

GAO

Testimony

Before the Commission on the National
Guard and Reserves

For Release on Delivery
Expected at 11:30 a.m. EDT
Thursday, September 21, 2006

RESERVE FORCES

Army National Guard and Army Reserve Readiness for 21st Century Challenges

Statement of Janet A. St. Laurent, Director
Defense Capabilities and Management





Highlights of [GAO-06-1109T](#), a testimony before the Commission on the National Guard and Reserves

Why GAO Did This Study

Ongoing operations in Iraq and Afghanistan have required the deployment of large numbers of Army National Guard and Army Reserve personnel. The Department of Defense (DOD) faces the unprecedented challenge of sustaining large-scale, long-duration operations with an all-volunteer military force. In addition, DOD's homeland defense missions have taken on higher priority, and National Guard forces have state responsibilities for homeland security activities as well as their traditional roles in responding to natural disasters. Over the past few years, GAO has examined the effects of ongoing military operations and domestic missions on the Army National Guard and Army Reserve.

This statement, which draws on prior GAO work, focuses on (1) challenges in sustaining Army reserve component equipment and personnel readiness while supporting ongoing operations and (2) the extent to which the Army's planned transformation initiatives will alleviate equipment and personnel shortages and enhance readiness.

www.gao.gov/cgi-bin/getrpt?GAO-06-1109T.

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RESERVE FORCES

Army National Guard and Army Reserve Readiness for 21st Century Challenges

What GAO Found

The Army National Guard and Army Reserve have made significant contributions to ongoing military operations, but equipment shortages and personnel challenges have increased and, if left unattended, may hamper the reserves' preparedness for future overseas and domestic missions. To provide deployable units, the Army National Guard and the Army Reserve have transferred large quantities of personnel and equipment to deploying units, an approach that has resulted in growing shortages in nondeployed units. Also, reserve units have left significant quantities of equipment overseas and DOD has not yet developed plans to replace it. The Army National Guard reports that its units have less than one-third of their required equipment, and the Army Reserve reports that its units have about half of the modern equipment they need to deploy. These shortages could also adversely affect reserve units' ability to perform homeland defense missions and provide support to civil authorities in the event of natural disasters or terrorist attacks. The Army also faces shortages of personnel trained in some high-demand skills. These readiness challenges have occurred because the Army reserve components' role has shifted from a strategic reserve force to an operational force that is being used on an ongoing basis. However, DOD has not fully reassessed its equipment, personnel, and training needs and developed a new model for the reserves appropriate to the new strategic environment. GAO has made recommendations that DOD conduct a comprehensive reassessment of equipment, personnel, training, and funding requirements given the reserve components' shift to an operational role, but DOD's progress to date in addressing them has been limited. Without a comprehensive reassessment of equipment and personnel policies, the Army's reserve components may not be well prepared to deal with future events at home or abroad.

The Army has begun two transformational initiatives intended to enhance reserve units' ability to conduct 21st century operations and plans to spend over \$24 billion for equipment over the next 5 years. These initiatives are significant, but the extent to which they will alleviate equipment and personnel challenges is unclear. The Army faces challenges in managing both initiatives' costs and achieving intended capabilities. First, although the Army is making progress in transforming its forces to more flexible modular units, it has not provided detailed information on the capabilities, costs, and risks of its plans, and reserve units are likely to lack some key equipment items well into the future. Second, the Army is implementing a force generation model through which reserve units' readiness will be increased as units move closer to eligibility for deployment. However, the Army has not fully determined the equipment, personnel, and training that units will require at each stage of the cycle or fully identified the resources to implement its plans. Without detailed implementation plans, decision makers will not have sufficient information with which to assess both DOD's progress and performance in transforming the Army reserve components and whether investment decisions are being targeted to the highest priority areas.

Mr. Chairman and Members of the Commission:

I am pleased to be here today to discuss the work GAO has undertaken regarding the changing roles and readiness of the Army National Guard and Army Reserve. The Congress has given the Commission on the National Guard and Reserves (Commission) a very significant charge, and I hope that our work will be useful to the Commission in its deliberations on how reserve forces should be structured and equipped for the 21st century given new threats to our national security, both overseas and at home. Ongoing operations in Iraq and Afghanistan have required the involvement of large numbers of reservists, particularly ground forces, and the Department of Defense (DOD) now faces the unprecedented challenge of sustaining large-scale, long-duration operations with an all-volunteer military force. Since 2001, over 500,000 reservists have been mobilized in support of ongoing operations, the largest mobilization of reserve forces since World War II. The high pace of operations has led to personnel and equipment shortages among Army reserve component units. Further, in addition to its traditional homeland missions, such as responding to storms and fighting forest fires, the National Guard's homeland missions have expanded to include guarding against terrorist threats.

Over the last few years, we have examined the effects of expanded mission requirements on the Army National Guard and Army Reserve, including their new operational roles in supporting both large-scale, long-duration overseas operations and emerging domestic requirements. My testimony today focuses on (1) the Army reserve components' challenges in sustaining equipment and personnel readiness while supporting ongoing military operations and (2) the extent to which Army's planned transformation initiatives will alleviate the Army reserve components' equipment and personnel shortages and enhance their readiness for overseas and domestic operations.

My testimony draws upon several GAO reports related to reserve component personnel and equipment issues, including requirements for personnel with high-demand skills to support ongoing overseas operations. A list of these reports appears at the end of this statement.

In preparing these reports, we performed extensive analysis of DOD's documentation on the status of Army National Guard and Army Reserve equipment and personnel, focusing primarily on the status of nondeployed units. We also reviewed and assessed DOD's and the Army's strategies and plans for the future including the Army Campaign Plan, key plans related to the Army's transition to a modular force, rotational force management

data, equipping and funding plans, and unit readiness reports. We also discussed these issues with officials from the Office of the Secretary of Defense; the Departments of the Army and the Air Force; the National Guard Bureau; the Army Reserve; the Office of the Chairman, Joint Chiefs of Staff; and the U.S. Joint Forces Command. In addition, we visited selected Army National Guard units that had been deployed or were preparing to deploy as well as Army Reserve units performing homeland defense missions. This work was conducted in accordance with generally accepted government auditing standards.

We are continuing to conduct work relating to reserve component issues, which will enable us to provide more information in the coming months on issues of interest to the Commission. For example, we have begun work examining reserve pay and compensation issues. We also have ongoing engagements examining employer support for reservists; emergency management assistance compacts among states; reserve deployment reporting; and the status of the National Guard's equipment for its domestic homeland defense missions and support to civilian authorities.

Summary

The Army National Guard and Army Reserve have made significant contributions to ongoing military operations since September 11, 2001; however, equipment shortages and personnel challenges have increased over time and could hamper the Army's reserve components' preparedness for future overseas and domestic missions if left unattended. These readiness challenges have occurred for two primary reasons. First, the Army has provided resources to reserve units based primarily on the assumption that they would deploy overseas only in the latter stages of major combat operations and would receive additional resources during a mobilization phase. However, the Army National Guard's and Army Reserve's shift to more of an operational role in response to the new security environment has led to a situation in which the Army's traditional resourcing strategies for managing personnel and equipment may no longer be in balance with how the reserves are being used. Second, mobilization authorities, DOD's policies, and Army deployment practices limit the number and duration of reservists' deployments for ongoing operations so that the Army's reserve components will be challenged to involuntarily mobilize and deploy large numbers of personnel with needed skills. To provide deployable units for Iraq and Afghanistan, the Army National Guard and the Army Reserve have transferred large numbers of uniformed personnel and equipment from nondeployed units to deploying units. This approach has resulted in growing shortages among nondeployed units. Equipment shortages have been further compounded because DOD has required reserve units to leave large amounts of

equipment overseas for use by other forces, and much of this equipment has not been replaced. As a result, the Army National Guard reports that units have less than one-third of their required equipment, and the Army Reserve currently reports that its units have about half of the modern equipment they would need to deploy. In addition to creating potential risk to the nation's ability to respond to unforeseen events overseas, Army National Guard and Army Reserve equipment shortages could also adversely affect reserve units' ability to perform homeland defense missions and provide support to civil authorities in the event of natural disasters or terrorist events. Moreover, under current policies, the Army is challenged to identify and mobilize reserve personnel in some high-demand skills. We have made recommendations to DOD intended to bring about a comprehensive reassessment of equipment, personnel, training, and funding requirements given the Army reserve components' shift to a more operational role. However, DOD's progress in implementing these recommendations has been limited. Unless such a comprehensive reassessment and rethinking of the equipment and personnel policies is completed—in other words, unless DOD reaches consensus on a new model for the reserves that matches policies and resources with the Army reserve components' expected missions—DOD may find itself ill prepared to deal with future events at home or abroad.

The Army has recently begun two major transformational initiatives that are intended to improve the ability of Army Reserve and Army National Guard units to respond to 21st century threats; however, the extent to which these initiatives will help to alleviate personnel and equipment challenges and enhance readiness is unclear. These initiatives include the creation of modular units in the active and reserve components and the creation of a new model to manage readiness and provide reservists with more predictable deployment schedules. Although both these initiatives have some merit from a conceptual standpoint, the Army faces significant challenges in managing their costs, risks, and performance. Specifically, the Army is making progress in transforming its division-based structure to more easily deployable modular units, but it has not provided detailed plans showing the extent to which DOD will be able to fund new equipment required by modular units in the reserve components. The Army has budgeted \$21 billion to improve the Army National Guard's equipment and \$3.8 billion for the Army Reserve over the next 5 years; however, it has not yet provided detailed information about the types and amounts of equipment it will buy or described the extent to which this funding will provide equipment compatibility with the active component. Further, the Army has not provided sufficient information with which DOD and congressional decision makers can assess the capabilities, costs,

affordability, and risks of the Army's modular force implementation plans. Because the need to equip units deploying overseas is likely to continue to take priority over nondeployed units for equipment funds, reserve units are likely to have shortfalls of some key equipment items well into the future. The Army's second major initiative is the development of a force generation model in which units' readiness for deployment would move through phases of increasing readiness as they move closer to deployment eligibility—once every 5 to 6 years for reserve forces. However, the Army has not yet developed a transparent plan for national-level decision makers that identifies the equipment, personnel, and training that will be required at each phase of the model nor has it fully identified the resources it will need to implement its plans. We reported in 2005 that the Army needs to fully define how the reserve components will be integrated into its modular force and rotational cycle, and although DOD agreed with our recommendations, many questions remain about the risks inherent in the Army's plans.¹ Until the Army completes such plans and identifies funding for its transformational initiatives, the reserve components' preparedness for future overseas and domestic missions is not likely to increase and may continue to erode. Moreover, unless the Army completes more detailed implementation plans, decision makers will not have sufficient information to assess both DOD's progress and performance in transforming the Army's reserve components and whether investment decisions are being targeted to the highest priority areas.

Background

The Army has two reserve components, the Army National Guard and the Army Reserve. Both reserve components are composed primarily of citizen soldiers who balance the demands of civilian careers with military service on a part-time basis. During the Cold War, it was expected that the reserve forces would be a strategic reserve to supplement active forces in the event of extended conflict. However, since the mid-1990s, the reserves have been continuously mobilized to support operations worldwide, including those in Bosnia and Kosovo as well as operations in Afghanistan and Iraq. In today's strategic environment, the Army's reserve components have taken on a variety of different overseas missions as well as traditional and emerging domestic missions.

¹ GAO, *Reserve Forces: Plans Needed to Improve Army National Guard Equipment Readiness and Better Integrate Guard into Army Force Transformation Initiatives*, [GAO-06-111](#) (Washington, D.C.: Oct. 4, 2005) and *Reserve Forces: An Integrated Plan Is Needed to Address Army Reserve Personnel and Equipment Shortages*, [GAO-05-660](#) (Washington, D.C.: July 12, 2005).

The Army Reserve and the Army National Guard are part of the total Army, which also includes the active component. The Army organizes, trains, and equips its reserve components to perform assigned missions. The Army Reserve is a federal force that is organized and trained primarily to supply specialized combat support and combat service support skills to combat forces. The Army National Guard is composed of both combat forces and units that supply support skills. The Army National Guard, when mobilized for a federal mission, is under the command and control of the President. When not mobilized for a federal mission, Army National Guard units act under the control of the governors for state missions, typically responding to natural disasters and more recently protecting state assets from terrorist attacks. Using DOD planning guidance, the Army provides reserve units varying levels of resources according to the priority assigned to their federal warfighting missions.

Reserve forces may be involuntarily called to active duty under three mobilization authorities. As shown in table 1, two authorities authorize the President to involuntarily mobilize forces, but with size and time limitations. Full mobilization, which would authorize the mobilization of forces for as long as they are needed, requires a declaration by the Congress. The Office of the Secretary of Defense implements the activation of reservists.

Table 1: Mobilization Authorities for Reserve Forces

Statute	Provisions
10 U.S.C. 12301(a) “Full Mobilization”	Declared by Congress: In time of war or national emergency No limit on numbers of soldiers called to active duty For duration of war plus 6 months
10 U.S.C. 12302 “Partial Mobilization”	Declared by the President: In time of national emergency No more than 1,000,000 reservists can be on active duty No more than 24 consecutive months
10 U.S.C. 12304 “Presidential Reserve Call-up”	Determined by the President: To augment the active duty force for operational missions No more than 200,000 reservists can be on active duty No more than 270 days

Source: GAO analysis of U.S. Code provisions.

On September 14, 2001, President Bush declared that a national emergency existed as a result of the terrorist attacks of September 11, 2001. On September 20, 2001, DOD issued mobilization guidance that among other things allowed the services to mobilize reservists for up to 24 cumulative months under the President's partial mobilization authority. The Army's current guidance is that soldiers should serve 12 months with their "boots on the ground" in support of Operation Enduring Freedom in Afghanistan and Operation Iraqi Freedom in Iraq, not including the time spent in mobilization and demobilization activities, which could add several more months to the time a reserve member spends on active duty.

Army Reserve Components Have Significant Equipment Shortages and Personnel Challenges That Hinder Readiness for Future Missions

The Army's reserve components have provided ready forces for ongoing military operations since September 11, 2001, but personnel and equipment challenges have led to declining readiness and hamper their ability to prepare for future overseas and domestic missions. A resourcing structure that is inconsistent with the reserve components' new operational role as well as limiting mobilization policies and practices have led to equipment and personnel shortages. These shortages have required nondeployed reserve units to transfer equipment and personnel to deploying units, further degrading readiness. In the absence of a major effort to reassess equipment, personnel, and training requirements and policies, it will become increasingly difficult for the Army reserve components to prepare for future missions.

Reserve Components' Transfers of Equipment to Deploying Units and Equipment Left Overseas Exacerbate Existing Shortages

Two major issues that have degraded the readiness of Army reserve forces are (1) the transfers of equipment among units to deploy ready forces and (2) the significant amounts of equipment reserve units have left overseas. The resulting equipment shortages could adversely affect reserve units' ability to contribute to overseas and homeland missions.

Transferring Equipment to Ready Deploying Units Has Degraded Nondeployed Units' Equipment Inventories

The Army National Guard and the Army Reserve currently have shortages in the equipment they need to train and deploy and, in the case of the Army National Guard, to respond to domestic emergencies. As noted earlier, equipment shortages exist because the Army, following DOD planning guidance, has historically equipped Army units, including the Army reserve components, according to a strategy known as tiered resourcing. Under the tiered resourcing strategy, units expected to deploy overseas first in a conflict, generally active combat units, receive first priority for equipment. Following this approach, the Army accepted some operational risk by providing lower-priority reserve units with less

equipment than they would need for their missions, under the assumption that there would be time to provide additional equipment to them before they would be deployed. For example, the Army National Guard's divisions, which constitute the majority of its combat forces, have been maintained with about 65 percent of the equipment they would need to perform their missions. In addition, much Army reserve component equipment is older and less modern than that of the active Army and is not always compatible with active force logistics. The Army National Guard reports that units have less than one-third of their required equipment, and the Army Reserve currently reports that its units have about half of the modern equipment they would need to deploy.

Despite this tiered resourcing structure, for recent operations, combatant commanders have required Army National Guard and Army Reserve units to deploy with 90 to 100 percent of the equipment they are expected to need and with equipment that is compatible with that of active Army units. To meet the combatant commander requirements for fully manned and equipped units, the Army National Guard and the Army Reserve have transferred equipment to deploying units. For example, when Army National Guard's 30th Brigade Combat Team from North Carolina was alerted to prepare to deploy to Iraq in 2004, it had only about 40 percent of its deployment requirement of about 8,810 night vision goggles. The Army National Guard had to transfer about 5,272 pairs of goggles to fully equip the unit, leaving other units with even fewer goggles available for training and future missions. In another case, to support requirements for high-demand military police skills during 2004 and 2005, the Army tasked the Army National Guard to convert 40 non-military police units, including field artillery companies, to security units capable of performing selected military police missions in Iraq. While a military police company typically has 47 humvees in its inventory, field artillery companies have only about 3 humvees that are suitable for this new mission. The Army National Guard had already depleted its inventory of armored humvees to prepare units that had deployed previously, so the converted units had to obtain armored humvees from other units already in Iraq.

While transferring equipment has enabled the Army National Guard and Army Reserve to meet immediate needs, transfers have decreased the equipment available to nondeployed units for training and other purposes. Early transfers of equipment to deploying units created a cycle of additional ad hoc transfers as reserve units that had provided equipment to deploying forces were themselves alerted for mobilizations.

In 2004, we reported that as of May of that year, the Army National Guard had transferred more than 35,000 pieces of equipment to ready units for recent operations.² We subsequently reported that by July 2005, the number of equipment items transferred among Army National Guard units had grown to more than 101,000.³ With respect to some equipment items, transfers of equipment to deploying units have completely or almost completely exhausted the inventories of many nondeployed Army National Guard units. As of July 2005, the Army National Guard reported that equipment transfers had largely exhausted its inventory of more than 220 critical items, including some items useful to nondeployed units for training and domestic missions. Among the items for which the Army National Guard had shortages of over 80 percent of the authorized inventory were chemical warfare monitoring and decontamination equipment and night vision goggles.

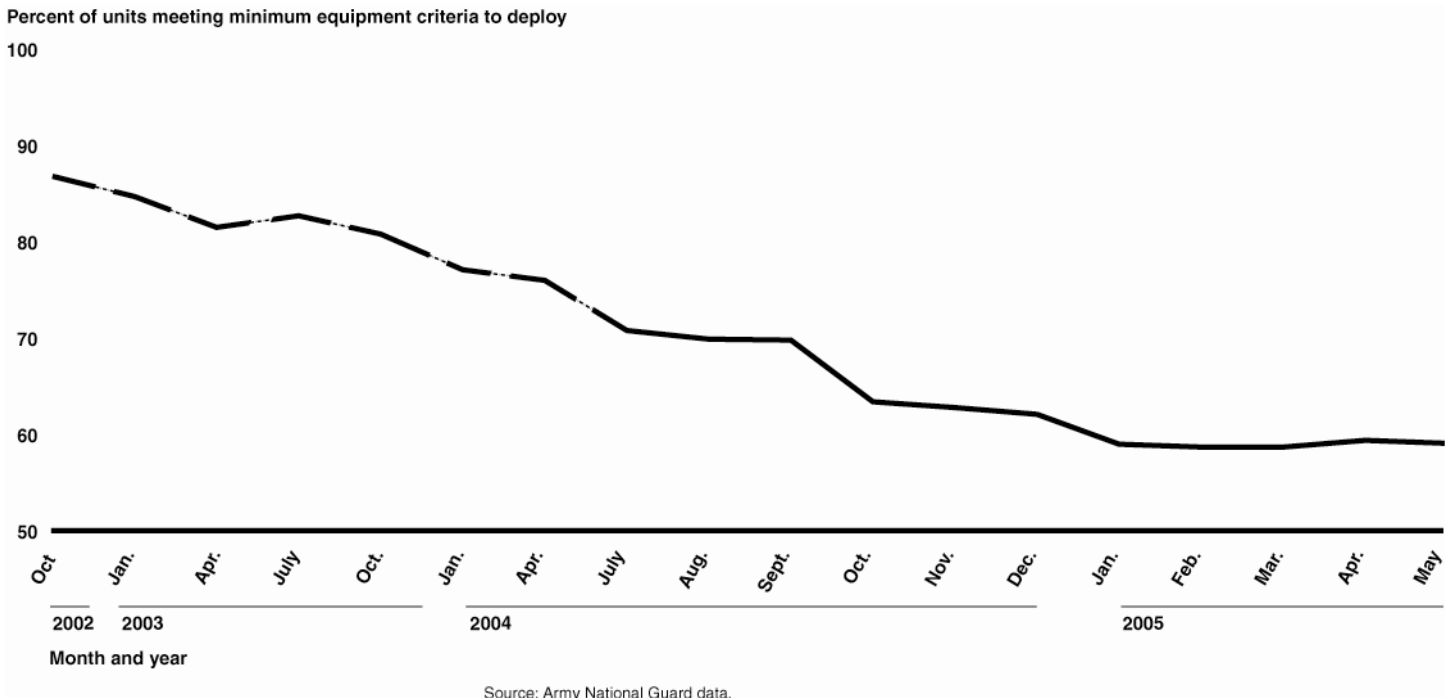
These continuing transfers have resulted in significant declines in the amount of equipment available to nondeployed Army National Guard units since the beginning of current overseas operations. As we previously reported, the percentage of nondeployed units that reported having the minimum amount of equipment they would need to deploy⁴ dropped from 87 percent in October 2002 to about 59 percent in May 2005. (See fig. 1.) However, this estimate includes units that have older, less modern equipment, referred to as substitute equipment. While these substitute items may be useful for training purposes, commanders may not allow these older items in the theater of operations because they may not be compatible with the equipment other units are using and cannot be sustained logistically overseas. In addition, this estimate includes units that have equipment that is undergoing maintenance after returning from deployment or was left overseas, so these items are not readily available for use.

² GAO, *Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions*, [GAO-05-21](#) (Washington, D.C.: Nov. 10, 2004).

³ [GAO-06-111](#).

⁴ To meet minimum deployment criteria, a unit must generally have at least 80 percent of its mission-essential equipment on hand.

Figure 1: Percentage of Nondeployed Army National Guard Units Meeting Minimum Equipment Criteria to Deploy



National Guard officials stated that the number of Army National Guard units meeting the minimum criteria to deploy has continued to decline since our last report. The National Guard Bureau estimates that when substitute equipment items, equipment undergoing maintenance, and equipment left overseas for follow-on forces are subtracted, its nondeployed units had available only about 34 percent of essential warfighting equipment as of July 2005. Senior National Guard officials now estimate that the Army National Guard has less than 30 percent of its essential warfighting equipment.

Like the Army National Guard, the Army Reserve is also facing problems resulting from equipment transfers to deploying units. According to our analysis, from September 2001 through April 2005, the Army Reserve transferred about 236,000 pieces of equipment worth about \$765 million to fill equipment shortages among deploying units. The items most transferred were (1) individual equipment, such as clothing and boots; (2) unit equipment, such as tents, generators, and communications equipment; and (3) weapons.

Requirement to Leave
Significant Quantities of
Equipment in Theater Has
Further Decreased Equipment
Available to Nondeployed Units

In the fiscal year 2007 *National Guard and Reserve Equipment Report*, the Army Reserve reported that it had about 78 percent of the equipment it requires, but about one-third of the equipment is obsolete and not interoperable with the active Army. Therefore, the percentage of equipment Army Reserve units have that is acceptable for deployment is lower than the overall figure indicates. In addition, the Army Reserve has reported that its equipment is aging more quickly than planned because of high use and a harsh operational environment. Accordingly, the Army Reserve has estimated that as much as 44 percent of its equipment needs servicing, including equipment that has been returned from overseas. These shortfalls in equipment that could be used to equip deploying forces or in training for future missions challenge the Army Reserve's ability to train and prepare units for future deployments.

Compounding the degrading effect of equipment transfers on the equipment available to nondeployed reserve component units has been the requirement that units leave significant amounts of equipment in Afghanistan and Iraq for follow-on forces. In July 2005, we reported that Army Reserve units had been required to leave some equipment items, such as vehicles that have had armor added to them, which exacerbated shortages in equipment available for training.⁵ Moreover, in October 2005, we reported that the Army National Guard estimated it had left more than 64,000 equipment items valued at over \$1.2 billion overseas since 2003 to be used to support ongoing operations.⁶ For example, when the North Carolina 30th Brigade Combat Team returned from its deployment to Iraq in 2005, it left 229 humvees, about 73 percent of its predeployment inventory of those vehicles, for other units to use. Similarly, according to Army National Guard officials, three Illinois National Guard units were required to leave almost all of their humvees, about 130, in Iraq when they rotated back from deployment. Moreover, we reported that the Army had not fully accounted for this equipment and had not prepared plans to replace it as required under DOD policy. DOD Directive 1225.6, *Equipping the Reserve Forces*, issued April 7, 2005, requires a replacement plan for reserve component equipment transferred to the active component for more than 90 days.⁷ However, according to Army officials, the Army did

⁵ GAO-05-660.

⁶ GAO-06-111.

⁷ Replacement plans for removed equipment and supplies are not required for transfers in support of force restructuring adopted as a result of planning, programming, budgeting, and execution process decisions approved by the Secretary of Defense.

not initially track the Army National Guard's equipment or prepare replacement plans in the early phases of the war because the practice was intended to be a short-term measure and there were other priorities. In addition, the Army did not have a centralized process to track equipment and develop replacement plans. Instead, transfers of equipment between units were only documented at the unit level in unit property records. According to Army and National Guard officials, the Army only planned to track certain high-demand equipment items, such as armored humvees, that were designated to remain in theater for the duration of the conflict. The National Guard estimates untracked items, such as cargo trucks, rough terrain forklifts, and palletized load trucks, to be about 45 percent of all the items its units left overseas.

In May 2005, the Assistant Secretary of Defense for Reserve Affairs noted that while the exact amount of equipment transferred between the reserve and active components was unknown, overall the magnitude of these transfers has been significant and was an area of concern. He requested that the Army submit a replacement plan for all Army National Guard equipment retained in theater by June 17, 2005. In October 2005, we recommended that the Secretary of Defense direct the Army to prepare the replacement plans required by DOD Directive 1225.6.⁸ The department agreed with that recommendation, but the Army still has not completed plans for replacing the majority of the equipment. As of June 2006, the Army had developed some plans for replacement of Army National Guard equipment, but only three plans, which only covered a portion of the equipment the Army National Guard units left behind, had been approved.

Equipment Shortages Could Adversely Affect Reserve Units' Ability to Contribute to Homeland Security Missions as Well as Overseas Missions

In addition to creating potential risk to the nation's ability to respond to unforeseen events overseas, Army National Guard and Army Reserve equipment shortages could also adversely affect reserve units' ability to perform homeland defense missions and provide support to civil authorities in the event of natural disasters or terrorist attacks. Until recently, it has been assumed that the National Guard could perform its typical state missions, such as storm relief and firefighting, with the equipment it had on hand for its federal missions. However, with the heavy use of the Army National Guard in the new security environment, this assumption may not be a sound one, especially in the event of non-traditional threats, such as chemical or biological attacks, or pandemic disease. Moreover, while DOD's Office of the Assistant Secretary of

⁸ [GAO-06-111](#).

Defense for Homeland Defense and the U.S. Northern Command, which are charged with leading DOD's efforts in homeland defense, have taken some actions to plan DOD's response to potential threats, they have not completed developing requirements or preparedness standards and measures for homeland missions in which the National Guard may be likely to participate. We have previously reported that some items, such as humvees, night vision goggles, and chemical protective suits, which are in short supply among the Army National Guard's nondeployed forces, may also be extremely useful for responding to domestic events, including terrorism.⁹ Although planning for large-scale events, whether natural or man-made, is not complete and requirements are not fully known, it is likely that at a minimum, National Guard forces—under control of the states or the President—will be involved in responding to any large-scale threat or catastrophe. Hurricane Katrina, which hit the Gulf Coast in August 2005, highlighted the Army National Guard's and DOD's key roles in responding to catastrophic events as over 50,000 National Guard forces, as well as 20,000 additional active duty military forces, participated in responding to the devastation the hurricane left behind.¹⁰ We reported in May 2006 that many challenges that the military faced during Katrina pointed to the need for better plans and more robust exercises for disaster response and noted that without actions to help address planning and exercise inadequacies, a lack of understanding will continue to exist within the military and among federal, state, and local responders as to the types of assistance and capabilities that DOD might provide in response to a catastrophe; the timing of this assistance; and the respective contributions of the active, reserve, and National Guard forces.

Given the National Guard's role in responding to domestic emergencies, in November 2004, we recommended that the Secretary of Defense (1) establish the full range of the National Guard's homeland missions, including those led by DOD and those conducted in support of civilian authorities; (2) identify the National Guard's capabilities to perform these missions and any shortfalls in personnel, equipment, and training that need to be addressed to perform these missions successfully; (3) develop a plan to address any shortfalls including identifying funding; and (4) establish readiness standards and measures for the National Guard's

⁹ [GAO-06-111](#).

¹⁰ GAO, *Hurricane Katrina: Better Plans and Exercises Needed to Guide the Military's Response to Catastrophic Natural Disasters*, [GAO-06-643](#) (Washington, D.C.: May 15, 2006).

homeland security missions so that the readiness for these missions can be systematically measured and accurately reported.¹¹ DOD agreed with our recommendations and is now taking a more active role in working with its federal and state partners to improve its ability to respond to catastrophic incidents. In addition, this year the Army has taken some steps to provide equipment to National Guard units in hurricane-prone states to temporarily improve their ability to respond to hurricanes. Specifically, the Army transferred equipment, such as trucks, floodlights, and night vision devices, from its active component units to National Guard units. Further, the Under Secretary of Defense for Personnel and Readiness has directed that the department begin tracking its readiness for some domestic missions in the new Defense Readiness Reporting System.

Army National Guard and Army Reserve Face Significant Personnel Challenges, Especially in Some Critical Skills

In addition to equipment shortages, other factors have negatively affected Army's reserve components' personnel readiness: (1) the transfer of personnel among units to deploy ready forces, (2) fewer full-time support staff than authorized, and (3) the increasing difficulty of identifying trained personnel available to deploy for future rotations.

Personnel Transfers among Units to Support Deployments Have Led to Shortages in Nondeployed Units

Under tiered resourcing, Army National Guard and Army Reserve units have generally been assigned fewer personnel than they require to perform their assigned missions, under the assumption that the shortages could be filled before the units would deploy. For example, the Army Reserve has been assigned about 80 to 85 percent of its required personnel. Additionally, some personnel assigned to units may not be deployable because of unfulfilled training requirements or for personal reasons, such as family situations or health reasons. However, for Operation Iraqi Freedom, the combatant commander has required that Army National Guard and Army Reserve units be deployed with 100 percent of the personnel they need for their missions. Therefore, to fill shortages in deploying units to support the first rotations of troops to Operation Iraqi Freedom in March 2003, the Army National Guard and the Army Reserve had to transfer personnel from units that were not yet alerted to deploy. Initial transfers worsened existing personnel shortages in non-mobilized units and increased the numbers of personnel that had to be transferred when additional units were subsequently mobilized. Moreover, transfers

¹¹ [GAO-05-21](#).

Requirements for Full-time Personnel to Provide Support Have Not Been Fully Reassessed in Light of the Army's Reserve Components' Changing Role

Identifying Trained Personnel Available to Deploy for Future Rotations Is Increasingly Difficult

are continuing as reserve personnel continue to be deployed to support ongoing rotations to Iraq. Shortages of available personnel in non-mobilized units now limit their ability to conduct training for future missions and will require them to receive significant infusions of personnel from other units if they are alerted for mobilization. Without a comprehensive reassessment of its reserve staffing policies, the reserve components will have difficulty improving readiness.

Another significant challenge the Army National Guard and Army Reserve face in continuing to provide support for ongoing operations is that they have not been authorized all of the full-time support staff units need to perform critical readiness duties at home. These personnel play a key role in maintaining reserve component unit readiness and participating in mobilization/deployment planning and preparation by performing the day-to-day equipment maintenance, administrative, recruiting and retention, and training tasks for the Army National Guard and Army Reserve forces. However, in accordance with the Army's tiered resourcing strategy, the Army's reserve components have not been authorized all the full-time personnel they need to be fully manned. For example, based on a pre-September 11, 2001, analysis, the Army Reserve identified a requirement for about 38,000 full-time support personnel, which equates to about 18.5 percent of the 205,000 members it is authorized by law. However, the Army Reserve is only authorized about 26,350 full-time support personnel, or about 68 percent of its requirement. The Army National Guard was authorized full-time support equal to only 59 percent of its full-time requirement, in contrast with the Air National Guard, which is staffed at 100 percent of its required full-time support personnel. In 2005, we recommended that the Army should reassess the Army Reserve's requirement for full-time staffing support given its new operational role, but such a reassessment has not yet been completed.¹² Without sufficient full-time personnel, critical administrative, maintenance, and training tasks may not be completed in a timely manner and unit readiness may suffer.

As current operations have continued, under DOD's current policies, the Army National Guard and Army Reserve will be challenged to involuntarily mobilize and deploy large numbers of personnel with needed skills. Reservists serving in Afghanistan and Iraq have been activated under a partial mobilization authority that enables the secretary of a military department to involuntarily mobilize reservists for up to 24 consecutive

¹² GAO-05-660.

months. Limitations imposed by DOD policies implementing the mobilization authority have contributed to increasing difficulties in identifying reserve personnel, especially personnel trained in some high-demand skills, to fill ongoing requirements.

Some of the skills in highest demand for current operations are the combat support and combat service support skills that reside heavily or primarily in the Army National Guard and Army Reserve—sometimes in small numbers of critical personnel. Skills that are in high demand include military police, engineering, and civil affairs. Because so many of the Army reservists in these skills areas have already been deployed and are not eligible for future deployment under current policies, DOD has developed strategies, such as reassigning and retraining personnel from within the Army and the other services according to Army doctrine, to fill combatant commander requirements. While new recruits are constantly entering the Army Reserve and National Guard, training them with specialized skills, such as intelligence analysis, takes time.

As we reported earlier this month, there are various options that DOD can consider to make more reserve personnel available for future rotations overseas, such as reconsidering its policy of involuntarily activating reservists only once for current operations, changing deployment durations, and transferring more positions to high-demand areas.¹³ Each of these options has both advantages and disadvantages. However, DOD has not conducted a comprehensive, data-driven analysis of its options. Without such an analysis, DOD will be challenged to plan effectively for future requirements. Moreover, the Secretary of Defense and the Congress will not have complete information on which to base decisions about the size and composition of the force, mobilization and deployment policies, and other issues.

¹³ GAO, *Force Structure: DOD Needs to Integrate Data into Its Force Identification Process and Examine Options to Meet Requirements for High-Demand Support Forces*, [GAO-06-962](#) (Washington, D.C.: Sept. 5, 2006).

Two Major Army Transformation Initiatives Are Under Way, But Effect On Reserve Component Readiness Is Unclear

The Army has two major initiatives—the creation of modular units and development of a force generation model to provide more predictability to unit rotations—that are intended to enhance the ability of both active and reserve units to conduct 21st century operations; however, implementation plans for these initiatives are still evolving, funding plans lack sufficient details and could change, and the risks associated with the initiatives have not been clearly identified. As a result, the potential impact of these initiatives on the reserve components' sustainability as part of a 21st century operational force is very uncertain. Further details about how both these initiatives will work are critical so that national decision makers can make accurate assessments, manage risk, and ensure that the initiatives will result in a sustainable model for the reserves that will provide adequate levels of readiness commensurate with expected roles and missions of the Army National Guard and Reserves.

Army's Plans to Transform Its Forces into Modular Brigades Face Significant Personnel and Equipment Challenges

The Army considers its modular force transformation the most extensive restructuring it has undertaken since World War II. Restructuring the Army from a division-based force to a force of modular brigades that are intended to be more rapidly deployable and better able to conduct joint operations will require extensive investments in equipment and retraining of personnel. The Army currently estimates this initiative will cost \$52.5 billion, including \$41 billion for new equipment. These funds are intended to cover the costs for equipping, training, and procuring new facilities for active, reserve, and National Guard units—including those designed for combat, support, and headquarters functions. The Army estimated in June 2005 that it would cost about \$15.6 billion to convert the Army National Guard's units.

We have given testimony that although the Army is making progress in creating modular units, it faces significant challenges in managing costs and meeting equipment and personnel requirements associated with modular restructuring in both the active and reserve components.¹⁴ Specifically, we have noted that it is not clear to what extent the Army can achieve the expected capabilities of the new modular units within its cost estimate and planned time frames for completing unit conversions. As of April 2006, the Army had not met its near-term equipping goals for its active modular combat brigades, which have traditionally been equipped at a higher level than most reserve component units. In both the active

¹⁴ GAO, *Force Structure: Capabilities and Cost of Army Modular Force Remain Uncertain*, [GAO-06-548T](#) (Washington, D.C.: Apr. 4, 2006).

component and Army National Guard, combat brigades will initially lack some of the key equipment that Army force design analyses determined were essential for achieving their planned capabilities. This will occur because the Army's plans to fund new equipment for its modular force do not match the schedule for converting units to new modular organizational designs.

In addition, we have also reported that the Army will face greater challenges in meeting its modular equipping requirements for its 28 planned National Guard combat brigades.¹⁵ Army National Guard and Army Reserve units will start their modular conversions with less and much older equipment than most active units. This will add to the challenge the Army faces in achieving its plans and timelines for equipping Army National Guard units at comparable levels to active units. The Army plans to spend a total of \$21 billion cumulatively over the next few years on Army National Guard equipment and \$3.8 billion on Army Reserve equipment. However, Army National Guard officials believe that even after the Army's planned investment, the Army National Guard will have to accept risk in certain equipment, such as tactical wheeled vehicles, aircraft, and force protection equipment.

In the near term, modular conversions will likely exacerbate current equipment shortfalls in the Army National Guard. First, according to current Army plans, the units are expected to convert to their new designs with the equipment they have on hand. However, because of existing shortages and the large number of equipment items that deployed units left in Iraq or that need repair or replacement because of heavy use, units will not have equipment needed for the Army's modular unit designs. For example, converted Army National Guard units initially expect to be without some equipment items that provide the basis for the improved capability of the new brigades, such as unmanned aerial vehicles, single channel ground and airborne radio systems, and Javelin antitank missiles. Second, although most Army National Guard units are scheduled to be reorganized by 2008, the Army has not planned funding to provide equipment to the units until 2011 at the earliest, and equipment for ongoing operations may continue to take priority away from replacing equipment of nondeployed units. The lack of detailed plans for equipping Army National Guard units makes it difficult to determine how the Army

¹⁵ [GAO-06-548T](#).

intends to transition these units from the old to the new organizational structure effectively.

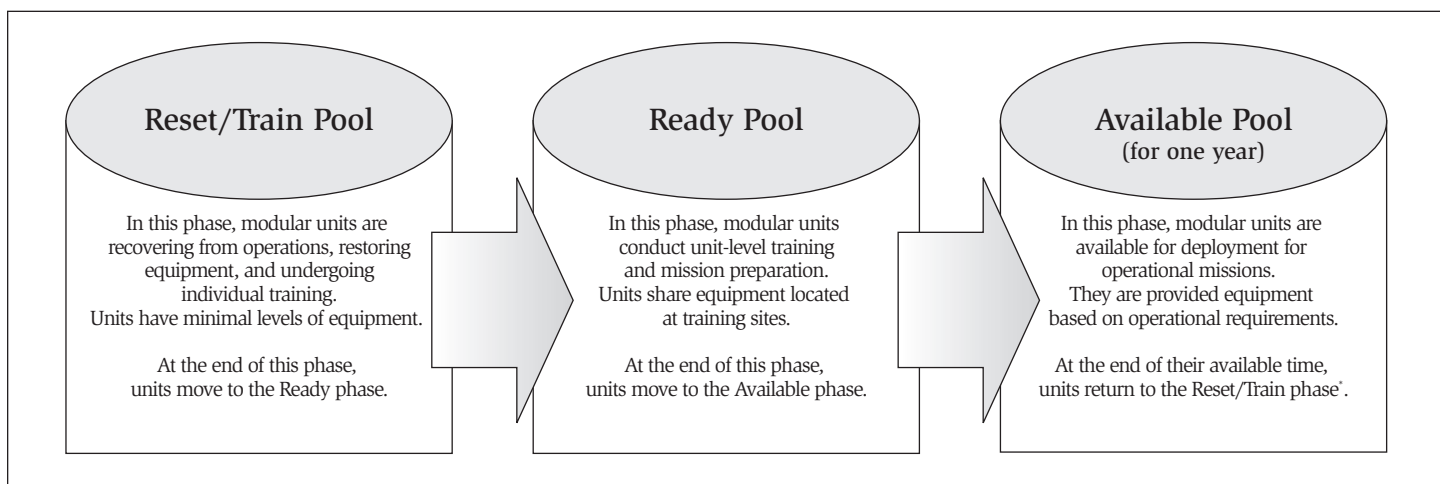
Moreover, our work highlighted several limitations to the Army's cost estimate for Army National Guard modular force conversions.¹⁶ First, the estimate was based on a unit design that is less modern than one the Army plans to use in the near term. Second, the estimate does not include costs for 10 of the Army National Guard's support units or military construction costs associated with its 40 support units. Furthermore, the cost estimates assume that Army National Guard equipment inventories will be at prewar levels and available for modular conversions, which may not be a reasonable assumption given the large amounts of equipment that units have left overseas for which replacement plans have not yet been developed. Supplemental funds for repairing and replacing equipment worn out overseas could help improve reserve equipment levels; however, the amount and duration of the funding that might be allocated to the reserve components is uncertain.

Equipping and Personnel Levels Associated with Army's Force Generation Model Are Unclear

The Army has adopted a new force generation model that is intended to improve units' readiness over time as they move through phased training to prepare for a potential deployment window that would occur once every 5 to 6 years for reserve component units. The early phases of the cycle would entail formation and staffing of the unit and beginning individual and collective training. Figure 2 illustrates the movement of units through reset and train, ready, and available phases.

¹⁶ [GAO-06-548T](#).

Figure 2: Army Proposed Force Generation Model



Source: GAO analysis of Army data.

*The Army's force rotation model proposes that active component units in the Available phase will be available for deployment 1 year in every 3 years, and reserve component units will be available for deployment 1 year in every 6 years.

According to Army officials, providing units increasing amounts of equipment as they move through the phases of the model will enable the Army to better allocate available equipment and help manage risks associated with specific equipment shortages. Under this model, three types of equipment sets—a baseline set, a training set, and a deployment set—would be provided to units as they progress through the cycle. The baseline set would vary by unit type and assigned mission and the equipment it includes could be significantly reduced from the amount called for in the modular brigade design. Training sets would include more of the equipment units need to be ready for deployment, but the equipment would be located at training sites throughout the country and units would not have immediate access to the equipment. The deployment set would include all equipment needed for deployment, including theater-specific equipment. With this cyclical equipping approach, the Army believes it can have up to 14 active combat brigades and up to 5 Army National Guard combat brigades equipped and mission ready at any time.

The Army has developed a general proposal to equip both active and reserve units according to the readiness requirements of each phase of the force generation model, but it has not yet fully determined equipping requirements for units as they progress through the rotational cycles. Specifically, plans do not yet detail the types and quantities of items

required in each phase, and the levels of equipment the deploying and non-deploying units would receive are currently not clear. Therefore, it is difficult to assess the risks or the ability of units in the earlier stages of the cycle to respond to unforeseen crises overseas or domestically, if required. Such unforeseen crises could include both events overseas requiring a U.S. military response or domestic events, such as large-scale natural disasters or terrorist attacks. In either case, reserve units may be expected to contribute units to conduct homeland defense missions or to support civilian authorities. Although the Army has recently worked with the Army National Guard to assess equipment needs for some homeland security scenarios, it is not clear whether Army National Guard units will have sufficient quantities of such equipment during the early phases of the Army's force generation model to respond effectively under each scenario. Further, because the requirements for the military to support civilian authorities in a national crisis have not been determined, there is no yardstick for measuring how ready nondeployed forces are to respond to these potential emergencies.

In 2005 we recommended that the Army define the end state of the units, personnel, skills, and equipment the Army reserve components would need to fit into the Army's modular force and rotational cycle.¹⁷ Although DOD agreed with our recommendations, many questions remain about the risks inherent in the Army's plans. The Army has developed, and continues to refine, a plan that will guide the implementation of its modular unit designs and force generation model. However, to date, the plan has not contained the level of detail needed to define the types and numbers of units that will be required, the process for coordinating the implementation steps of these two initiatives, or the funding streams needed to fully implement them. Until this information is developed, it will not be possible to assess the implementation risks and determine whether the proposed changes will provide the desired objectives of a more capable, flexible, and expeditionary force with reserve components fully ready for deployments no more than once in 5 or 6 years.

Concluding Observations

While strategies such as transferring large numbers of Army reserve component equipment and personnel from non-deploying units to deploying units and leaving reserve component equipment overseas have met DOD's immediate needs to support overseas operations, these strategies are not sustainable over the long term. Growing equipment and

¹⁷ [GAO-05-660](#) and [GAO-06-111](#).

personnel shortages in nondeployed units are symptoms of an outdated model for balancing reserve unit capabilities, costs, and risks. While DOD's strategies for supporting Army reserve component units during the Cold War may have been appropriate to that era, significant changes in the national security environment have led to greater use of the Army reserve components on an ongoing basis and spurred the need for a comprehensive reassessment of reserve component equipping, personnel, and training policies. In the absence of a comprehensive reassessment and development of a new model that matches requirements and resources with expected roles and missions, trends toward declining equipment and personnel readiness could persist well into the future and Army reserve component units may not be as well prepared for future overseas and homeland security missions as expected. For example, at a time when threats to the nation from terrorist attacks have increased, the Army National Guard has less equipment than it did in 2002 with which to respond to natural or man-made events that could potentially be catastrophic. Although DOD and the Army have some initiatives under way to enhance Army reserve component readiness, they have not yet fully developed a comprehensive model for managing personnel, equipment, and training in light of the Army reserve components' new operational role.

The Army's key initiatives of building a modular force and establishing a cyclical force generation model represent important changes in how the reserve components will be organized and will operate in the future. However, many questions remain about how these initiatives will affect reserve component readiness. Until the Army develops a more detailed implementation plan that identifies equipment, personnel, and training requirements that are consistent with the Army reserve components' new operational roles, and until funding requirements to provide an acceptable and affordable level of readiness are identified, the Army's reserve components will continue to be challenged to support ongoing operations or prepare for the future. Moreover, until the details of such a plan are communicated to a broader audience, national-level decision makers will not have sufficient information with which to assess DOD's progress and performance in transforming the Army reserve components.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions you or other members of the Commission may have.

Contact and Acknowledgments

For more information regarding this testimony, please contact Janet St. Laurent at (202) 512-4402 or stlaurentj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this testimony. Individuals making key contributions to this testimony include Margaret Morgan, Assistant Director; Alissa Czyz; Paul Gvoth; Nicole Harms; Catherine Humphries; David Marroni; Terry Richardson; John Van Schaik; and Suzanne Wren.

Related GAO Products

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