost of officers increases markedly with their rank, so taxpayers are overpaying whenever a G/FO is in a position that could be filled by a lower ranking officer."[15]
- **Decisionmaking**. Another criticism is that an increasing proportion of GFOs slows down decisionmaking by adding additional layers of management between the highest echelons of command and the lowest. In a 2010 speech, former Secretary of Defense Robert Gates criticized the impact of an increase in GFOs and senior civilians in making the Department of Defense a top-heavy and overly bureaucratic organization:

> During the 1990s, the military saw deep cuts in overall force structure—the Army by nearly 40 percent. But the reduction in flag officers—generals and admirals—was about half that. The Department's management layers—civilian and military—and numbers of senior executives outside the services grew during that same period. Almost a decade ago, Secretary Rumsfeld lamented that there were 17 levels of staff between him and a line officer. The Defense Business Board recently estimated that in some cases the gap between me and an action officer may be as high as 30 layers.... Consider that a request for a dog-handling team in Afghanistan—or for any other unit—has to go through no fewer than five four-star headquarters in order to be processed, validated, and eventually dealt with. This during an era when more and more responsibility—including decisions with strategic consequences—is being exercised by young captains and colonels on the battlefield.[16]

[14] These costs are difficult to estimate, as noted by the Government Accountability Office in its report "DOD Needs to Update General and Flag Officer Requirements and Improve Availability of Associated Costs," GAO-14-745, September 9, 2014, available here: http://gao.gov/products/GAO-14-745 .

[15] Statement by Dr. Benjamin Freeman, Project on Government Oversight, before the Subcommittee on Personnel of the Senate Armed Services Committee, September 14, 2011.

[16] Secretary of Defense Robert Gates speech at Eisenhower Library, delivered May 8, 2010, available here: http://archive.defense.gov/speeches/speech.aspx?speechid=1467.

Justifications for Increasing Proportion of GFOs

The increasing proportion of GFOs in comparison to the total force has been a topic of particular interest during past congressional hearings.[17] During these hearings, and particularly during a 1997 congressional review of GFO authorizations, witnesses from the Department of Defense put forth a number of rationales for this growth, including the following:

> **Joint requirements**. One frequently cited cause of the increasing ratio of GFOs during past congressional hearings has been the increase in "joint" requirements that followed enactment of the Goldwater-Nichols Act (GNA) in 1986.[18] While removing the Chairman of the Joint Chiefs of Staff from the chain of command, GNA enhanced the authority of the Chairman in other ways; significantly increased the roles and authorities of commanders of the joint Combatant Commands; and emphasized joint duty assignments for officers.[19] These new institutional arrangements led to the creation of more joint GFO positions and powerful career incentives to serve in those positions. Testifying before Congress in 1997, the Vice Director of the Joint Staff emphasized how the growth of joint organizations affected the proportion of GFOs to the total force: "There is really no law of proportionality here when you talk about joint growth. If you think about it, sir, where we have been since 1980, we stood up CENTCOM, SOCOM, Space Command; we have reorganized to form ACOM, TRANSCOM, [and] STRATCOM."[20] Since then, additional joint headquarters have been established,

[17] See the following hearings: "Flag and General Officer Strengths," Subcommittee on Manpower and Personnel of the Senate Armed Services Committee, September 17, 1981; "General and Flag Officer Requirements," Subcommittee on Manpower and Personnel of the Senate Armed Services Committee, August 10, 1988; "Review of General and Flag Officer Authorizations," Subcommittee on Personnel of the House National Security Committee, April 8, 1997, in House National Security Committee Report No. 105-6; "General and Flag Officer Requirements," Subcommittee on Personnel of the Senate Armed Services Committee, September 14, 2011, Senate Hearing 112-258.

[18] This refers to the Goldwater-Nichols Department of Defense Reorganization Act of 1986, P.L. 99-433, as amended. In the years preceding GNA, an array of operational challenges—the failed mission to rescue U.S. hostages in Iran in 1980, the bombing of the Marine barracks in Beirut in 1983 and the U.S. peacekeeping role there in general, and Operation Urgent Fury in Grenada in 1983—had raised questions about how well the Department of Defense (DOD) was organized and prepared to protect and defend the nation. In particular, observers and practitioners pointed with concern to a lack of integration of effort among the military services. Prior to the creation of DOD by the National Security Act of 1947, as amended in 1949, military services were separate entities with distinct missions, frequently in competition with each other for resources. Although the establishment of DOD brought services together in a single organization, those services continued to organize, plan, and operate relatively independently, and they maintained separate, direct chains of command over their respective parts of the operational force. In turn, the Chairman of the Joint Chiefs of Staff (CJCS) was a spokesperson for the Joint Chiefs, but exercised little authority over his fellow Joint Chiefs. In practice, this meant that services trained, planned, and executed operations separately from each other, or at best side by side. Prioritization, including associated resource decisionmaking, took place primarily within the Military services, rather than across DOD as a whole; and there was little if any room for DOD to benefit from economies of scale. GNA had two major components, broadly reflecting the main emphases of the respective House and Senate debates. One major component was the use of joint duty assignments and joint professional military education, backed by promotion policies that encouraged participation in those programs, in order to foster a culture of "jointness" among individual servicemembers. The term "jointness" refers to "integrated" or "unified" action involving more than one military service.

[19] Initially, the services were required to fill these joint positions with GFOs who had previously been serving in service-specific positions, thus leaving some service-specific positions vacant. Subsequently, Congress changed the law to establish both service-specific limits (10 U.S.C. 526) and joint limits (10 U.S.C. 525). The limits for both categories have been subject to change over time.

[20] Testimony of Major General Stephen Rippe, Vice Director of the Joint Staff, before the Subcommittee on Personnel of the House National Security Committee, April 8, 1997, in House National Security Committee Report No. 105-6, 396. The acronyms and abbreviations used in this quote are: CENTCOM (U.S. Central Command, established 1983),

to include U.S. Northern Command (established in 2002), Joint Task Force Guantanamo (established 2002), Combined Joint Task Force Horn of Africa (established 2002), U.S. Africa Command (2007), and U.S. Cyber Command (2009).

- **Coalition Operations**. Another rationale used to explain the increased proportion of GFOs has been an increased emphasis by the United States on forging coalitions with other nations to achieve common security objectives. This has, in turn, generated a demand for senior military leaders to conduct coordinated planning, training, and operations with their peers from foreign nations. The argument is also linked to the number of contingency operations the U.S. military has conducted since the end of the Cold War, which have often involved forces from dozens of countries, including the forces of the nation in which the operations take place. Examples of these coalition operations include Iraq and Afghanistan as well as smaller-scale contingencies such as Bosnia, Haiti, and Kosovo (ongoing). Contingency operations such as these are commanded by a GFO, who usually has additional GFOs as subordinate commanders and senior staff officers. Both their experience and the authority inherent in their grade can be considered important elements to the success of complex operations. Political and diplomatic considerations can also be a factor, as the officers leading these operations are normally expected to interact with the senior military and civilian leadership of the foreign nation where the operations are occurring.
- **Organizational structure**. As noted previously, the increase in the proportion of GFOs over the past 50 years has not been due to an increase in the number of GFOs, which have gone down in this time period, but to the much larger decrease in the size of the Armed Forces in general. In part, this slower reduction is due to the organizational structure of the Armed Forces, which includes certain GFO positions whether the Armed Forces are comparatively large or small. For example, there was a Chief of Staff of the Air Force at the peak of the Vietnam War, when the Air Force had about 900,000 airmen, and there is one today, when the Air Force has approximately 310,000 airmen. A similar case can be made for many of the GFOs who serve on the Joint Staff, the Service Staffs, the Combatant Commands, and certain defense agencies. Given the organizational structure of the Armed Forces—some of which is required by law—the amount of management "overhead" does not necessarily change in direct proportion to the size of the force. Another way of illustrating this is to consider what would happen if an Army division were disestablished: doing so would eliminate about 15,000 soldiers, but only three of them would be general officers.
- **Technological changes**. A fourth justification for increased GFO ratios is that technological advances have changed the way the United States fights its wars. Modern weapons systems, much more powerful and accurate than their predecessors, require fewer personnel to deliver greater firepower. Thus, while the number of personnel a GFO commands may decline as more sophisticated equipment is substituted for manpower, the lethality of those forces may increase.

SOCOM (U.S. Special Operations Command, established 1987), Space Command (U.S. Space Command, established 1985, later merged with U.S. Strategic Command], ACOM (U.S. Atlantic Command, later known as U.S. Joint Forces Command, disestablished in 2011), TRANSCOM (U.S. Transportation Command, established 1987), and STRATCOM (U.S. Strategic Command, established 1992). For more information about the Combatant Commands, see CRS Report R42077, *The Unified Command Plan and Combatant Commands: Background and Issues for Congress*, by Andrew Feickert.

From this perspective, the lethality of the weapons systems, rather than the number of people, provides the justification for an organization to be led by a very senior military officer. Additionally, the advent and development of new domains of warfare—such as space and cyber—has led to the creation of new organizations to exploit advantages and defend against vulnerabilities in those environments.

Regular Military Compensation for General and Flag Officers

There are three main ways in which military personnel, including general and flag officers, are compensated: cash compensation (pay and allowances), non-cash compensation (benefits), and deferred compensation (retired pay and benefits). In this report, only the compensation elements which make up "Regular Military Compensation" will be discussed.

An Overview of Regular Military Compensation

Regular Military Compensation (RMC) is a statutorily defined measure of the major compensation elements which every servicemember receives. It is widely used as a basic measure of military cash compensation levels and for comparisons with civilian salary levels. RMC, as defined in law, is "the total of the following elements that a member of the uniformed services accrues or receives, directly or indirectly, in cash or in kind every payday: basic pay, basic allowance for housing, basic allowance for subsistence, and Federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax."[21] These elements are described in more detail in the **Appendix**.[22] Certain GFOs receive a "personal money allowance" as well. This is not part of RMC, but is described in a footnote below.[23] Congress included provisions in recent National Defense Authorization Acts to deny GFOs any increase in basic pay during calendar years 2015 and 2016.[24]

Regular Military Compensation for General and Flag Officers

Table 4 provides the average RMC that general and flag officers received in 2015. It assumes that all GFOs receive BAH, rather than living in government provided housing.[25]

[21] Statutory definition contained in 37 U.S.C. §101(25).

[22] Note that RMC does not include a wide array of compensation elements: special pays and bonuses, reimbursements, educational assistance, deferred compensation (i.e., an economic valuation of future retired pay), or any estimate of the cash value of non-monetary benefits such as health care, child care, recreational facilities, commissaries, and exchanges. As the value of these forms of compensation can be very substantial, RMC should not be considered a measure of total military compensation.

[23] Section 414 of Title 37 provides for an annual personal money allowance for certain senior GFOs. Examples of these allowances include $500 for those in paygrade O-9 and $2,200 for those in paygrade O-10. A general or admiral serving as the senior officer of their service (e.g, Army Chief of Staff or Chief of Naval Operations) is authorized $4,000 instead of $2,200 per year. The purpose of this allowance is to partially reimburse these officers "for various expenses they may reasonably be expected to incur in entertaining and extending hospitality to visiting officers and dignitaries of the United States and foreign countries." Department of Defense, Military Compensation Background Papers, 11th Edition, p. 839.

[24] P.L. 113-291, Section 601; P.L. 114-92, Section 601.

[25] About a quarter of GFOs live in government provided housing and therefore do not receive BAH. While this lowers the cash compensation received, they receive free housing instead. For the purposes of Table 3, the value of the free

Table 4. Average Annual Regular Military Compensation for General and Flag Officers

2015 data

Grade	Average Basic Pay	Average Basic Allowance for Housing	Average Basic Allowance for Subsistence (Flat Rate)	Average Federal Tax Advantage	Average RMC
General/Admiral	$181,501	$32,628	$3,040	$13,869	$231,038
Lieutenant General/Vice Admiral	$181,470	$32,411	$3,040	$13,827	$230,749
Major General/Rear Admiral	$168,344	$32,242	$3,040	$12,432	$217,060
Brigadier General /Rear Admiral (Lower Half)	$146,318	$32,426	$3,040	$12,487	$194,272

Source: Selected Military Compensation Tables (OSD Compensation Greenbook, 2015), Table B3, Detailed RMC Tables for All Personnel, available here: http://militarypay.defense.gov/Portals/107/Documents/Reports/GreenBook_2015.pdf.

Notes: Average RMC assumes receipt of BAH rather than government provided housing. Amounts in every column are rounded to the nearest dollar and therefore may not sum perfectly.

Statutory Controls on GFOs

Congress has established a statutory framework for GFOs which limits their numbers by grade, requires presidential determination of three-star and four-star positions, and specifies the grade and/or duties of certain key positions. This framework provides for greater congressional control over the most senior GFO positions, while providing substantial latitude to the executive branch in the management of the remaining GFOs.

Grade Limits

Sections 525 and 526 of Title 10 establish the number of general and flag officers that may be on active duty in the Army, Navy, Air Force, and Marine Corps. The two provisions establish separate caps for each service and for the joint community. There are certain circumstances under which a general or flag officer does not "count" against these caps.[26] Additionally, the President has authority under 10 U.S.C. §527 to suspend the operation of the caps in time of war or national emergency declared by the Congress or the President.

Table 5 summarizes the statutory limitations by grade for GFOs for service-specific positions. **Table 6** summarizes the statutory limitations for GFOs service in Joint positions. Combining the maximum number of service and joint GFO authorizations, the maximum number of GFO

housing is assumed to be equivalent to the average BAH of their GFO peers. For the percentage of GFOs who receive BAH, see Table A-5 of Selected Military Compensation Tables, 2015 RMC Tables/BAH Percentages—January 2015, available here: http://militarypay.defense.gov/Portals/107/Documents/Reports/GreenBook_2015.pdf.

[26] Active-duty GFOs excluded from the caps include the Attending Physician of Congress, those within 60 days or retirement, and GFOs transitioning between certain positions for up to 60 days. Certain reserve component GFOs serving on active duty for limited periods of time are also excluded. See 10 U.S.C. 525(d)-(g) and 526(c)-(g).

positions authorized is currently 962, which is 64 positions more than the current number of active duty GFOs (see "Current Number of General and Flag Officers" earlier in the report).

Table 5. Maximum Number of GFOs, by Service, Excluding Joint Positions

As established by 10 U.S.C. 525 and 526

Grade	Army	Navy	Marine Corps	Air Force	TOTAL
General/Admiral	7	6	2	9	24
Lieutenant General/Vice Admiral	46, less the number of Generals	33, less the number of Admirals	15, less the number of Generals	44, less the number of Generals	138, less the number of Generals and Admirals
Major General/Rear Admiral	90	50	23	73	236
Brigadier General /Rear Admiral (Lower Half)	231, less the number in the grades of Major General through General	162, less the number in higher grades of Rear Admiral though Admiral	61, less the number in the grades of Major General through General	198, less the number in the grades of Major General through General	652, less the number in the grades of Major General/Rear Admiral through General/Admiral
TOTAL	231	162	61	198	652

Source: Total number for each service from 10 U.S.C. 526(a). Numbers for Army Major General through General from 10 U.S.C. 525(a)(1). Numbers for Navy Rear Admiral through Admiral from 10 U.S.C. 525(a)(3). Numbers for Marine Corps Major General through General from 10 U.S.C. 525(a)(4). Numbers for Air Force Major General through General from 10 U.S.C. 525(a)(2).

Table 6. Maximum Number of GFOs for Joint Positions

As established by 10 U.S.C. 526

Grade	All Services Total
General/Admiral	20
Lieutenant General/Vice Admiral	68, less the number of Generals and Admirals
Major General/Rear Admiral	144
Brigadier General /Rear Admiral (Lower Half)	310, less the number in the grades of Major General/Rear Admiral through General/Admiral
TOTAL	310

Source: 10 U.S.C. 526(b).

Notes: Unless the Secretary of Defense determines that a lower number is in the best interest of the Department, the GFOs serving in the 310 authorized joint positions shall include at least 85 Army officers, 61 Navy officers, 21 Marine Corps Officers, and 73 Air Force Officers (10 U.S.C. 526(b)(2)).

Presidential Determination for Three-Star and Four-Star positions

Section 601 of Title 10 provides that "[t]he President may designate positions of importance and responsibility to carry the grade of general or admiral or lieutenant general or vice admiral.... An

officer assigned to any such position has the grade specified for that position if he is appointed to that grade by the President with the advice and consent of the Senate." Thus, with the exception of those so designated in statute, all three-star and four-star positions must be designated as such by the President. Congress can review the rationale for this designation as part of its oversight function, and the Senate retains the power to confirm or reject the nomination of an individual to fill such a position. The authority of the President to designate such positions is also limited by the strength caps on general and flag officers found in 10 U.S.C. 525 and 526.

Statutorily Defined Positions

Congress has established a number of GFO positions in law which carry designated grades, designated duties, or both.

Statutory Grades

Congress has specified the grade for a number of key positions. For example, 10 U.S.C. §152 specifies that the Chairman of the Joint Chiefs of Staff holds the rank of General or Admiral. Similar language also exists for the Vice Chairman of the Joint Chiefs of Staff, the top two officers of each service, the Commander of U.S. Special Operations Command, and the Chief of the National Guard Bureau. Statutorily required grades also exist for certain GFOs below the four-star level. For example, the senior military legal officer (known as the Judge Advocate General or Staff Judge Advocate) for the Army, Navy, and Air Force is statutorily required to hold the grade of Lieutenant General or Vice Admiral, while the senior military legal officer for the Marine Corps is required to hold the grade of Major General. **Table 7** highlights some positions with statutorily required grades. Congress sometimes changes these statutory grades. For example, in 2008, Congress increased the grade of the Chief of the National Guard Bureau from Lieutenant General to General.[27]

Statutory Duties

Most of the positions with statutorily required grades also have statutorily required duties, particularly for the higher-grade positions. There are also some positions without statutorily required grades which do have statutorily required duties. The most notable instance of this is the Combatant Commanders.[28] The Combatant Commanders are not required by statute to hold a particular grade, although they must normally have completed a full tour in a joint duty assignment as a general or flag officer prior to their appointment.[29] **Table 7** provides excerpts of the statutorily required responsibilities, duties, or functions of certain GFO positions. Congress sometimes changes these duties. For example, in 2011, Congress changed the law to specify that the Chief of the National Guard Bureau was a member of the Joint Chief of Staff whose duties included "the specific responsibility of addressing matters involving non-Federalized National Guard forces in support of homeland defense and civil support missions."[30]

[27] P.L. 110-477, Section 1811.

[28] 10 U.S.C. 164. The President can waive this requirement "if the President determines that such action is necessary in the national interest."

[29] In practice, all of the combatant commanders are Generals or Admirals (O-10).

[30] P.L. 112-81, Section 512.

Considerations for Congress

Congress has a long-standing interest in the military officer corps in general, and has periodically focused additional attention on its most senior officers. Should Congress elect to address GFO authorizations, duties, compensation, or other related topics in more detail, it may wish to consider the following:

- What is the most appropriate way to determine how many GFOs the Department of Defense should have? How closely should this be linked to total force size? What other factors would be useful in determining what the right number of GFOs is?
- How do advances in information technology and decisionmaking tools impact the need for GFOs? Could use of these technologies result in flattened management structures and decrease the need for GFOs?
- Should Congress modify the current statutory framework that governs GFOs? Should it eliminate some of the requirements that certain positions be held by GFOs? Should it modify the caps set out in 10 U.S.C. 525 and 526?
- To what extent do other statutory requirements, such as the Goldwater-Nichols Act (GNA), drive GFO requirements? Should GNA be revised to alter this effect?
- Could organizational restructuring of the Joint Staff and Service Staffs decrease the need for GFOs, or allow positions to be held by lower graded GFOs? Could certain organizations be merged to reduce the requirements for GFOs?
- Could military relations with international partners be restructured so as to lessen the need for GFO representation? How important is rank equivalence when senior U.S. military personnel work with their allied peers?
- Could National Guard and Reserve GFOs be used to reduce the need for active duty GFOs?
- Are there GFO positions that could be eliminated or "downgraded" to a lower rank? Are there GFO positions that could be replaced by civilian employees? What are the costs and benefits associated with these actions? How might this impact military effectiveness?
- Can the direct and indirect costs associated with GFOs be reduced? For example, could compensation or staff costs be reduced without significantly affecting the ability of GFOs to carry out their duties?

Table 7. Selected Positions with Statutorily Specified Grades and/or Responsibilities

Position	Service	Grade Specified in Law	Selected Duties, Responsibilities or Functions Specified in Law	Statute
Chairman of the Joint Chiefs of Staff	Joint	General or Admiral	• Assisting the President and the Secretary of Defense in providing for the strategic direction of the Armed Forces. • Preparing strategic plans, including plans which conform with resource levels projected by the Secretary of Defense to be available for the period of time for which the plans are to be effective. • Preparing joint logistic and mobility plans to support those strategic plans and recommending the assignment of logistic and mobility responsibilities to the Armed Forces in accordance with those logistic and mobility plans. • Performing net assessments to determine the capabilities of the Armed Forces of the United States and its allies as compared with those of their potential adversaries. • Providing for the preparation and review of contingency plans which conform to policy guidance from the President and the Secretary of Defense. • Advising the Secretary on critical deficiencies and strengths in force capabilities (including manpower, logistic, and mobility support) identified during the preparation and review of contingency plans and assessing the effect of such deficiencies and strengths on meeting national security objectives and policy and on strategic plans. • Advising the Secretary, under Section 163(b)(2) of this Title [10 U.S.C.S. §163(b)(2)], on the priorities of the requirements identified by the commanders of the unified and specified combatant commands. • Recommending to the Secretary, in accordance with Section 166 of this Title [10 U.S.C.S. §166], a budget proposal for activities of each unified and specified combatant command. • Advising the Secretary on the extent to which the major programs and policies of the Armed Forces in the area of manpower and contractor support conform with strategic plans. • Identifying, assessing, and approving military requirements (including existing systems and equipment) to meet the National Military Strategy. • Developing doctrine for the joint employment of the Armed Forces. • Formulating policies and technical standards, and executing actions, for the joint training of the Armed Forces.	10 U.S.C. 152-153

Position	Service	Grade Specified in Law	Selected Duties, Responsibilities or Functions Specified in Law	Statute
			• Formulating policies for concept development and experimentation for the joint employment of the Armed Forces. • Advising the Secretary on development of joint command, control, communications, and cyber capability, including integration and interoperability of such capability, through requirements, integrated architectures, data standards, and assessments. • Performing such other duties as may be prescribed by law or by the President or the Secretary of Defense.	
Service Chiefs	Army, Navy, Marine Corps, and Air Force	General or Admiral	**Varies by Service. For the Chief of Staff of the Army:** • preside over the Army Staff; • transmit the plans and recommendations of the Army Staff to the Secretary and advise the Secretary with regard to such plans and recommendations; • after approval of the plans or recommendations of the Army Staff by the Secretary, act as the agent of the Secretary in carrying them into effect; • exercise supervision, consistent with the authority assigned to commanders of unified or specified combatant commands under Chapter 6 of this Title, over such of the members and organizations of the Army as the Secretary determines; • the duties prescribed for him as a member of the Joint Chiefs of Staff	10 U.S.C. 3033 (for other Service Chiefs, see 10 U.S.C. 5033. 5043, and 8033)
Combatant Commanders	Joint	Not specified, although they normally must have completed a full tour in a joint duty assignment as a general or flag officer prior to their appointment.	• giving authoritative direction to subordinate commands and forces necessary to carry out missions assigned to the command, including authoritative direction over all aspects of military operations, joint training, and logistics • prescribing the chain of command to the commands and forces within the command • organizing commands and forces within that command as he considers necessary to carry out missions assigned to the command • employing forces within that command as he considers necessary to carry out missions assigned to the command • assigning command functions to subordinate commanders • coordinating and approving those aspects of administration and support (including control of resources and equipment, internal organization, and training) and discipline necessary to carry out missions assigned to the command • exercising the authority with respect to selecting subordinate commanders, selecting combatant command staff, suspending subordinates, and convening courts-martial	10 U.S.C. 164

Position	Service	Grade Specified in Law	Selected Duties, Responsibilities or Functions Specified in Law	Statute
Commander, Special Operations Command	Joint	General or Admiral	• Developing strategy, doctrine, and tactics [related to special operations activities]. • Preparing and submitting to the Secretary of Defense program recommendations and budget proposals for special operations forces and for other forces assigned to the special operations command. • Training assigned forces. • Conducting specialized courses of instruction for commissioned and noncommissioned officers. • Validating requirements. • Establishing priorities for requirements. • Ensuring the interoperability of equipment and forces. • Ensuring the combat readiness of forces assigned to the special operations command; and • Monitoring the preparedness to carry out assigned missions of special operations forces assigned to unified combatant commands other than the special operations command. • Development and acquisition of special operations-peculiar equipment.	10 U.S.C. 167
Chief of the National Guard Bureau	Joint	General	• is a principal advisor to the Secretary of Defense, through the Chairman of the Joint Chiefs of Staff, on matters involving non-federalized National Guard forces and on other matters as determined by the Secretary of Defense; and • is the principal adviser to the Secretary of the Army and the Chief of Staff of the Army, and to the Secretary of the Air Force and the Chief of Staff of the Air Force, on matters relating to the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States. • As a member of the Joint Chiefs of Staff, the Chief of the National Guard Bureau has the specific responsibility of addressing matters involving non-Federalized National Guard forces in support of homeland defense and civil support missions	10 U.S.C. 10502
Judge Advocate General or Staff Judge Advocate	Army, Navy, and Air Force	Lieutenant General or Vice Admiral	**Varies by Service. For the Air Force Judge Advocate General:** • is the legal adviser of the Secretary of the Air Force and of all officers and agencies of the Department of the Air Force • shall direct the officers of the Air Force designated as judge advocates in the performance of their duties	10 U.S.C. 8037 (for other services see 10 U.S.C. 3037 and 5148).

Position	Service	Grade Specified in Law	Selected Duties, Responsibilities or Functions Specified in Law	Statute
			• shall receive, revise, and have recorded the proceedings of courts of inquiry and military commissions	
	Marine Corps	Major General	• perform such duties relating to legal matters arising in the Marine Corps as may be assigned to the Staff Judge Advocate • perform the functions and duties, and exercise the powers, prescribed for the Staff Judge Advocate to the Commandant of the Marine Corps in Chapter 47 (the Uniform Code of Military Justice) and Chapter 53 of this Title [10 U.S.C.S. §§801 et seq. and 1030 et seq.] • perform such other duties as may be assigned to the Staff Judge Advocate.	10 U.S.C. 5046
Surgeon General	Army, Navy, and Air Force	Lieutenant General or Vice Admiral	Duties not specified in law	10 U.S.C. 3036, 5137, 8036
Chief of Dental Corps	Army and Air Force	Major General	**Varies by Service. For the Chief of the Army's Dental Corps:** • establish professional standards and policies for dental practice; • initiate and recommend action pertaining to organization requirements and utilization of the Dental Corps and dental auxiliary strength, appointments, advancement, training assignments, and transfer of dental personnel; and	10 U.S.C. 3039 and 3081 (For other services see 10 U.S.C. 5138 and 8081)
	Navy	Not below Rear Admiral (Lower Half)	• serve as the adviser to the Office of the Surgeon General on all matters relating directly to dentistry.	
Director of Expeditionary Warfare	Marine Corps	Major General	• Supervise the performance of all staff responsibilities of the Chief of Naval Operations regarding expeditionary warfare, including responsibilities regarding amphibious lift, mine warfare, naval fire support, and other missions essential to supporting expeditionary warfare.	10 U.S.C. 5038
Chief of Legislative Liaison or Legislative Assistant	Army	Major General	• performs legislative affairs functions as specified for the Office of the Secretary of the Army	10 U.S.C. 3023
	Marine Corps	Above Colonel	Duties not specified in law	10 U.S.C. 5047

Source: Title 10, United States Code

Note: Due to space considerations, a full listing of statutory positions could not be included. Likewise, for the positions that are mentioned above, a full listing of statutorily defined functions, duties and responsibilities could not be included.

Appendix. Elements of Regular Military Compensation

Regular Military Compensation (RMC), as defined in law, is "the total of the following elements that a member of the uniformed services accrues or receives, directly or indirectly, in cash or in kind every payday: basic pay, basic allowance for housing, basic allowance for subsistence, and Federal tax advantage accruing to the aforementioned allowances because they are not subject to Federal income tax."[31] Each of these elements is described below.[32]

Basic Pay

All members of the Armed Forces receive basic pay, although the amount varies by pay grade (rank) and years of service (also called longevity). For most servicemembers, basic pay is the largest element of the compensation they receive in their paycheck and typically accounts for about two-thirds of an individual's RMC. It is roughly analogous to civilian salary.

Basic Allowance for Housing

All servicemembers living in the United States are entitled to either government-provided housing or a housing allowance, known as basic allowance for housing (BAH).[33] Roughly one-fourth of GFOs living in the United States receive government-provided housing with the remainder receiving BAH to offset the costs of the housing they rent or purchase in the civilian economy.[34] The amount of BAH a servicemember receives is based on three factors: paygrade (rank), geographic location, and whether or not the servicemember has dependents.[35] However, there is no increase in BAH after paygrade O-7. Therefore, the amount of BAH for GFOs does not vary by rank, but only by locality and dependency status.

Paygrade and dependency status are used to determine the type of accommodation—or "housing profile"—that would be appropriate for the servicemember (for example, one-bedroom apartment, two-bedroom townhouse, or three-bedroom single family home). Geographic location is used to determine the average costs[36] associated with each of these housing profiles. The

[31] Statutory definition contained in 37 U.S.C. §101(25). For more information on military pay, see CRS Report RL33446, *Military Pay: Key Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.

[32] Note that RMC does not include a wide array of compensation elements: special pays and bonuses, reimbursements, educational assistance, deferred compensation (i.e., an economic valuation of future retired pay), or any estimate of the cash value of non-monetary benefits such as health care, child care, recreational facilities, commissaries, and exchanges. As the value of these forms of compensation can be very substantial, RMC should not be considered a measure of total military compensation.

[33] Those living outside the United States receive Overseas Housing Allowance (OHA), which is similar to BAH but has somewhat different statutory parameters. Both BAH and OHA are authorized by 37 U.S.C. §403.

[34] Calculation of proportion living in government provided housing made using Selected Military Compensation Tables (OSD Compensation Greenbook, 2015), Table A5, BAH Percentages 2015, and Table A6, Military Personnel by Pay Cell, available here: http://militarypay.defense.gov/Portals/107/Documents/Reports/GreenBook_2015.pdf

[35] A dependent is defined to include a spouse, unmarried children under 21 (or older in some circumstances), certain parents dependent on the servicemembers, and certain individuals placed in the legal custody of the servicemember. See 37 U.S.C. §401 for the complete definition. Note that for the purposes of BAH rates, no distinction is made between a servicemember with one dependent and a servicemember with multiple dependents. The only distinction is whether or not the servicemember has dependents.

[36] Until 2015, BAH rates factored in the average costs of rental housing rates, utilities, and renter's insurance in a wide array of housing markets. In 2015, DOD eliminated the cost of renter's insurance from the calculation.

average costs of these housing profiles are the basis for BAH rates. As a result of this methodology, BAH rates are much higher in some areas than others, but servicemembers of similar paygrade and dependent status should be able to pay for roughly comparable housing regardless of their duty location.[37]

Basic Allowance for Subsistence

Nearly all servicemembers receive a monthly payment to defray their personal food costs.[38] This is known as basic allowance for subsistence (BAS). BAS is provided at a flat rate, with separate rates for officers and enlisted personnel. In 2015, all officers, including GFOs, received $253.38 a month.

Federal Tax Advantage

Military allowances are generally not considered part of gross income and are not subject to federal income tax, thus generating a tax benefit for servicemembers.[39] RMC considers only the federal income tax advantage provided by the exemption of housing and subsistence allowances from gross income. The precise value of the federal tax advantage for an individual servicemember will vary depending on his or her unique tax situation.

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Disclaimer

[37] For a more detailed description of how BAH rates are calculated, see the Department of Defense's BAH Primer, available here: http://www.defensetravel.dod.mil/Docs/perdiem/BAH-Primer.pdf. For a complete listing of BAH rates, see these tables: http://www.defensetravel.dod.mil/site/pdcFiles.cfm?dir=/Allowances/BAH/PDF/

[38] Historically, enlisted personnel did not receive BAS except in specific circumstances; rather, they were normally provided free meals in government dining facilities. This changed in 2002, and enlisted personnel now receive BAS except in limited circumstances (for example, while in basic training, where they receive government provided meals). However, if a servicemember receiving BAS elects to eat in a government dining facility, he or she must pay for the meal.

[39] This exemption, which reflects the long-standing exclusion of certain military benefits from gross income, was codified in the Internal Revenue Code (26 U.S.C. §134) by the Tax Reform Act of 1986 (P.L. 99-514). For a detailed discussion on these topics, see the Military Compensation Background Papers, 7th edition, pages 197-206, and especially pages 873-883, available here: http://www.loc.gov/rr/frd/pdf-files/Military_Comp-2011.pdf. Table 2 of this IRS publication is also helpful: http://www.irs.gov/pub/irs-pdf/p3.pdf. The exception to the general non-taxability of allowances is the CONUS Cost of Living Allowance (COLA), since it was created after the 1986 Tax Reform Act.

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