

*THE FUTURE OF THE NATIONAL
GUARD AND RESERVES*

THE BEYOND GOLDWATER-NICHOLS PHASE III REPORT

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EXECUTIVE SUMMARY

The way the United States uses its National Guard and Reserves has been evolving over the last decade, but for many of those years the changes went unnoticed, even by members of the defense community. With the September 11 attacks and subsequent operations in Afghanistan and Iraq, however, the curtain has been raised on this process of transformation. Americans now see that the National Guard and Reserves are not just waiting in the wings in case the country goes to war, but rather are already an integral part of the military's operational force deployed around the world.

Is this remarkable change a short-term reaction to current events, or is it an appropriate shift for the longer term in light of future security challenges? How should the Reserve Component (RC) be organized, trained, and equipped to carry out the roles and missions of the future? What does it mean today to serve as a citizen-soldier, and does the social compact between the Department of Defense (DoD), RC members, their families, and their employers reflect these realities? In early 2005, the International Security Program (ISP) at the Center for Strategic and International Studies (CSIS) began an examination of these important issues as part of its ongoing Beyond Goldwater-Nichols project. The Guard and Reserve study team's goal was to provide practical, actionable recommendations to DoD to help shape the Reserve Component effectively for the future.

This study examined all seven reserve components – the Army and Air National Guards, the Army Reserve, the Air Force Reserve, the Navy Reserve, the Marine Corps Reserve and the Coast Guard Reserve – and focused on the core strategic issues that will form the future building blocks of a sound, sustainable Reserve Component. A core theme of the study is that the Reserve Component is not monolithic, and there are few, if any, one-size-fits-all solutions. Many of the recommendations in the study are most relevant to the Army National Guard and the Army Reserve because the challenges inherent in transitioning to serving as part of an operational force are greatest for these two reserve components, but others are applicable at least conceptually for all seven Reserve Component organizations. The study makes more than forty findings and recommendations on a wide range of issues of strategic importance to the Reserve Component. At the same time, it recognizes that many issues remain that require serious study and attention over the next several years.

The health of the nation's Reserve Component today and in the future is not a boutique issue that is only relevant for a small group of defense experts in and around the Pentagon. The future of the Reserve Component is an issue of strategic national

importance. The U.S. military cannot do all it is asked to do without relying on the Reserve Component. If the Reserve Component is not re-envisioned to support the significant role it is being asked to play as part of the operational force, it will begin to falter – the question is merely when this will start to happen. Combat effectiveness will begin to erode, recruiting and retention will suffer, and, over time, any portion of the load the Reserve Component can no longer carry will fall right back on the shoulders of the active force. It is not an overstatement to say that as goes the health of the Reserve Component, so goes the health of the all-volunteer force. Building and sustaining a healthy Reserve Component will require far more resources than DoD currently plans to spend on the National Guard and Reserves, but these resources must be found if the United States intends to maintain the military it needs to prevail in the years ahead.

RECOMMENDATIONS

The study's findings and recommendations are grouped in six key areas: roles and missions, force structure, employment of the Reserve Component as part of the operational force, the Reserve Component in homeland defense and civil support, recruiting and retention, and adapting the social compact. Chapters One through Six of the report discuss all of the recommendations in detail, but the major study findings and recommendations are summarized below in an effort to highlight the key challenges that lie ahead.

ROLES AND MISSIONS

- *Demand for U.S. military forces in the future will remain high.* While the demand for U.S. military forces is not likely to remain as high as it is in 2006, the security environment is complex and the military is likely to continue to play a prominent role in implementing the national security strategy. The United States is almost certain to need forces in Iraq and Afghanistan for many years, in addition to other deployments in the former Yugoslavia, Guantanamo, the Horn of Africa, and elsewhere. Moreover, the military will need to be prepared to respond to potential catastrophic events here at home as well as to unforeseen events overseas. This finding has important implications for the Guard and Reserves and drives several subsequent recommendations.

- *The Guard and Reserves need to remain multi-mission capable, but put less emphasis on conventional campaigns.* Coupled with the need for significant numbers of military forces in the future, the national security strategy also requires a military capable of executing a wide range of different kinds of military missions. In this context, it does not make sense to focus the Reserve Component exclusively on one or two missions. The Reserve Component should remain multi-mission capable, but also should broaden its focus to include irregular warfare and preparing for catastrophic or disruptive challenges, just as the active duty military is doing. It is time to move beyond the historical focus on fighting “the big war,” and place more emphasis on missions like stability operations and homeland defense and civil support.

- *Employing the Reserve Component as part of the operational force is mandatory, not a choice.* DoD cannot meet today’s operational requirements without drawing significantly on the Reserve Component. Because the demand for military forces is likely to remain high, and because the active military is not likely to expand dramatically for a range of demographic and budgetary reasons, DoD will have to continue using the RC as part of the operational force to get the job done. This is particularly true for the Army and Air Force. While this paradigm shift away from a purely strategic reserve model is an imperative, it is by no means a risk-free endeavor – and if the shift is not made successfully, the strength of the military as a whole will suffer.

FORCE STRUCTURE

- *The Army – active and reserve – needs more combat structure, not less.* The Army in 2006 is already stretched thin, and given what may lie ahead in terms of the level and complexity of future demand for military forces, the Army needs at least 43 active brigade combat teams (BCTs) and 34 Guard BCTs in the near-term. Ideally the Army would grow four to five additional brigade combat teams on the active side over the longer term. A larger Army would provide a greater ability to surge to meet future requirements without immediately breaking force management policies that are designed to bolster retention. It would also hedge against risk if the transition to a more operational Army Guard and Reserve goes less smoothly than planned.

EMPLOYING THE RESERVE COMPONENT IN THE OPERATIONAL FORCE

- *DoD must provide the funding and institutional support to enable the transition to using the RC, particularly the Army reserve components, as part of the operational force.* The Army's decision to move to a rotational model that will routinely generate more readily deployable RC forces is a welcome development, but the program appears under-developed and under-resourced. Even with funding in the FY07-FY11 Future Years Defense Plan (FYDP), DoD needs to provide at least \$13 billion more over the next six years to reset Army Guard and Reserve equipment from ongoing operations, modernize the equipment they received under the "tiered readiness" strategy of years past, and cover all of the costs of creating the new modular BCTs and multifunctional support brigades. Additional training days and personnel, as well as other institutional support to implement the transition to an operational reserve model are also needed.

- *Partnership, not competition, should guide the AC/RC policy and budget development process.* Routine employment of the Guard and Reserves as part of the operational force should strengthen partnerships between the active and reserve components within each Service and create renewed incentives to approach budget and policy challenges as teammates rather than competitors. In view of growing real-world incentives to act as partners, as well as the National Guard community's influence in the states and in Congress, senior DoD civilian and military leaders should consistently include Guard and Reserve leaders early on during critical policy and budgetary debates and decisions. Exclusionary internal DoD processes will only lead to divisive external battles during the Congressional budget process. Elevating the Chief of the National Guard Bureau to the rank of General or adding the Chief, NGB to the Joint Chiefs of Staff would not necessarily give the National Guard a greater voice in these debates, and would send the counterproductive signal that the National Guard is a separate military service, rather than an integral part of the federal Army and Air Force in most military operations.

RESERVE COMPONENT IN HOMELAND DEFENSE AND CIVIL SUPPORT

- *DoD needs to accept civil support as a central mission and act accordingly.* Almost five years after the September 11 attacks, DoD continues to hold the civil support mission at arm's length. If protecting the homeland is really the top priority, DoD needs to start planning, programming and budgeting for the mission. This

includes determining where the National Guard and Reserves fit into the picture and what kind of training and equipment they need.

- *Leverage the National Guard to form the backbone of regional Civil Support Forces.* A crucial missing piece in the existing national preparedness system is regional planning, training, and exercising. The National Guard provides a robust infrastructure on which to build and is one that is controlled in most scenarios by the state governor. The study recommends dual-hatting one of the existing Guard state joint force headquarters in each of the ten FEMA regions as the headquarters for what could ultimately become an interagency regional entity responsible for organizing and coordinating regional planning, training, and exercising. These ten Civil Support Forces (CSF) headquarters also would have response forces assigned to them, drawn from the state Guards in each region. In peacetime they would work for their own state governors, but in a crisis, they could deploy and work for any governor in the region who has been attacked, or for U.S. Northern Command (NORTHCOM) if they are placed in Title 10 status. For one year in their rotation cycle, these Civil Support Forces would focus on being ready to respond to a domestic catastrophic event, and the troops in these units would not be eligible to deploy overseas. While the CSFs would provide a dedicated capability for catastrophic response that is grounded in the federalist system, they would not turn the National Guard into an exclusively homeland defense force, permanently focus certain units only on homeland defense, or break the overseas rotation base.

- *Appoint a National Guard general officer as Deputy Commander of NORTHCOM.* Recognizing that the National Guard is likely to form a significant component of any response force to a major event in the United States it makes sense to have a senior leader from the Guard community directly in the NORTHCOM chain of command to ensure the capabilities, culture and constraints of the Guard are well understood, and to build partnerships among NORTHCOM, the states and territories, and the National Guard Bureau. Reserving the Deputy Commander position for the National Guard may not be necessary over time as NORTHCOM matures as a combatant command, but this appointment will make the command more effective in the near term.

- *Designate the Chief of the National Guard Bureau (CNGB) as the principal adviser to the Secretary of Defense for matters concerning the National Guard in homeland security, homeland defense, and civil support missions.* Congress should amend Title 10 to make the NGB Chief the principal adviser to the Secretary of Defense for all matters concerning the National Guard role in homeland security, homeland defense, and civil support. When the Guard is called to serve in state active duty status

or under Title 32 for domestic missions, it is fulfilling its role as the nation's militia rather than serving as part of the federal Army and Air Force. For such missions, it is wholly appropriate for the Chief to advise the Secretary of Defense directly. The Chief would continue to be the principal adviser to the Secretaries of the Army and Air Force on all other Guard matters. Ensuring that the National Guard is well-integrated into DoD's broader homeland defense and civil support plans and policies, and that the Guard is sufficiently trained and equipped for these missions, is critically important. Allowing the CNGB to advise the Secretary of Defense directly will reduce the potential for the Guard's role in these areas to be neglected in favor of missions of greater importance to the Army and Air Force.

RECRUITING AND RETENTION

- *Shield prior service personnel from deployments for a two year period upon joining the National Guard or Reserves.* In order to attract prior service personnel to serve, the Reserves and National Guard should offer a contract that would guarantee prior service personnel at least two years at home prior to being called up with their Guard or Reserve unit. National Guard units in a number of states have recently adopted this approach, and DoD should encourage its use by all reserve components.

- *Make service in the National Guard and Reserves a path to accelerated U.S. citizenship for legal immigrants.* In July 2002, President Bush signed an Executive Order that accelerates the citizenship process for legal permanent residents (Green Card holders) who enlist in the active duty military, or reservists who deploy to Operation Enduring Freedom/Operation Iraqi Freedom. As the United States moves to a system that envisions routine use of RC members as part of the operational force, this program should be expanded to include accelerated citizenship for *all* RC members who hold Green Cards.

- *Allow Guard and Reserve recruits to attend college without risk of activation in exchange for a longer period of service.* As in the case of prior service personnel, the Guard and Reserves should protect reservists who are full-time students in the midst of getting their college degrees from the risk of having to interrupt their studies due to mobilization. This would remove a significant barrier to the recruiting of college-bound or enrolled individuals and would increase the Reserve Component's ability to attract high quality recruits.

- *Keep the average total length of mobilization to no more than a year.* Although longer tours of duty may be optimal for some types of operations, such as stability operations, longer mobilizations are frequently cited as a major source of dissatisfaction by RC personnel and their families. In implementing the operational reserve concept, the services need to strike a balance between mission needs and the needs of RC members and their families. They should aim to keep total mobilization time to one year or less in order to enhance predictability and reduce the burden on families and employers.

- *Allow Guard and Reserve personnel to transfer educational benefits to spouses.* Recent survey data suggests both a significant drop in spousal support for participation in the Guard and Reserves and the substantial influence of spouses on RC members who are deciding whether to stay in the military. In order to retain spousal support for a more operational reserve, the military services need to provide more tangible incentives for spouses to “buy in” to service in the Reserve Component. Specifically, educational benefits available to RC members, such as tuition assistance, should be made transferable to their spouses.

ADAPTING THE SOCIAL COMPACT

- *DoD needs to flesh out and implement the Continuum of Service approach.* The old “one size fits all” approach to service in the Reserve Component no longer works. DoD needs a much more flexible system to bring RC members on to active duty, access RC members more easily and make it easier for more people to serve in new and different ways. Such a system will require more flexible mobilization, compensation and human resource management authorities. The cornerstone to making the continuum of service approach work is integrated pay and personnel systems for active and RC personnel. Drawing what they can from both the Defense Integrated Management Human Resource System (DIMHRS) and the Marine Corps experience, the Army, Air Force and Navy should have their own integrated personnel and pay systems in place within the next two years. These systems should be designed to manage all of the human resources in a given service – active, reserve and National Guard – and to enable seamless transitions between different duty statuses.

- *Efforts should be accelerated to develop an “intensive reserve” that enables RC members to serve above and beyond once every five to six years and to leverage personnel in key specialty areas.* DoD should give priority to expanding the number and type of variable participation of reservists at the unit level (VPR-U) pilot programs

underway and should consider offering enhanced compensation for those willing to sign contracts obligating them to additional service. The services, particularly the Army, should also expand their direct entry Individual Ready Reserve (IRR) programs beyond linguists and wireless engineers to other high demand areas such as Civil Affairs, country and regional specialists, and other types of information technology specialists. The services should also seek to develop and expand Sponsored Reserve relationships with private industry.

- ***The Army, Navy, and Air Force should revitalize their IRR programs.*** These services should begin culling existing IRR databases and launching a full court press to obtain valid contact information for those who have accepted or are willing to accept a legal obligation to serve. Going forward, the IRR obligation of individual service members needs to be clarified in their initial contracts and each service needs to invest more resources in keeping its IRR viable.

- ***Retain the current Reserve Component healthcare benefit without further expansion.*** The expanded TRICARE Reserve Select program clearly demonstrates the Congress' desire to provide an enhanced RC healthcare benefit for the Selected Reserve, but does so without the benefit of significant research and cost/benefit analysis that should be the foundation of an entitlement policy of this magnitude. The existing benefit – which compares favorably to many private sector health plans and is very costly for DoD – should not be expanded further, at least until more data can be collected to understand fully the costs and benefits of such changes. Every dollar the nation spends enhancing the existing health care benefit further is a dollar that is not spent on equipment and training – equally important pieces of the social compact with RC members.

- ***Retain the current reserve retirement system until it can be demonstrated that modifying this system would likely enhance recruiting and retention.*** Reducing the age at which RC members could collect retirement or allowing RC members to collect their annuities after twenty years of service would likely harm efforts to retain RC personnel with many years of valuable experience in the force, and would do little to enhance recruiting. Not only would allowing RC members to collect retirement benefits earlier reduce the experience base in the Reserve Component, such a change would also be extremely costly for the Department of Defense. The existing retirement system should be retained until changes can be linked to positive recruiting and retention developments.

INTRODUCTION

Although the Reserve Component historically has been viewed as a force of last resort, one that should be mobilized only if the nation entered a major war and found that its active military needed substantial reinforcement, since the mid-1990s, the Department of Defense (DoD) has increasingly relied on Reserve Component forces for a variety of military missions at home and abroad. The trend spiked dramatically in the days after the attacks of September 11, 2001 on the World Trade Center and the Pentagon. The Reserve Component annually provided on average about 12.5 million man-days of duty throughout the 1990s. By 2003, with RC members performing missions as part of operations in Afghanistan and then in Iraq, RC members provided almost 63 million man-days of duty – almost five times the annual contribution of the RC during the last decade.¹

FIGURE A

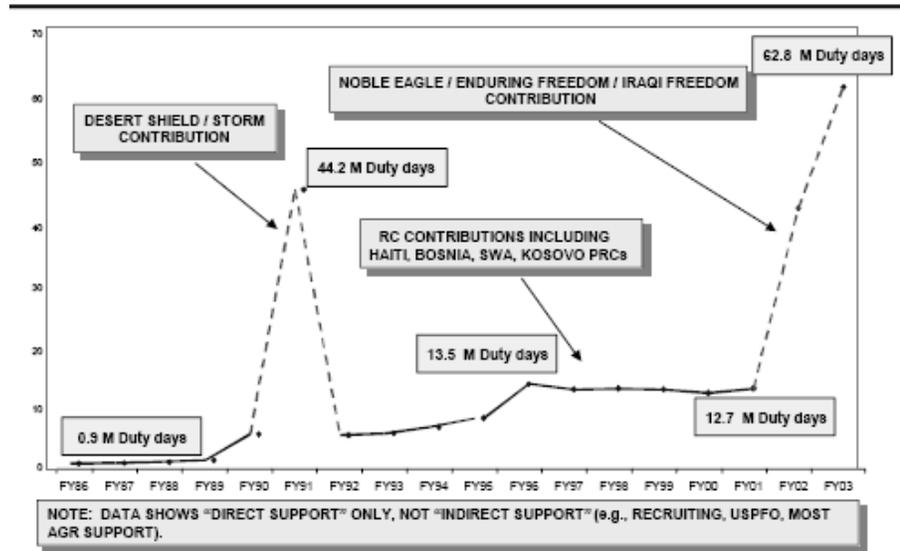


Figure 1. Reserve Component Support to Total Force Missions

Reserve Component Utilization - FY86 to FY03.

Source: Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization), *Rebalancing Forces: Easing the Stress on the Guard and Reserves*, January 15, 2004, p.2.

These developments have raised important questions for national security professionals and policymakers. Will the National Guard and federal Reserve forces continue to have such a prominent role in the nation's defense tool kit, or have the last five years been an anomaly? Can the nation use its Reserve Component in new ways without changing the way it organizes trains and equips those forces? What should be the core tenets of the social compact between the Department of Defense and its Reserve Component members?

¹ Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization), *Rebalancing Forces: Easing the Stress on the Guard and Reserve*, January 15, 2004, p. 2.

Under the auspices of its Beyond Goldwater-Nichols project, the Center for Strategic and International Studies (CSIS) began in 2005 a study on the future of the National Guard and Reserves to examine these questions in detail. The goal was to develop practical, actionable recommendations designed to help policy makers in DoD and in Congress ensure that the United States is able to maintain a healthy Reserve Component well into the future.

The entire Reserve Component today faces a wide range of challenges – though not every challenge affects each Service’s Reserve Component equally or in the same way. Stories of deployments overseas and long tours away from home and work for RC members fill the pages of newspapers around the country. The August 2005 combat deaths of 20 members of the 3rd Battalion, 25th Marines, a Marine Corps Reserve unit based in Brook Park, Ohio, was national news that highlighted the RC’s significant contributions – and sacrifices – in Iraq.² Equipment shortfalls, both overseas and at home, are making it difficult for certain reserve components to field combat-ready units to deploy overseas and to ensure meaningful training to units returning home to the United States. The response to Hurricane Katrina sparked renewed debate over how the National Guard and Reserves should balance their missions overseas with their responsibilities at home.

The current Reserve Component force is also aging, with some Service reserve components having more than 20 percent of their members within a year or two of being eligible for retirement. At the same time recruiting for the RC has become increasingly difficult. Four of the seven Service reserve components did not meet their recruiting goals in 2005, and while the recruiting picture has showed some signs of improvement in 2006, challenges clearly remain.

Finally, at a time when the nation is asking more of RC members than ever before, Guard and Reserve soldiers are asking questions about the adequacy of their compensation, health care, and retirement benefits. Anecdotes abound concerning RC members whose families cannot find doctors under the TRICARE system or who are losing their small business due to a long deployment.

The United States Reserve Component is at a crossroads. It is not clear that the Reserve Component that saw the nation through the Cold War, ready to mobilize to fight the Soviet Union on the plains of Europe, is equally well-suited to see the country through the next ten to twenty years. A new vision for the Reserve Component is

² The News Hour with Jim Lehrer, *Town Mourns Fallen Marines*, PBS, August 9, 2005 (http://www.pbs.org/newshour/bb/military/july-dec05/ohio_8-09.html).

AN OVERVIEW OF THE NATIONAL GUARD

The Reserve Component (RC) is comprised of two distinct types of forces – the National Guard and federal Reserve forces – and seven different military organizations: the Army National Guard (ARNG), the Air National Guard (ANG), the Army Reserve (USAR), the Navy Reserve (USNR), the Marine Corps Reserve (USMCR), the Air Force Reserve (USAFR), and the Coast Guard Reserve (USCGR). Each of these organizations has its own distinct history, culture, and military capabilities, but they all rely on the willingness of members of the American public to serve as citizen-soldiers.

With its roots firmly planted in the militias of the American Colonial period, the National Guard predates the formation of the United States as a nation. Article I of the U.S. Constitution provides the legal foundation for the nation's navy and army, as well as its militia, which is the National Guard of the several states and territories. Because of its unique status, relative to the other reserve components, as the nation's militia, the National Guard plays both a federal role and a state role. Under Title 10 of the U.S. Code, the Army and Air National Guards can be mobilized as part of the federal Army and Air Force. When members of the National Guard are mobilized under Title 10, they report through the federal military chain of command to the President. The National Guard can also be called up by state governors in state active duty status or under Title 32 of the U.S. Code, which allows state governors to maintain operational control over National Guard members while the costs of Title 32 operations are paid for by the Department of Defense. Because the National Guard can perform missions in state active duty status or under Title 32, they also are not subject to the Posse Comitatus Act, which prohibits members of the federal military from performing law enforcement missions. The legal authorities governing the National Guard and the Guard's relationship to state governors and state governments is a defining characteristic of the Guard with profound implications that shapes its relationship with the Army and Air Force, and its role in homeland security.

With over 340,000 people in the Army National Guard and 105,000 people in the Air National Guard, the National Guard represents a very significant portion of the Reserve Component. The Army National Guard includes a mix of combat arms, combat support, and combat service support units and offers a wide range of capabilities to state governors and to the active Army. More than 150,000 Army guard members have been mobilized since the September 11 attacks and have served in Iraq, Afghanistan, Guantanamo Bay, the former Yugoslavia and many other locations around the world.

The Air National Guard includes fighter aircraft, strategic and theater airlift, special operations capabilities, refueling aircraft, and a wide range of support functions, such as air traffic control and weather information. The Air National Guard provides almost 60 percent of all the aircraft for Operation Noble Eagle, the mission to maintain air sovereignty over the United States, and provided more than 30 percent of the fighter aircraft for Operation Iraqi Freedom and Operation Enduring Freedom in Afghanistan.

needed – one that encompasses different roles and missions, different ways of organizing, equipping and training the RC, and different ways to honor the social compact among DoD, RC members, their families, and their employers. Recognizing that the Reserve Component is not monolithic, and is in fact made of seven very different organizations, this new vision cannot be “one size fits all,” but rather needs to be sufficiently flexible to enable each organization to tailor the core elements of the vision to reflect its unique culture and capabilities.

The Guard and Reserve study team established three working groups to examine the many issues associated with building and sustaining a healthy Reserve Component. The first working group focused on roles and missions for the Reserve Component, the second considered how to organize, train and equip the Reserve Component in the future, and the third examined whether and how to adapt the social compact with RC members. The working groups were comprised largely of former DoD officials, military officers, and defense experts with significant experience in Guard and Reserve issues, but they also included adjutant generals and representatives of state government and the business community. Appendix B contains a list of all of the individuals who served on one or more of the groups.

These working groups helped the Guard and Reserve study team identify the key problem areas, frame problems effectively, and analyze potential solutions. They served as critical sounding boards for the study team and were sources of invaluable insight. While the Guard and Reserve study team sought feedback from working group members on the entire study, it did not seek to achieve consensus on recommendations, indeed, while the report draws extensively from the working group discussion, it is unlikely any member agrees with all of the recommendations in the report.

The study team also conducted many interviews with relevant organizations inside and outside the Pentagon and tried to leverage good ideas and proposals that have been put forth in recent reports and papers on the Reserve Component.

As a final step prior to releasing this report, the Guard and Reserve study team vetted its draft findings and recommendations extensively with a wide range of stakeholders in the Office of the Secretary of Defense, the military Services and the broader defense community. This vetting process, a hallmark of the Beyond Goldwater-Nichols project, offers the opportunity to share study ideas directly with those who are most responsible for the health of the Reserve Component – and in the process build consensus for change where it is most needed.

AN OVERVIEW OF THE FEDERAL RESERVES

While the roots of the federal Reserves do not go back quite as far in American history as those of the National Guard, the federal volunteer concept dates to the mid-nineteenth century, and the framework for the modern federal Reserve Component dates to the early twentieth century with passage of the Dick Act in 1903, the National Defense Act in 1916, and the National Defense Act of 1920. These three statutes provided for the establishment of federal Reserve forces that would primarily consist of support, specialist and technical missions and established the Reserve Officers Training Corps (ROTC) program.

The U.S. Army Reserve, with more than 180,000 Selected Reserve members, provides almost exclusively combat support and combat service support capabilities to the active Army, with a particular emphasis on medical units, civil affairs and psychological operations units, transportation units, and a range of other support functions. The Air Force Reserve provides fighter and bomber aircraft and crews, rescue, reconnaissance, and special operations capabilities, as well as airlift and refueling aircraft and crews. The USAFR provides 50 percent of the Air Force's entire strategic airlift capability and almost a quarter of its refueling capability.

The Navy Reserve, with about 70,000 Selected Reserve members, has both naval surface and aviation capabilities and provides a mix of combat and support capabilities to the active Navy. The Navy has traditionally relied on the Navy Reserve to help it flesh out crews and shore establishment functions rather than to mobilize larger Selected Reserve units for particular operations. The Marine Corps Reserve, with about 39,000 Selected Reserve members, provides combat and combat support capabilities to the active Marine Corps. The USMCR is organized into an aircraft wing, a ground force division, and a support group. About a quarter of the total Marine Corps ground and aviation combat capability resides in the Marine Corps Reserves. The Coast Guard, the smallest of the seven reserve components, is comprised of about 9,000 Selected Reserve members, and unlike all of the other reserve components, the Coast Guard Reserve is fully integrated into the active Coast Guard. More than 85 percent of the Coast Guard's selected reservists report directly to an active Coast Guard command. The Coast Guard Reserve provides law enforcement and coastal patrol capabilities and also provides port security units for overseas.

While the study examined issues facing all seven Service reserve components, the team found that the most pressing challenges for the Reserve Component as a whole do not affect the Service reserve components equally. Changing roles and missions are likely to affect each Service reserve component to some degree, but they will have the greatest implications for the Army Reserve and the National Guard. This is partly due to the strain recent operations have put on the Army as a whole, but also is related to the Army's large size, its unit-focused perspective, and the long-standing and deep cultural divide between its active and reserve forces.

Similarly, while the Air Force's reserve components have already been functioning largely as part of the operational Air Force for several years, the imperative to transition from a strategic reserve to a model that relies on the reserve components to serve routinely as part of the operational force — often called an “operational reserve” — will affect the Army's Reserve Components in fundamental ways. Because of the unique state role of the National Guard, defining the role of the Reserve Component in homeland defense and civil support and organizing the RC for this mission is likely to affect the Army and Air National Guards more than the other five Service Reserve Components. Finally, although not every part of the Reserve Component will see dramatic changes in how it is organized or employed in the future, the social compact governing every RC member's relationship with DoD must be transformed.

The first chapter of this report explores future roles and missions for the Reserve Component. Chapters Two through Six discuss force structure issues, resource constraints and their implications for the Reserve Component, shifting the Army to an operational reserve model, the role of the Reserve Component in homeland defense and civil support, and adapting the social compact for the 21st century. Each chapter will review the major problems in each issue area and propose recommendations geared toward solving them.

CHAPTER ONE

FUTURE ROLES AND MISSIONS FOR THE RESERVE COMPONENT

Throughout the Cold War, the role of the citizen-soldier was twofold. First, the citizen-soldier could be counted on to transition to active duty in the event that a major war proved to be longer or more difficult than originally envisioned by the nation's leaders. Put simply, if World War III broke out, the Department of Defense (DoD) would turn to members of the Reserve Component to leave their civilian lives and fight the Soviets in Europe or their proxies in other parts of the world. Short of a major war, citizen-soldiers were "weekend warriors" and were rarely called upon to serve alongside their Active Component counterparts.

This vision for the Reserve Component came to be known as the "strategic reserve." While certain specialized units of the different reserve components might be mobilized for specific operations, or some RC members might volunteer for duty on occasion – such as civilian pilots who welcomed the opportunity to fly – the vast majority of the Reserve Component was not used on a regular basis. As such, most reserve components were funded and equipped at lower levels than their active duty counterparts. Reserve Component units that were included in one of the war plans received the most resources under the "first to fight" funding rule, but many units did not even appear in the plans.

The Reserve Component was not used on a large scale for much of the period after the Vietnam War until the summer of 1990, when President George H.W. Bush called-up the Reserve Component as the U.S. military prepared to execute Operation Desert Storm. The use of significant numbers of Reserve Component soldiers in the first Gulf War appeared to be something of an anomaly, as it was quickly followed by the fall of the Soviet Union and the end of the Cold War, and thus the collapse of one of the most fundamental justifications for the strategic reserve.¹ The United States appeared to be entering a period of relative strategic calm, with most attention in defense circles focused on drawing down the size of the U.S. military.

Yet, by the mid-1990s, there were signs that this optimism had been premature.

¹ Over 225,000 members of the Reserve component were called to active duty in support of Operations Desert Shield and Desert Storm.

As conflict and turmoil erupted from Haiti to the Balkans, members of the Reserve Component were called-up to serve in peacekeeping missions around the world throughout the 1990s. While, during the 1980s, the number of duty days served by RC members was about a million days per year, from 1996 to 2000, the average annual number of duty days climbed to about 12 million. The Reserve Component, or at least parts of it, seemed to be taking on a more operational role.

This increasing use of the Reserve Component surged exponentially in the wake of the attacks on the World Trade Center and Pentagon on September 11, 2001. Now policymakers must determine whether the last few years have been exceptions to the rule, or whether the future security environment will necessitate continued heavy reliance on the Reserve Component in the coming years.

A related question is what kinds of missions the Reserve Component should be prepared to fulfill. Historically, most Reserve Component forces were organized, trained, and equipped to support active duty forces in the prosecution of large-scale conventional campaigns.² In practice, however, particularly throughout the 1990s, RC members served in a wide range of peacekeeping and humanitarian missions, shows of force, and engagement programs. One such engagement program has been the National Guard's State Partnership Program, which partners state Guard units with countries around the world to improve interoperability with other militaries and to build partner capabilities across a wide range of military missions, including counterterrorism, counter-narcotics operations, and consequence management.

Despite a wide and varied range of missions over the last ten years, the RC's fundamental focus on the warfighting mission has remained essentially unchanged. As policymakers look to the future, a key question is whether the Reserve Component's mission focus should be expanded and adapted in light of the security challenges the United States may face over the next decade.

MULTIPLE, COMPLEX THREATS AND A ROBUST NATIONAL SECURITY STRATEGY

There is general consensus in the foreign policy and defense community that the current and likely future security environment is characterized by a highly diverse and

² While the federal reserves were devoted almost exclusively to this mission, the National Guard, with its unique relationship to state governors, also was expected to perform state missions such as military support to civil authorities in the event of natural disasters or civil disturbances.

challenging range of threats. In December 2004, the National Intelligence Council issued a report that described an array of threats and trends that will shape U.S. national security policy: widespread insecurity in the international system due to terrorism, failing states, and the continued spread of weapons of mass destruction; new challenges to governance, such as reversals to democratization in key regions and the rise of political Islam in countries around the world; the dispersion of critical technologies; rising powers in Asia, such as China and India; and continued globalization that will have far-reaching economic and social implications.³

The Department of Defense explicitly recognized this diversity of threats in its 2006 Quadrennial Defense Review process, insisting that, in order to address irregular challenges such as defeating terrorist networks and insurgency campaigns; disruptive challenges, such as a hostile nation-state that acquires breakthrough technologies; and catastrophic challenges, such as preventing the use of weapons of mass destruction, the United States military will need a wider range of capabilities than it has today and potentially more depth in certain capability areas than others.

The most recent National Security Strategy (NSS), released in March 2006, acknowledges this challenging environment and lays out a robust set of tasks for the nation, including several that will require military forces. These tasks at a minimum include strengthening alliances to defeat global terrorism; working with others to defuse regional conflicts; preventing our enemies from threatening the United States, its friends, and allies with weapons of mass destruction; and expanding the circle of development by opening societies.⁴

INCREASING RESOURCE PRESSURES ON THE U.S. MILITARY

At the same time that the country faces a wide range of threats and a challenging set of national objectives, the U.S. military is facing a growing set of resource pressures that are taxing it as an institution in terms of how it operates, what it can do, and how much it can accomplish overseas and at home. While the current DoD spending plan projects that defense spending will exceed \$450 billion by 2008, and continue to grow in later years, the Office of Management and Budget (OMB) is struggling to address major cost growth in nondiscretionary programs like Medicare, unanticipated costs associated with Hurricane Katrina, as well as the costs of operations in Iraq, Afghanistan, and

³ National Intelligence Council, *Mapping the Global Future: Report of the National Intelligence Council's 2020 Project*, December 2004.

⁴ The White House, *The National Security Strategy*, March 2006.

heightened security measures at home, which are now estimated to be about \$10 billion per month.⁵ Most in the defense community anticipate that these fiscal challenges will translate into downward pressure on the defense budget in the near future, and the military Services have already reportedly been directed to make major cuts in their budget estimates for the next six-year spending plan.⁶ At the same time, the costs of military personnel continue to rise. The average cost of an active duty soldier is approximately \$112,000 annually.⁷ Increasing personnel costs are becoming a serious concern for the Defense Department because, as personnel costs grow, it gets harder to find resources for modernization efforts and other important programs.

DoD is also struggling to find sufficient numbers of people with the right sets of skills who want to serve and stay in the military. There are a range of reasons for the difficult recruiting and retention environment. For example, large numbers of young men and women who are chronologically eligible to serve in the military do not meet the military's physical, cognitive, or moral standards; more and more young people are going to college right out of high school; the unemployment level is relatively low; and there are many opportunities in the civilian economy that are not only financially competitive with military service, but also appear less risky.

THE NEED FOR A FLEXIBLE, BALANCED RESERVE COMPONENT

As long as the military as a whole continues to face such a demanding security environment, and the active force has little prospect of growing significantly due to resource constraints and demographic trends, the Reserve Component will not be able to specialize in a small number of missions. Fencing the National Guard to serve as a homeland force, for example, is simply not realistic given all that is on the military's plate.

Nor can the Reserve Component, particularly the Army reserve components, continue to focus so heavily on conventional campaigns when it is clear that non-traditional challenges are growing in number and complexity, and the nature of conventional warfare is increasingly complex and fast-paced. As technological advances

⁵ Belasco, Amy, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, Congressional Research Service, RL33110: April 24, 2006, p. 16.

⁶ Sherman, Jason and Jen DiMascio, *England Issues New Fiscal Guidance: Army Braces for \$25 Billion Cut*, Inside the Pentagon, April 20, 2006, p. 21.

⁷ Government Accountability Office, *Military Personnel: DOD Needs to Improve the Transparency and Reassess the Reasonableness, Appropriateness, Affordability, and Sustainability of Its Military Compensation System*, GAO-05-798: July 2005, p. 22.

give the U.S. military growing advantages in terms of combat power and situational awareness, conventional campaigns are becoming more compressed in terms of time. Conventional campaigns in the future will likely not include lengthy periods to amass forces but rather will place a premium on deploying rapidly to the theater and closing on enemy objectives within days and weeks, not months. In light of this reality, active duty forces will, by necessity, shoulder most of the load in conventional campaigns because they are more accessible, more rapidly deployable, and have more time to maintain proficiency in the conduct of large-scale, combined arms operations. Reserve and Guard forces may provide specific combat capabilities for conventional campaigns, such as special operations forces, but they are not likely to be needed in large numbers for conventional campaigns.

The Army Guard and Army Reserve house many of the skill sets and units most needed for irregular warfare, such as stability and reconstruction operations. Infantry soldiers, civil affairs officers, military police, and water purification specialists are exactly the kinds of personnel most needed to restore order and public services in the wake of hostilities. In most cases, it takes time to build political consensus to undertake these types of operations, so there is often more time available to define requirements for forces. RC forces are a better fit for requirements that can be foreseen in advance because they can be given sufficient warning before mobilization to make arrangements to be away from home and work. Additionally, in cases where deployment can be foreseen, there could be more time, if required, to complete post-mobilization training before the actual deployment.

RECOMMENDATION

- *The Reserve Component needs to remain multi-mission capable to ensure it can execute the breadth of tasks required by the NSS, but it should place less emphasis on conventional campaigns and more emphasis on irregular warfare and homeland defense/civil support.*

As a whole, the Reserve Component will need to remain prepared to support the full range of military missions, which includes conventional campaigns, irregular warfare, humanitarian missions, allied and partner capacity-building, homeland defense, and civil support. That said, the degree to which specific Service reserve components contribute to each of these missions will not be the same. Certain Service reserve components may play prominent roles in direct combat operations during large-scale conventional campaigns, while others may focus largely on supporting combat operations by pushing forces out of the United States to the warfighting theater.

To better reflect the capabilities most needed to meet future challenges, and in recognition of what can reasonably be expected from part-time citizen-soldiers, the traditional focus of the Army's reserve components, particularly the Army National Guard, should broaden and rebalance to include more focus on missions such as long-duration stability operations and providing civil support should a catastrophic event occur in the United States.

Reserve Component forces have much to offer in the area of homeland defense and civil support, but have only begun to focus on this mission set, particularly in terms of how Guard and Reserve forces could be used to respond to a catastrophic event. National Guard and Reserve units are located in communities around the country and offer a wide range of relevant capabilities such as transportation, airlift, engineering, construction, logistics, medical and security forces. The Department of Defense and NORTHCOM have not leveraged these capabilities fully, nor have the Guard and Reserves been able to build sufficiently strong relationships with potential emergency response partners at the state, regional and federal levels. Chapter Five will discuss in much more detail the current role of the Guard and Reserves in homeland defense and civil support as well as opportunities to leverage these forces more effectively for this mission.

THE RESERVE COMPONENT AND FUTURE DEMANDS ON THE MILITARY

While the exact demand for military forces in the future is impossible to predict, it seems clear that the military is likely to station forces in many places around the world over the next 10 to 15 years. Reflecting increased demand, the Air Force has lengthened its routine deployments from 90 days to 180 days in many cases. To be able to deploy two Aerospace Expeditionary Forces (AEF) at any given time, the active Air Force already relies on Air Force Reserve and Air National Guard volunteers to provide as much as 20 percent of the flight crews and maintenance personnel. The Navy is sending more and more sailors to perform missions that have traditionally been seen as "boots on the ground" work for the Army and Marines.

The Army in particular is likely to remain under considerable strain in the future. Operations in Iraq and Afghanistan have required from 16 to 20 brigades in the last few years. Even assuming that significant withdrawals of U.S. forces in Iraq will become possible as Iraqi security forces continue to become more capable, the United States is likely to need to station as many as 10 to 12 brigades in Iraq for the foreseeable future in order to maintain a sufficiently secure environment for a stable government to take root.

At the same time, even though the North Atlantic Treaty Organisation (NATO) is sending additional troops to Afghanistan, the United States is still likely to need to keep as many as two brigades there to ensure Afghanistan does not fall back into the hands of the Taliban or other Islamic extremist groups. The peacekeeping mission in Kosovo ties down another brigade of soldiers⁸, and, while the Army has redeployed one of its two brigades in Korea as part of the new global basing posture, the other brigade remains on the Korean peninsula to reassure South Korea and remind North Korea of the U.S. commitment to stability in that region. In addition to these steady-state deployments, the Army also provides forces for counterterrorism operations in places as far away as the Philippines and the Horn of Africa.

Thus, even if there are no surprises, the Army may well have to deploy as many as 14 to 17 brigades to meet requirements around the globe on a steady-state basis. Once the Army's transformation plan to break down its combat divisions into smaller, more deployable, and more interchangeable units is complete, a process called "modularization," the Army will be able to supply 14 of the needed 18 brigade combat teams (BCTs) from active duty forces. This supply of forces is based on the assumption that to be able to recruit and retain a volunteer Army over time, the Army should deploy active duty soldiers no more than once every three years.

It is clear that, unless the broader strategic environment changes significantly in the next few years, the military will not be able to meet all of its mission requirements without drawing significantly and routinely on its reserve components. This is particularly true for the Army, but it is also largely true for the Air Force. Even the Navy and the Marine Corps are relying more heavily on their reserves in certain areas like intelligence and as individual augmentees.

FINDING

- *The Services, particularly the Army, cannot meet likely future demands for forces without drawing substantially and routinely on reserve component forces. Employing RC forces as part of the operational force is a requirement, not a choice.*

The Air Force has relied substantially on its reserve components since at least the

⁸ On January 18, 2006, the 36th Infantry Division, Texas National Guard, took control of Kosovo Multinational Brigade (East) located at Camp Bondsteel, Kosovo. MNB(E) consists of Army National Guardsmen, Reservists, and active duty soldiers from 29 states and territories.

late 1990s, and this partnership is likely to continue if Air Force Reserve and Guard personnel continue to volunteer in substantial numbers. The contribution of Air Force Reserve and Air Guard personnel is so critical to the mission of the Air Force that it is actively looking at new ways to ensure the flow of volunteers remains sufficient to support the AEF construct, particularly in areas like C-130 and JSTARS missions. While less pronounced than in the Air Force, the Navy and Marines also use reservists routinely, and this trend is likely to continue as long as the overall demand for forces remains high. The Navy Reserve, for example, provides more than 50 percent of the intelligence the fleet uses on a daily basis.

The Army's need to rely substantially on its reserve components is a newer phenomenon. Looking to the future, the Army plans to be able to provide 18 brigade combat teams on a steady state basis once modularity is complete. As noted above, 14 of those BCTs will come from active Army forces. The other four BCTs will come from the Army National Guard, based on the premise that Guard forces will be prepared to deploy once every six years. Relying routinely on its reserve components to be able to meet its steady state requirement is a paradigm shift for the U.S. Army, but in view of the range of external pressures on the military, there is simply no way to meet the needs of the national strategy without making this fundamental change.

Making this shift will not be easy. During the late 1990s and into the first year of Operation Iraqi Freedom, there was significant debate over whether moving from a strategic reserve model to an operational reserve model was desirable. Some in the defense community argued that the nature of serving as a citizen-soldier was not compatible with an operational reserve model.⁹ Others had been arguing for some years that the National Guard, or some very significant part of it, should be dedicated to defending the homeland and get out of the business of overseas operations entirely.¹⁰

While the Army will face real challenges in developing and managing reserve components that can continuously and consistently serve as part of an operational force, it is now clear that unless it succeeds in this task, the Army will not be able to assure

⁹ This is an issue that received a considerable amount of debate during this project's roles and missions working group. For additional analysis regarding the use of the Reserve Component see Fautua, David, *Army Citizen-Soldiers: Active, Guard, and Reserve Leaders Remain Silent About Overuse of Reserve Components*, *Armed Forces Journal International*, vol. 138, No. 2 (September 2000), p. 72-74.

¹⁰ See Frank Hoffman's proposal for dedicating three National Guard division equivalents, comprised of 12 "Security Enhancement Brigades," that would be allocated to a new Homeland Security Corps. Hoffman, Frank G, *The Future of the Guard and Reserve: Roles, Missions and Force Structure*, Foreign Policy Research Institute E-notes, February 8, 2005 (<http://www.fpri.org/enotes/20050208.military.hoffman.rolesmissionsforstructure.html>).

future Secretaries of Defense and Presidents that it can meet future requirements for military forces. There are simply not enough active Army forces to limit the role of the Army reserve components to largely that of a strategic reserve, nor are there enough forces to dedicate major portions of the Army RC permanently to homeland defense.

If the transition to an operational reserve is not sufficiently funded, realistically conceived, and well implemented, the Army could find itself unable to provide enough ready forces for future contingencies. The Army Force Generation Model (ARFORGEN), and the Army Reserve's related vision, the Army Reserve Expeditionary Force model (AREF), are strong concepts for making the operational reserve a reality. But to make these concepts succeed, the Army, the Department of Defense, and Congress will have to ensure that the details underlying these plans – the policies and legal authorities, the organizational structures, equipment and training plans, and the many elements of the social compact that comprise the basic contract between DoD, the RC member and his or her family and employers – are fully conceived and funded for as long as DoD needs an operational reserve.

CONCLUSION

In the post 9/11 era, it is clear that the role of the Reserve Component is no longer solely to act as a strategic reserve for the active military if a conventional campaign takes longer or is more difficult than planned. For at least the next ten to fifteen years, the Reserve Component will function as part of the operational force, side-by-side with the active military, while continuing to provide a source of significant additional military manpower in the event the nation mobilizes for full-scale war. This shift is already taking place on the ground in Iraq and Afghanistan, and the Air Force reserve components made this shift definitively in the late 1990s with the inclusion of its reserve components in the Aerospace Expeditionary Forces, but the organizational, budgetary, and policy framework to support the Reserve Component as part of the operational force has not yet been created. Moreover, just as the active military is recalibrating its focus across the range of military missions to include more emphasis on irregular warfare and catastrophic challenges, the Reserve Component needs to place greater emphasis on its contributions to future stability and reconstruction operations and responding to possible catastrophic events at home in the United States. While this recalibration may not result in wholesale force structure changes across the Reserve Component, it will at a minimum have a variety of implications for how the reserve components are organized, trained, and equipped, as well as for how DoD recruits and retains its citizen-soldiers.

CHAPTER TWO

RESERVE COMPONENT FORCE STRUCTURE IN THE 21ST CENTURY

The Reserve Component's force structure, like that of the active military forces, is a product of how each Service reserve component developed over time, how their missions have evolved, and the changing strategic environment itself. The National Guard, with its roots in American history that predate the formation of the United States, is deeply embedded in each of the 50 states and has a proud tradition of unit history and lineage that inevitably shapes any major decisions about its force structure. The Army National Guard includes substantial combat arms structure, as well as combat support and combat service support structure, which can be used for state missions under the command of state governors in state active duty or Title 32 status, or under Title 10 in the service of the nation's Army. Like the Army Guard, the Air National Guard can perform both combat and support missions, and also can be employed either for state missions or for military operations overseas. Although the Air and Army Guards are similar in some ways due to their relationships with state governors, the Air Guard is very different from the Army Guard in that it is quite integrated with the active Air Force and has largely functioned as operational reserve for some time.¹

The federal Reserves of the Army, Air Force, Navy, Marine Corps, and Coast Guard were established in the twentieth century and have evolved over time to have distinct structures and institutional priorities. The Army Reserve, particularly in the wake of the Vietnam War, became largely a combat support and combat service support organization focused on complementing the active Army in major combat operations. The Air Force Reserve, with its focus on airlift and refueling missions, is well-integrated with the active Air Force and, like the Air National Guard, has been functioning as an operational reserve for some time. The Navy Reserve offers both combat and support structure and recently has begun moving to integrate more closely with the active Navy. The Marine Corps Reserve is largely unit focused and augments the active Marine Corps with an infantry division, an aircraft wing, and a service support group, as well as a range of other capabilities. The Coast Guard Reserve, by far the smallest of

¹ For a more detailed discussion of the "operationalization" of the Air Force Reserve Components, see Kitfield, James, *Guard and Reserve in a Time of War*, Air Force Magazine, July 2004, p. 22-28 (<http://www.afa.org/magazine/july2004/0704gandr.pdf>).

the reserve components, is completely integrated into the active Coast Guard structure and, with the exception of port security units overseas, provides a pool of trained and qualified personnel to augment active Coast Guard forces rather than actual force structure.

If the Reserve Component in the future is going to play a more prominent and consistent role in military operations than it has in the past, particularly in a changing environment that will require greater emphasis on irregular warfare and homeland defense missions, what does that mean in terms of RC force structure? Are the Service reserve components sized and shaped appropriately for the future? What is the right mix of active and reserve forces to provide the most effective and affordable set of military capabilities?

Several efforts are underway in the Department of Defense that will affect Reserve Component force structure, including rebalancing efforts to ensure the right mix of capabilities between the Active and Reserve Component, as well as within the reserve components themselves, the Army's modularity program, the Air Force's Total Force Phase II initiative (which is focused on determining how to allocate Air Force missions and airframes between the active, Guard, and reserve components), and a number of other less visible efforts. Senior DoD leaders will need to determine whether these initiatives do enough to shape the Reserve Component for at least the next ten to fifteen years, and whether they are consistent with the role the RC is likely to play in the future.

RESERVE COMPONENT FORCE STRUCTURE UNLIKELY TO EXPAND

In light of fiscal constraints and demographic trends, it is not realistic to assume a dramatic expansion in military end strength or force structure, whether active or reserve. Looking at current trends in Reserve Component recruiting and retention, it is even possible that some reserve components could become smaller, at least in terms of manning, in the near term.

The Army Reserve is currently authorized 200,000 spaces, but has struggled to recruit and retain to this end strength level in recent years. In fiscal year 2006 the Army Reserve has maintained an actual end strength of about 180,000 personnel. To its credit, the Army Reserve recognizes that it has more force structure than people and is in the process of realigning to reduce the number of undermanned units. This realignment process will be beneficial if it results in an increased number of fully manned units. If

the Army Reserve's end strength does not stabilize soon, however, it may have to shrink in overall size and capability. Similarly, the Navy Reserves recently began downsizing from 88,000 spaces and plans to maintain an end strength of approximately 70,000 spaces by 2011. The Navy Reserve is also facing recruiting problems; for example, in 2005 the Navy was not able to recruit and retain its full end strength, and 2006 trends indicate that the component may fall short again. If the difficult recruiting and retirement environment continues for the foreseeable future, the Navy Reserve may also have to reduce its size below what was planned in 2003.

The Air Force Reserve (USAFR) is also carefully watching its end strength levels. Significant numbers of key personnel, such as flight engineers, airlift pilots, and loadmasters are within one or two years of retirement. If those individuals were to retire in large numbers, there could be serious implications for the size of the Air Force Reserve, particularly in light of the fact that there do not appear to be sufficient numbers of new recruits with prior service coming into the USAFR to replace a large exodus of highly skilled personnel.

Moreover, some in the defense community have raised concerns about whether the reserve components will eventually "price themselves out of the market." Traditionally, Reserve Component personnel have been less expensive than active duty personnel because DoD only pays for the salaries of the RC personnel it is using at any given moment in time, plus the costs of annual training. The Department of Defense can purchase the services of RC personnel "by the yard" while it pays for all of its active duty personnel regardless of whether they are at home or on deployment.

Two trends have caused some in the defense community to raise the question of whether this cost advantage will hold true in the future. First, as DoD mobilizes more RC members and uses them more frequently, the absolute cost of the Reserve Component has begun to rise. Second, compensation and benefits for members of the Reserve Component have been increasing for some years, particularly in the area of health care, where costs are rising across the board. As DoD uses larger numbers of RC personnel for longer periods of time, and the costs of individual RC personnel increase due to increasing benefit costs, the cost of Reserve Component forces relative to active duty forces is going up.

Just how expensive a typical RC soldier is relative to a typical active duty soldier is the subject of considerable debate and can be calculated in many different ways. In 2004, the Office of the Secretary of Defense contended that the cost of a traditional drilling reservist per duty day while serving has exceeded that of an active duty soldier per duty day while serving. The cost of a "busy" reservist in fiscal year 2004, defined as

a RC member that serves 119 duty days per year, compared to the more traditional 39 days per year, remained slightly lower than the cost of an active duty soldier. The Office of the Secretary of Defense has stated that higher health care accrual costs after age 65 for RC members make the traditional drilling reservist, at a minimum, more expensive than an active duty soldier.²

These cost calculations have not been universally accepted, but they do at least raise the issue of whether Reserve Component forces will remain a cost-effective alternative to active duty forces. Particularly in light of the fact that the operational reserve model will require additional resources above and beyond personnel costs, if RC soldiers are becoming significantly less cost-effective compared to the Active Component, the cost issue will be another major driver in determining the size and shape of RC force structure.

REBALANCING GUARD AND RESERVE FORCES

The Department of Defense has grappled with the problem of high demand, low density force structure for some time. In the wake of the September 11 attacks, however, it became clear that DoD needed to take significant steps to rebalance active and reserve forces in order to improve the responsiveness of the force and to reduce stress on high demand units and individuals. In December 2002, the Department of Defense published a report that highlighted the need for the military services to begin rebalancing their active and reserve forces. Efforts got underway in earnest starting in fiscal year 2003.³

In a July 9, 2003 memo, Secretary of Defense Donald Rumsfeld directed the military services to ensure judicious and prudent use of Reserve Component forces.

² Office of the Under Secretary of Defense for Personnel and Readiness, undated slides addressing SecDef Questions "As we gather data, we ought to know how much more expensive the Guard are relative to the Active Force, because of Congressional add-ons..." Additionally, at a 2005 conference entitled "The New Reserves: Strategic in Peace, Operational in War," sponsored by OASD Reserve Affairs and the Reserve Forces Policy Board, Deputy Assistant Secretary of Defense for Reserve Affairs for Resources Jennifer Buck presented very similar cost figures as part of a discussion on the cost of the reserves. Of particular note is the fact that the primary driver of higher costs for RC members was health care accrual costs after age 65, which were developed using an actuarial estimate that is premised on RC members having more dependents than active duty members. The study team was unable to verify that actuarial data, which led to a post-age 65 health care accrual cost that was four times the amount of the same type of cost for active duty members.

³ Office of the Assistant Secretary of Defense for Reserve Affairs, *Review of Reserve Component Contributions to National Defense*, December 20, 2002.

The Secretary directed the Services to reduce the need for involuntary mobilization of Reserve Component forces during the first 15 days of military operations,⁴ and to plan in the future to limit involuntary mobilizations to reasonable and sustainable rates, using a baseline deployment model of no more than one year of deployment out of every six years. Rebalancing efforts undertaken in response to this policy guidance from the Secretary sought not only to enhance the early responsiveness of U.S. military forces, but also to reduce the pressure on units and individuals experiencing consistently high operational tempo.

To date, the military services have rebalanced approximately 70,000 Active and Reserve Component spaces. Over the next six years the Services plan to rebalance an additional 55,000 Active and Reserve Component spaces. The rebalancing initiative was an opportunity for the military services to determine if there needed to be significant shifts of capabilities in the Reserve Component into the Active Component or vice versa, but ultimately the rebalancing between components proved relatively modest. The Navy did shift 20 percent of its total naval coastal warfare capability out of the Navy Reserve and into the active Navy. The Army increased its active duty civil affairs capability so that 10 percent, rather than only 5 percent, of the total Army civil affairs capability resides in the active component. The Marine Corps increased the number of active component air naval gun liaison companies significantly so that 50 percent rather than 30 percent of this capability is in the active Marine Corps force structure.

Rather than substantially changing the Active Component/Reserve Component force mix in particular capability areas, the rebalancing process has focused on resolving stressed career fields by creating additional capability in high demand, low density units. Through the rebalancing process, the military has increased substantially the number of military police, intelligence units, transportation units, and special forces that will be available for future operations. To create these new capabilities, the services have substantially reduced the number of field artillery, air defense artillery, and armor units in their inventories, recognizing that with the end of the Cold War and the emergence of new defense requirements, there was excess capacity in these parts of the military's force structure.

⁴ The 15 day metric was later expanded to the first 30 days of military operations. The July 9 memo was widely misinterpreted as an effort to eliminate participation of RC forces in the first weeks of a given military operation, but in fact the memorandum was precise in its focus on limiting involuntary mobilization, not RC participation of any kind.

In determining how to make these adjustments, the services focused on the frequency of reserve call-ups, the percentage of force structure inventory used in specific functional areas, and the duration of mobilization tours. This examination showed that while the frequency of mobilizations has remained moderate to low, certain functional areas were using moderate to high portions of their force structure inventory. Furthermore, the duration of mobilizations also was moderate to high. In general, DoD considered functional areas drawing on more than 34 percent of their inventory during the first two years of operations in Afghanistan and Iraq to be experiencing high use and determined that these were areas where additional structure might be needed.⁵

Concurrent with the broader rebalancing process, the Navy conducted a “zero-based review” that began in October 2003, driven in part by the Chief of Naval Operations’ concern that too small a proportion of Navy resources were spent in support of the Navy’s sea-based operations relative to its shore-based operations. As a result of this review, the Navy Reserve will decrease in size from 85,900 authorized end strength positions to about 70,000 authorized end strength positions by fiscal year 2011. In essence, the purpose of the Navy’s zero-based review was to validate the requirements for active and reserve manpower, focusing on 664 different Navy functions. Criteria for assessing reserve manpower requirements included the importance of the reserve component to the mission, the warfighting capability of the reserve component, the current status of the Navy Reserve’s capability and the contribution the reserve component made to the Navy’s current operational concept, “Sea Power 21.”

In general the review resulted in cuts to Navy Reserve manpower. The rationale for decreasing the number of Navy reservists varied from function to function. In some cases platforms in active units, such as P-3 airframes or maintenance support ships for submarines, were aging so the Navy decided to transfer platforms with less wear and tear from reserve units to active units, resulting in a need for fewer reserve personnel. In other functional areas, such as positions associated with Mine Warfare Command, the command had trouble filling reserve positions and determined it was preferable to convert the positions to active status so that the activities could be carried out as required. Although the review process did not explicitly consider the cost tradeoffs between active and reserve personnel, the Navy’s very structured approach to examining the requirements for active and reserve personnel means that its active and

⁵ See Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization), *Rebalancing Forces: Easing the Stress on the Guard and Reserve*, January 15, 2004.

reserve force structure mix has been adjusted very recently to address current roles and missions.⁶

The Air Force also has examined its force structure in terms of the optimal mix between its active and reserve components. The Future Total Force (FTF) initiative, now known as the Total Force Initiative (TFI), was introduced in the late 1990s in order to study how best to allocate requirements among the active Air Force, the Air Force Reserve, and the Air National Guard. In 2004, the Air Force launched six test concepts under the Future Total Force umbrella that were designed to optimize Air Force active, guard and reserve assets to best support DoD's joint expeditionary force. As part of TFI, the Air Force has stationed active duty airmen with an Air Guard unit in Vermont, plans to field F-22 planes in the Air Guard, and will involve guard and reserve members in Predator unmanned aerial vehicle missions. In recent years, TFI has focused on the process of determining how to allocate the declining number of air frames that will be present in the Air Force. This challenge came to a head during the 2005 Base Realignment and Closure (BRAC) process; the net result for the Air Force was the reduction or elimination of various missions and platforms at a range of Air Force reserve component facilities.

While Phase II of the Total Force Initiative has yet to be formally unveiled to the public, in essence, the Air Force is trying to provide emerging missions, such as those associated with the Predator unmanned aerial vehicle (UAV), to units that, as part of the BRAC process, had their primary assignment either eliminated or changed. The Air Force has historically been very successful at managing requirements for and relations with its reserve components, but it remains to be seen whether its RC personnel who were associated with missions and airframes that were eliminated in the BRAC process will be willing to wait for new platforms and train for new missions.⁷

⁶ See Government Accountability Office, *Assessments of Navy Reserve Manpower Requirements Need to Consider the Most Cost-effective Mix of Active and Reserve Manpower to Meet Mission Needs*, GAO-06-125: October 2005.

⁷ See Department of Defense, U.S. Air Force Releases, *Senior Leaders Speak on Future Total Force Initiative*, June 7, 2005; Erwin, Sandra, *Move to Merge Air Force, Guard Units Derailed by Base Closure*, National Defense Magazine, September 2005; and Reynolds, John, *Head of 183rd Says Unit Ready for Change*, The State Journal-Register (Springfield, IL), January 15, 2006, p. 1. Additionally, for a listing of preliminary Total Force Integration – Phase II recommendations, see Department of the Air Force, *Memorandum for National Guard Adjutants General, Subject: Initial Total Force Integration – Phase II*, February 27, 2006 ([http://www.ngaus.org/ngaus/files/ccLibraryFiles/Filename/000000001231/Initial TFI Part 2 \(by LTG Blum\).pdf](http://www.ngaus.org/ngaus/files/ccLibraryFiles/Filename/000000001231/Initial_TFI_Part_2_(by_LTG_Blum).pdf)).

ARMY FORCE STRUCTURE AND THE OPERATIONAL RESERVE MODEL

As noted in the earlier discussion on future roles and missions for the Reserve Component, the Army has already recognized that it will not be able to meet future defense requirements without relying routinely and significantly on its reserve components. Under the Army Force Generation Model (ARFORGEN), which is discussed in greater detail in Chapter Three, the Army plans to be able to deploy up to 18 brigade combat teams (BCTs) on a steady-state basis. Fourteen BCTs will come from active duty Army forces and four BCTs will come from the Army National Guard. A central issue in terms of Army force structure, active and reserve, is whether 18 BCTs will be sufficient to meet potential future demands for ground forces.

While the demand for ground troops in the future is not likely to quite as high as it has been since the invasion of Iraq in 2003, there is ample reason to believe that the demand for military forces will remain high, particularly relative to pre-September 11 levels. Not only does the Army have to be ready and able to meet likely known requirements, it also needs forces available for unanticipated events. What if President Musharraf of Pakistan is assassinated and Islamic fundamentalists take control of the country and its nuclear weapons? What if it becomes clear that the only way to prevent North Korea from providing fissile material to hostile nations or non-state actors is to use force? What if one or more catastrophic terrorist attacks or natural disasters take place inside the United States, overwhelming state and local capabilities? Under the Army's current plan, it will be difficult to meet these requirements without almost immediately exceeding what the Army can provide on a steady-state basis.

There has been considerable debate in the last two years about the size of the Army, the degree of strain the Army is currently under and whether the Army modularity process will enable it to meet future demands effectively and on a sustainable basis. In the initial stages of the 2006 Quadrennial Defense Review process, senior Army leaders testified before Congress that the Army intended to be able to deploy up to 20 BCTs, so that on any given day the Army would have the forces needed to meet future challenges and the national military strategy "ready for deployment for this Nation."⁸ As the QDR drew to a close and the resource constraints on the Army became clearer, senior Army leaders stated that analytic models used during the QDR

⁸ See Testimony of LTG Cody, Vice Chief of Staff of the United States Army, before the Senate Armed Services Committee, Airland Subcommittee, *Hearing On Army Transformation* March 16, 2005; Testimony of Secretary of the Army Francis Harvey before the House Armed Services Committee, *Hearing On Army Budget*, February 9, 2005; and Bowman, Tom, *Army Secretary Defends Plan to Restructure National Guard*, *The Baltimore Sun*, January 27, 2006.

indicated the future security environment could require between 18 and 20 BCTs, so at that point DoD “made a choice which was financially driven” and decided to set the steady state requirement at the level of 18 brigade combat teams.⁹ In light of likely known requirements and the need to be able to respond to major unforeseen events, combined with the level of inherent risk associated with the transition to an operational reserve model that will be discussed in more detail in Chapter Three, the Guard and Reserve study team believes that an Army force structure of 42 active brigade combat teams and 28 Guard combat teams will be too small to meet the needs of the United States within acceptable levels of risk.

RECOMMENDATION

- *DoD should increase the size of the Total Army by creating 43 active BCTs and 34 ARNG BCTs in the near term, with the long-term goal of creating 48 active BCTs total.*

The Army needs more, not less, combat structure to meet likely future requirements. Modest additional combat structure, built within existing end strength to the largest degree possible, is needed to ensure that the Army has some ready reserve without having to immediately break desirable force management policies and as a hedge against future adjustments that might have to be made to rotation ratios under ARFORGEN.

Under the plan articulated in the wake of the 2006 Quadrennial Defense Review, if the Army has to deploy most or all of its 14 active BCTs to deal with existing requirements, it will have few or no active brigade combat teams at maximum readiness available in reserve for assurance and deterrence purposes or to address unforeseen events without moving immediately to break its desired force management policies of one year deployed in every three for active forces and one year deployed out of every five or six for reserve and Guard soldiers respectively. Deploying active duty troops multiple times to hazardous zones without sufficient time at home to rest, reset, and retrain will likely lead to even greater recruiting and retention problems than the Army has experienced in the last two years. In a similar vein, most RC members have jobs and many have families and, for the most part, RC soldiers are unlikely to tolerate multiple mobilizations over time.

⁹ See Testimony of Secretary of the Army Francis Harvey before the House Armed Services Committee, *Hearing On The Fiscal Year 2007 Army Budget*, February 15, 2006.

Employing Reserve Component forces continuously on a rotational basis is a new approach for the Army – there is not yet empirical data that indicates whether this rotation ratio can be maintained over time. Similarly, even the rotation ratio for active forces is a matter of debate, although there is much more historical data on which to base an estimate. Drawing on past experience, there is general agreement that the acceptable rotation ratio lies somewhere between 3:1 and 5:1. As recently as 2004, some senior leaders in the Army argued the ratio should be one deployment every four years.¹⁰ If the Department of Defense finds that it needs to adjust either the active or reserve rotation ratio to ensure it can continue to recruit and retain soldiers in sufficient numbers and of sufficient quality, the Army might not be able to generate the full 18 BCTs it has identified as a prudent steady state requirement. For example, if the rotation ratio for the active forces moved to one deployment every four years, the active Army would only be able to generate about ten BCTs, in contrast to 14 under a 3:1 ratio. At the level of 28 BCTs, the Army Guard could still generate four BCTs on a steady state basis if the rotation ratio had to be stretched out to one deployment every seven years, but there would be no additional steady state capacity past a 7:1 ratio.

Under the ARFORGEN rotational model, about half of the 28 active BCTs that are not deployed and most of the 24 ARNG BCTs that are not deployed at any given time will be at reduced readiness because they are resetting and retraining. The period of lower readiness for the Guard units is longer because under ARFORGEN, units will focus largely on individual training and some unit training for the first three years of the cycle. This is not only desirable from a force management perspective in that it gives individual soldiers time to reintegrate into civilian life, it is also necessary to ensure that the Army reserve component as a whole remains affordable. While maintaining most of the Guard BCTs at less than peak readiness does conserve resources as units proceed through the ARFORGEN cycle, and is absolutely necessary to make the force generation model affordable, it also means that more than half of the forces in the Army's strategic reserve will not be at near-peak readiness levels. A modestly larger combat force would mean there would be a somewhat larger number of BCTs close to combat ready that could be used to respond initially to an unforeseen contingency.

Until it became clear that the QDR would not identify significant savings that could be reallocated elsewhere in the defense budget, the Army's goal had been to create up to 48 active brigade combat teams. The FY05 and FY06 National Defense Authorization Acts provided for temporary increases in the Army's end strength

¹⁰ See footnote seven in Krepinevich, Andrew, *The Thin Green Line*, Center for Strategic and Budgetary Assessments Background Paper, August 14, 2004, p. 5.

(20,000 and 10,000 respectively) in order to help facilitate transformation to modularized brigades and to enhance the active Army rotation base for ongoing operations overseas.¹¹ While it is clear from recent experience that the Army could not easily recruit and retain an additional 30,000 combat soldiers, the creation and manning of an additional five to six active brigade combat teams would increase the number of steady state active duty BCTs the Army could supply from 14 to about 16 and should remain a longer term objective for the Army and the Department of Defense. Ideally, some of this additional combat structure could be created from within existing end strength by eliminating to the greatest degree possible the number of non-military jobs being performed by Army soldiers, freeing those individuals to be reallocated to and retrained for combat or combat support positions.¹²

Under the original Army modularity plan, the Army Guard was going to move from a total of 37 traditional brigades to 34 brigade combat teams, most of which would be comprised of light infantry forces. With 34 BCTs, the Guard would be able to provide almost six complete BCTs at any given time to serve in the larger force rotation pool. In January 2006, shortly before the 2006 QDR was released, newspapers began running stories that the Army was considering reducing the number of planned Guard brigade combat teams to 28 and creating six additional support units of action in place of the combat structure.

To many observers, the decision to reduce planned combat structure and increase support structure instead appeared to be driven by budget realities, as it became clear that the QDR was not going to result in any major weapons systems cuts that could serve as bill payers for force structure.¹³ The difficult recruiting and retention environment may also have played a part, as some in the Army noted that the Guard's actual end strength of 337,000 fell short of its authorized end strength of 350,000.

While the Army is under financial pressure and does face a challenging

¹¹ See Bruner, Edward, *Military Forces: What is the Appropriate Size for the United States?*, Congressional Research Service, RS21754: January 24, 2006; States News Service, *Reed/Hagel Introduce Plan To Increase Size Of Army*, March 4, 2005; Tyson, Ann Scott, *Army Reorganizes to Boost Its Combat Power; Plan Aims to Add 40,000 Troops to Fighting Force, Reduce Support Personnel, Retain 12-Month Tours*, The Washington Post, October 7, 2005, p. A02.

¹² Recognizing the significant resource constraints facing the Department of Defense and the imperative to make most efficient use of each and every person in an era of rising personnel costs, Chapter Four discusses in more detail a range of issues associated with optimizing the military's tooth to tail ratio.

¹³ See Plummer, Anne, *Clash Looms Over Military Hardware Vs. People*, CQ Today, January 25, 2006; Capaccio, Tony, *U.S. Army May Trim Personnel to Save \$11.1 Billion*, Bloomberg, December 28, 2005; Bowman, Tom, *Military Weighs Cutting Guard*, The Baltimore Sun, December 21, 2005; and National Journal's CongressDaily AM, *Summit Meeting Yields No Agreement Over Guard Cuts*, February 1, 2006.

recruiting and retention environment, permanently reducing Guard combat structure at a time when the Total Army is stretched thin will increase the amount of strategic risk facing the Army, and ultimately the Department of Defense as a whole. The decision to reduce the number of planned Guard combat BCTs by six means that there will be fewer combat elements available to the Army for steady state deployment.

In terms of finding the resources to develop modular combat structure as initially envisioned, the issue becomes one of where does the Army – and the Department of Defense as a whole – want to take risk? Are there already programs in DoD at high risk that could be scaled back to both reduce program risk and free up resources for combat structure? Are there military capabilities in which DoD continues to maintain an overwhelming advantage and could more safely accept some risk? Are there programmed capabilities that simply do not seem to meet future requirements and could be eliminated all together? These are inherently subjective judgments that the senior leadership of the military services and the Department of Defense must continually evaluate and assess. Whatever the merits of other specific alternatives, the Guard and Reserve study team is convinced that the current DoD and Army path does not maintain sufficient active and reserve combat structure and assumes more risk than is prudent in such challenging times.

In any case, it is critical in the near term that the Army and the Department of Defense use the budget resources they do have to fully man, equip, and train those brigade combat teams and their associated multifunctional support brigades that clearly can be maintained within funded end strength. Clearly, the Defense Department will be better served by ensuring that the BCTs it does have are fully manned and equipped, rather than having a larger number of “hollow” BCTs. Creating more BCTs now when there are not resources available to fund them does not make sense, but at the same time, converting existing combat structure into support structure on the assumption that no additional resources will ever become available will be a difficult decision to reverse in practice. A more desirable alternative might be to hedge in the near term by postponing the transition to fully equipped modular combat units into the out years rather than immediately converting existing combat units into support structure. If it becomes clear in the next few years that the security environment is truly improving and additional combat structure is not needed, DoD could convert a number of combat units into support structure at that time without having invested unnecessarily in expensive new combat equipment in the interim.

RATIONALIZING MILITARY FORCE STRUCTURE OVER THE LONG TERM

Ongoing operations in Iraq and Afghanistan, the recent QDR process, the Army's modularity program, and the BRAC process have all generated substantial activity and focus in the area of Reserve Component force structure. The Army developed an entirely new approach to generating active and reserve forces for operational requirements and is in the process of reshaping the forces themselves to be more modular. The Air Force examined some force structure issues as part of the effort to rationalize its infrastructure in preparation for BRAC. The Navy, Air Force, and Marines have all found new ways to provide active and reserve forces to support operations on the ground in the U.S. Central Command (CENTCOM) theater. There has been no shortage of activity and change in each of the military services. At the same time, the future will not look exactly as does today, and as long as resources continue to be constrained for the Department of Defense, there will be a need to assess regularly the optimal mix of active and reserve forces in each service.

RECOMMENDATION

- *An outside panel of experts, working with the Department of Defense, should conduct a detailed, comprehensive, cross-Service review of Active and Reserve Component manpower requirements.*

Although there has been considerable rebalancing and restructuring in each of the Services, the Guard and Reserve study team believes an external review of DoD requirements for active and reserve manpower might lead to greater optimization of the mix of active and reserve forces across the Department. An outside panel would be able to examine not only whether the mix of active and reserve forces in a specific mission functional area within a specific service is optimized, but also whether that function could be performed in whole or in part by another service entirely. Operations in Iraq and Afghanistan have shown that services that do not traditionally perform missions on the ground can contribute to ground missions such as intelligence analysis and the provision of installation security. The "in lieu of" missions approach to developing joint force packages for Operation Iraqi Freedom demonstrates that DoD can be creative in providing capabilities to the theater commander. While these "in lieu of" missions may not always be appropriate as long-term solutions, it is worth examining whether some of these substitution efforts may make sense on a more permanent basis.

As part of such an external review, the panel also would look explicitly at the cost-effectiveness of different mixes of Active and Reserve Component forces. If all other elements of the equation are equal, such as the warfighting capabilities of active and reserve forces, the ability of active and reserve forces to deploy, or the ability to recruit active and reserve forces into manpower billets and retain skilled personnel over time, which set of forces is most cost effective? The Guard and Reserve study team did not have the resources or access to the detailed information that would be needed to conduct this kind of review effectively, but an outside organization that was empowered to draw on internal DoD and Service force structure and cost information, and that included representation from both the active and Reserve Components of each service might well be able to identify additional elements of Reserve Component force structure that should be adjusted to ensure DoD is getting the most value from the Total Force.

CONCLUSION

The United States is facing a very challenging time in its history, and it is clear that the military – both active and reserve forces – will play a critical role in carrying out the nation’s defense strategy. The overall size of the military will not grow substantially in the future for many reasons – military personnel are too expensive and recruiting and retaining large numbers of new recruits is not realistic when the economy offers compelling alternatives and the dangers of life in the military are evident.

At the same time, while the overall military is unlikely to grow, the Army has been sorely stretched in recent years and needs additional combat structure. A steady-state Army of 18 BCTs is too small to meet future operational requirements with sufficient slack in the system to absorb and react to unforeseen events or force management challenges. The Army needs to increase in size over the next 10 to 15 years, retaining the combat structure currently in the Army Guard and building modest amounts of new combat structure in the active Army. Looking to the future and the many challenges it holds, DoD has asked the Reserve Component – particularly the Army reserve components – to step into the breach and become part of the operational force, and it has answered the call. Without modest growth in the size of the Army, however, DoD and the Army risk asking more of its reserve components than may be sustainable over time.

CHAPTER THREE

CHALLENGES ASSOCIATED WITH EMPLOYING THE RESERVE COMPONENT AS AN OPERATIONAL FORCE

With the exception of the Air Force¹, greater and sustained use of the Reserve Component in military operations is a paradigm shift for most the military services and the Department of Defense, and the implications of this shift for how the Reserve Component is organized, trained, and equipped have not yet been fully realized. This chapter will focus on some of the key challenges and risks associated with the Army's transition to using its reserve components as part of an operational force, and will make recommendations to maximize the potential for a successful transition. This chapter also will address the issue of existing mobilization authorities and whether they need to be revised to enable the Reserve Component to be employed more effectively as part of an operational force.

THE ARMY FORCE GENERATION MODEL: THE CORE OF THE TRANSITION TO AN OPERATIONAL RESERVE IN THE ARMY

Under the Army Force Generation (ARFORGEN) model, Army National Guard and Army Reserve units will train and ultimately deploy on a rotational cycle. Army Guard units will train on a cycle that envisions deploying units once every six years. Army Reserve units will train on a cycle that envisions deploying units once every five years. When units begin the cycle in the early years, RC members will focus on attending schools and individual training. As units progress through the cycle, they will complete training in their military occupational specialties, increase individual training, and move to collective training at installations like the National Training Center at Fort Irwin to prepare for potential deployment in the last year of the

¹ The Air Force reserve components have been functioning in many ways as an operational Reserve force for some time, particularly with the advent of the Aerospace Expeditionary Force concept in the late 1990s. The Air Force relies heavily on its reserve components to make the most of low density, high demand air frames like JSTARS that are an essential part of modern military operations. It also relies substantially on its reserve components in areas like theater and strategic lift to ensure it can meet the significant and growing requirement to move people and equipment all over the United States and the world. Budget constraints limit how many JSTARS, C-130, and C-17 planes the Air Force can buy, but increasing the crew ratios by drawing on the reserve component ensures that DoD gets the absolute most it can from each valuable piece of "iron."

rotational cycle. As units move through the rotational cycle they will receive more equipment and more personnel, so that by the time a unit enters the final year of the cycle, it has the full complement of equipment and trained personnel it needs to deploy into an operating theater.

The centerpiece of the Army's concept to enable an operational reserve is ARFORGEN. The ARFORGEN model is different from past practices in many ways. Prior to the development of the ARFORGEN concept, the Department of Defense organized, trained, and equipped the Reserve Component on a tiered readiness, "first to fight" basis. Units that were scheduled to deploy earlier in the official time-phased force deployment (TPFD) list for the war plans received more people and equipment than did those that were scheduled to arrive in the later phases of a campaign. Many units in the Army Guard were not even in the war plans, so they received minimal resources. The tiered readiness approach made considerable sense for many decades during the Cold War. There were finite resources to spend on defense, so the vast majority of those resources were focused on active duty units that carried out the day to day missions of the military and maintained combat readiness in the event of a major theater war. Reserve Component forces were used occasionally for specific missions, particularly in the late 1990s for peacekeeping and humanitarian operations, but they were not used on a very large scale.

Reservists are now serving alongside their active counterparts in missions around the globe. To ensure that these forces have the training and equipment they need to conduct their missions, and to provide greater predictability for the nation's citizen-soldiers about their deployments, the Department of Defense has realized it needs to reconceive how the Army in particular will employ reserve component forces in the future.

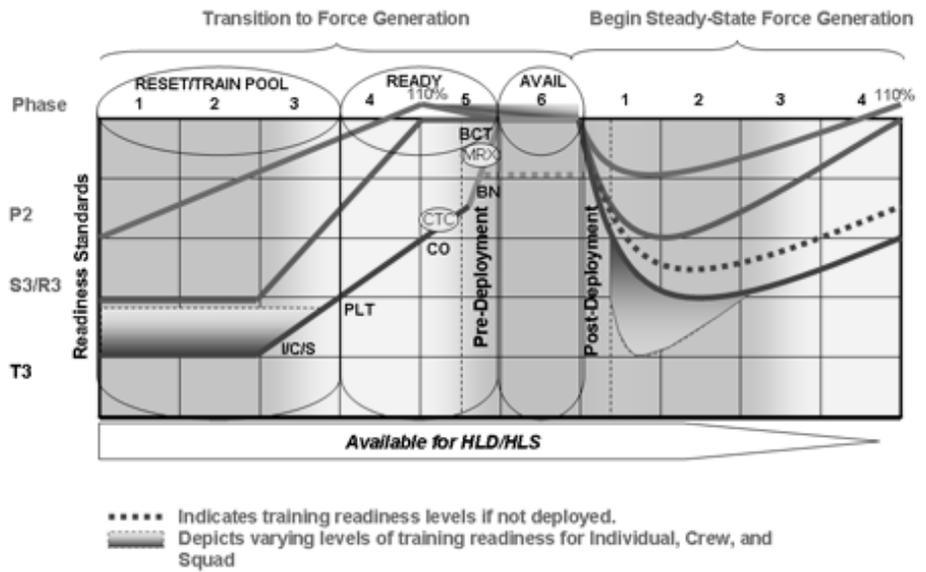
THE ARFORGEN ROTATION CYCLE

The Army is already in the process of aligning its reserve component units to the new rotational schedule envisioned under ARFORGEN. For at least the last two to three years, the Army has been emphasizing in its recruiting efforts that reserve component members will deploy on a regular basis. As part of the process of developing the force packages for the Operation Iraqi Freedom rotations, the Army and its reserve components have begun slotting returning units into the initial version of an ARFORGEN rotation plan. Managing units, and the individuals that comprise units, so that they flow through the ARFORGEN cycle predictably over time and are prepared to

deploy in the fifth or sixth year of the cycle will be management intensive. People join units and leave units, in many cases in less than a six year period. For example, a 100-person unit probably loses about seven people each year as a result of soldiers retiring or moving to another unit in a different state. In recent years, this number has gone up to about ten people leaving, perhaps as a result of soldiers who joined under the old strategic reserve paradigm deciding that they do not want to continue in the

FIGURE B

ARNG Force Generation Model



The Army National Guard ARFORGEN Model

Source: The Army National Guard

Guard or Army Reserve if operational tempo is going to remain high. Roughly twenty soldiers leave a unit each year because their term of enlistment ends and they decide not to re-enlist in the reserve component.

In past years, the Army reserve components primarily had to focus on making sure they recruited sufficient new soldiers to replace those leaving or retiring. Most of the focus was on ensuring that each state could recruit sufficient numbers to replace specific positions in specific units. Under ARFORGEN, this recruiting and retention calculus will be more complicated because now the Army Guard and Reserve will have to focus not only on filling specific holes in specific units, but also on filling those holes with individuals who can match their ability to deploy with where a specific unit is in the ARFORGEN cycle. For example, new recruits with no prior service could not be easily placed in units that are in the year prior to deployment because those new recruits would not have sufficient time to train and become qualified in their military occupational specialty. Units that are later in the ARFORGEN cycle and in need of ten to fifteen new recruits may have to focus on identifying potential transfers from other

units at similar points in the cycle, or on new recruits that are willing to volunteer to join units closer to deployment.

These kinds of manning challenges highlight the need to ensure that units in the last year or two prior to deployment be manned at levels above 100 percent so that, if there is attrition, the unit can still deploy at full strength even if appropriate replacement soldiers cannot be found. Likewise, soldiers transferring from one unit to another will need to be placed in units that are at similar points in the rotational cycle in order to ensure that these individuals have the predictability about deployments that ARFORGEN seeks to provide. None of these personnel system challenges are insurmountable, but they will require more intensive management than they have in the past.

The ARFORGEN rotational model will also provide considerably more predictability for members of the Army Guard and Reserve about their potential deployment schedule. This predictability is important not just to the individual RC soldier, but also to his or her family and employer. Post 9/11 survey data from the Department of Defense has shown that one of the aspects of life as a citizen-soldier that becomes hardest to manage over time is the lack of predictability about when an RC member will be deployed, how long the deployment will last, and what will be the nature of the deployment. The ARFORGEN model will enable RC soldiers, family members, and employers to plan in advance for deployments once every five or six years that could last as long as a year. This model will not eliminate uncertainty about the nature of specific deployments, but it will provide each member of the Army's reserve components a baseline by which to plan.

EQUIPMENT CHALLENGES AND ARFORGEN

Another key element of the ARFORGEN model is equipping Army reserve component units to serve as part of an operational force. This challenge is three-fold: reequipping units that have left equipment behind in the U.S. Central Command (CENTCOM) theater, outfitting the new modular units, and modernizing equipment in units that have historically had older, less sophisticated systems under the legacy "tiered readiness" model.

While the Army plan is to equip its reserve component units using a fundamentally different approach than it has in the past, it is facing serious challenges. For example, prior to the onset of Operation Iraqi Freedom, most Army National Guard

units had about 65 to 75 percent of the equipment they needed to have in order to be considered fully functional and combat ready. Equipping Army Guard units at less than the required level was a deliberate decision by the Department of Defense and the Army and reflected the need to conserve resources. Because many units deployed late in the war plans or were not in the plans at all, the planning assumption was that there would be time to equip units more fully after they were mobilized.

As units mobilized to deploy overseas for the military operations in Iraq and Afghanistan, the theater commander mandated that all units entering the operational theater must have 90 to 100 percent of their required equipment and that all the equipment must be compatible with the equipment of active Army units. This operational requirement meant that in order to equip deploying units fully, the Army Guard had to transfer very large amounts of equipment from non-deploying to deploying units to make those units whole. Indeed, by summer 2005, the Army Guard transferred more than 100,000 pieces of equipment from non-deployed to deployed units. At the same time, to save money on shipping and transportation costs, the Army directed the Army Guard to leave behind large amounts of unit equipment in theater so that newly arriving units could fall in on equipment sets already in country. Although the Army is required to have a plan to replace equipment that Guard units left behind in theater for more than 90 days, Army Materiel Command appeared to be tracking only about 45 percent of the leave-behind items in late 2005.² Even if substantial amounts of ARNG equipment left in theater is eventually returned to ARNG units in the United States, much of that equipment is likely to be in bad condition because equipment has been used at much higher rates than originally planned in an environment where the conditions are extremely harsh.

By spring 2005, only about 60 percent of Army Guard units in the United States reported having the minimum amount of required equipment, and in many cases that estimate was based on units counting substitute equipment sets that are appropriate for training purposes but cannot be deployed overseas and other equipment that is undergoing maintenance and not available for deployment.³ When substitute equipment sets and equipment undergoing maintenance is removed from these units' inventory, non-deployed Army Guard units had about 34 percent of their minimum required equipment.⁴

² Government Accountability Office, *Reserve Forces: Plans Needed to Improve Army National Guard Equipment Readiness and Better Integrate Guard into Army Force Transformation Initiatives*, GAO-06-111: October 2005, p. 17-18.

³ GAO-06-111, p. 11.

⁴ *Ibid.* The thirty-four percent equipment figure has been widely quoted in news stories throughout late 2005 and 2006 in articles about the state of the National Guard. See Wood, David, *Military Lacked Critical*

Because non-deployed Army Guard units are experiencing such significant equipment shortfalls, it is difficult in some cases for these units to train sufficiently and maintain combat readiness for future missions. Equipment shortages also may have had a negative effect on the ability of the Army Guard to perform homeland defense and civil support missions, although that is difficult to establish with certainty in the absence of defined requirements and preparedness standards for these missions. It is clear that some non-deployed units did lack many pieces of equipment they normally have on hand for consequence management and disaster relief operations, such as flatbed semi-trailers, night vision goggles, chemical decontamination equipment, and chemical agent monitoring equipment.⁵ In the wake of Hurricane Katrina and in preparation for the 2006 hurricane season, the Army and Department of Defense have identified more than 340 specific types of equipment that are the minimum the Guard needs to have on hand to perform civil support missions adequately. Looking to the future, the Army is budgeting to ensure that Guard units have these types of equipment throughout the entire ARFORGEN cycle.

Concurrent with the equipping challenges posed by ongoing operations in Iraq and Afghanistan, the Army as a whole is in the process of transforming itself into a number of brigade combat teams (BCTs) and multifunctional support brigades (MSBs). Under modularity, the Army Guard will have at least 28 brigade combat teams and as many as 78 support brigades. The Army Reserve will have 58 support brigades. Part of the transformation process is providing the newly redesigned and reorganized BCTs and MSBs with modernized equipment to enable them to carry out their functions as envisioned in the modularity plan. While the current Army plan is to complete the bulk of the transformation process for the Army Guard's combat force structure by 2008, the plan anticipates that the full complement of support brigades will not be fielded until 2011.⁶ The Army Guard sought a more rapid transition to the new modular units in part to avoid training soldiers on old unit designs and functions, but also may have believed that a more aggressive conversion schedule would generate additional political momentum to ensure that the funding for modularity would materialize.

Although the majority of Guard units will convert to the new modular designs by 2008, the equipment to support the newly designed units will not all arrive until 2011 at the earliest. This means that redesigned Guard units are likely to go for at least

Gear in Responding to Katrina, Newhouse News Service, September 13, 2005; Scharnberg, Kirsten, *Ill-Equipped Guard Units Alarm States*, Chicago Tribune, March 20, 2006; Brown, Drew, *Border Mission Will Add to an Expanding Guard Role*, Knight Ridder Newspapers, May 15, 2006; and Mittelstadt, Michelle, *Critics Say Forces Stretched, Won't Be Effective on Border*, The Dallas Morning News, May 16, 2006.

⁵ GAO-06-111, p. 13.

⁶ Department of the Army, *2006 Army Modernization Plan*, March 2006, p. B-5.

a few years using equipment they have on hand, which includes substitute equipment sets, and will likely lack some of the “key enabler” equipment, such as new communication systems, that is designed to give the new modular units some of their enhanced capability.⁷ Because of existing equipment shortages caused by ongoing operations, many Guard units will not have several pieces of equipment that are required under the modified equipment design for the new modular units, such as unmanned aerial vehicles, single channel ground and airborne radio systems, and the Javelin anti-tank missiles. These are key enabler technologies for the modular combat brigade teams, but, at least in the near term, Army Guard units are unlikely to have access to these technologies until 2011 or later.⁸

Like the Army National Guard, the Army Reserve is also facing the simultaneous challenges of managing equipment shortfalls and transforming to support the new modular Army. The Army Reserve entered the post-September 11 period with units having about 80 percent of their required equipment, although much of this equipment was older and less advanced than the equipment in similar active Army units. Between September 11, 2001 and April 2005, the Army Reserve transferred more than 235,000 pieces of equipment from non-deploying to deploying units to ensure that units going overseas were fully combat ready.⁹ Although the Army Reserve reported in February 2005 that its units had about 75 percent of the equipment they required, Army Reserve “after action” reports from Operation Iraqi Freedom show that about 20 percent of its equipment is wearing out entirely. The FY06 National Guard and Reserve Equipment report published by the Department of Defense estimated that more than 40 percent of Army Reserve equipment needs substantial maintenance.¹⁰

In addition to equipment shortages, the Army Reserve has faced particular challenges in determining how to finalize its plans under the Army Reserve Expeditionary Force (AREF) model for the force packages it is developing to support the modular BCTs. Because the Army is still in the process of finalizing the details associated with the design and equipment sets needed for the support units, the Army Reserve has not been able to develop detailed plans for its equipment or detailed cost estimates to inform the larger budget process.¹¹

⁷ GAO-06-111, p. 21.

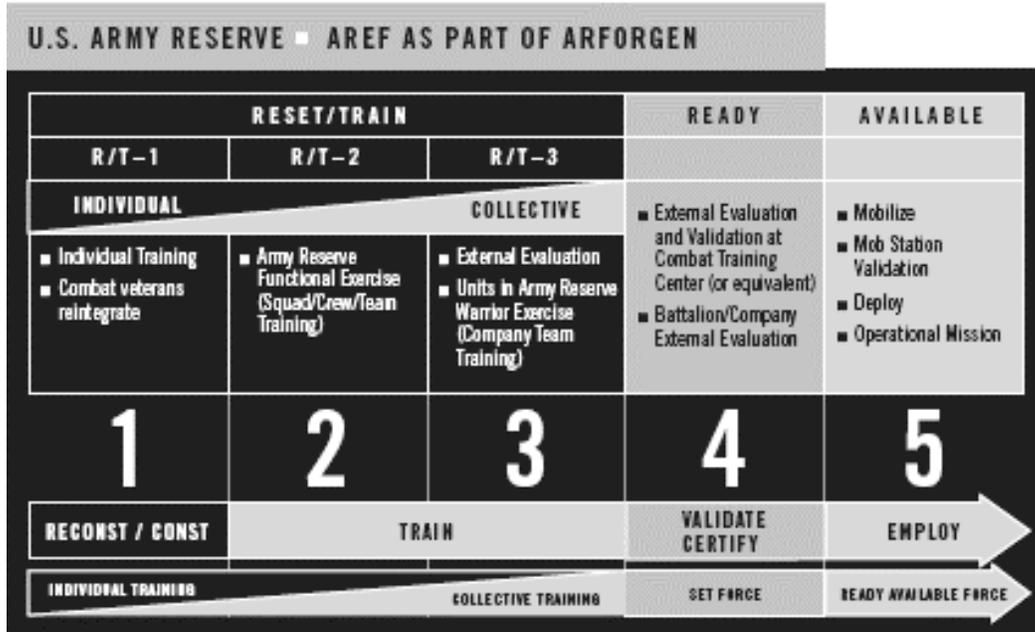
⁸ Ibid., p. 21-23.

⁹ Government Accountability Office, *Reserve Forces: An Integrated Plan is Needed to Address Army Reserve Personnel and Equipment Shortages*, GAO-05-660: July 2005, p. 15.

¹⁰ Department of Defense, *National Guard and Reserve Equipment Report for Fiscal Year 2006*, February 2005.

¹¹ GAO-05-660, p. 25-26.

FIGURE C



The Army Reserve Expeditionary Force (AREF) Model

Source: US Army Reserve, 2006 Army Reserve Posture Statement, March 2006, p. 11.

The FY06-FY11 Future Years Defense Program (FYDP) includes \$17.6 billion to fund the costs of modularity for the Army National Guard and almost \$4 billion to modernize Army Reserve equipment. In addition to the traditional defense budget, the last two defense supplemental spending bills contained a total of about \$5.5 billion for the Army reserve components. This funding, while substantial, is still not enough to fund fully the costs of equipment reset, modularity, and modernization for the Army’s reserve components.

RECOMMENDATION

- *The Department of Defense and the Army need to address the substantial funding shortfalls facing the Army’s reserve components in terms of resetting equipment from ongoing operations, modernizing older equipment, and converting equipment as part of the modularity process.*

At a minimum, the three components of the Army appear to agree that the Army Guard is facing a shortfall in the next multiyear defense budget of about \$7 billion to fund the replacement of rolling stocks and conversion of the last ten support brigades to

the modular design. The Army Reserve is facing at least a \$6 billion unfunded requirement for equipment required under the Modified Table of Organization and Equipment that will compete for funding as part of the broader DoD effort to build a FY08-FY13 defense program budget. These funding shortfalls are unlikely to be the end of the story in terms of what resources are needed to establish a solid equipment foundation for the reserve components under ARFORGEN. As recently as March 30, 2006, a senior official testified that the Army “expects the requirement beyond fiscal year 2006 to be \$12 billion to \$13 billion per year through the period of conflict and for two years beyond. Any reset requirement that goes unfunded in one year rolls over to the following year, increasing that following’s year’s requirement.”¹²

It will not be easy to find the funding to address these shortfalls, and potentially other shortfalls that emerge as the costs of operations in Iraq become clearer. Almost all defense experts agree that there is likely to be downward pressure on the defense budget as the federal deficit and non-discretionary programs like Social Security, Medicare, and Medicaid continue to grow. As discussed in greater detail in Chapter Four, it may be possible to find some additional resources through outsourcing non-military functions and finding new ways to create efficiencies in how DoD conducts its business. But the search for efficiencies in the defense budget has never proved to be a panacea, and in fact has rarely generated the degree of savings estimated at the outset of the various reform efforts that DoD has undertaken in the last ten to fifteen years.

Most of the funding to equip the Army reserve components to serve as part of an operational force as envisioned under the ARFORGEN model will have to come from the identification of resources from within the Army budget, from resources elsewhere in the DoD budget, or perhaps from elsewhere in the larger federal budget. Looking only inside the Army, some analysts argue that Future Combat Systems (FCS) is a program fraught with problems and should be dramatically scaled back. If FCS were scaled back, it would free up resources, but the fact remains that the Army needs new versions of many of the systems that make up FCS – a networked information system for the individual soldier, unmanned aerial vehicles, new artillery systems, and new ground vehicles. The Army cannot trade away its future, and as the Army reserve components will now clearly be part of the Army’s operational force in the coming years, it is not productive to pit one needed future capability against another in the fight for resources.

¹² See joint submitted statement of LTG David F. Melcher and MG Jeanette K. Edmunds before the House Armed Services Committee, Subcommittees on Readiness and Tactical Airland Forces, *Joint Hearing on Army and Marine Corps Reset Strategies for Ground Equipment and Rotorcraft*, March 30, 2006. Also see Belasco, Amy, *The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11*, Congressional Research Service, RL33110: April 24, 2006, p. 17-19.

How resources within the DoD budget should be allocated is beyond the scope of this study, but the 2006 Quadrennial Defense Review noted that the military needed to address four key challenges: traditional challenges, irregular challenges, catastrophic challenges, and disruptive challenges. In operationalizing the QDR's assessment of future threats, DoD noted in the QDR that "the Department is shifting its portfolio of capabilities to address irregular, catastrophic and disruptive challenges while sustaining capabilities to address traditional challenges."¹³ Many defense experts argue that the kinds of irregular and catastrophic warfare activities the U.S. military may have to respond to could include substantial ground forces – contingencies such as long-duration peacekeeping or counterinsurgency operations, securing nuclear infrastructure in a hostile state, conducting counter-terrorism operations, or responding to a catastrophic event on American soil. If the topline of the defense budget is fixed or soon to be declining, senior DoD leaders and members of Congress need to look very carefully to ensure that the defense budget is adequately funding the kinds of capabilities the U.S. military needs to prosecute these types of operations effectively.

Looking beyond the defense budget, the recent QDR characterized the United States as a nation engaged in a "long war." Leaders of both the Republican and Democratic parties often state that the United States is a nation at war, or is engaged in a war on terrorism. During the Cold War, the nation spent about seven percent of its gross domestic product on defense each year. Today the United States is spending about four percent of its GDP on defense. While there are strong arguments against significantly expanding the defense budget in a time of high federal deficits and growing nondiscretionary federal spending, it may also be time to question whether the nation's national security priorities are accurately reflected in the federal budget and associated fiscal policies.

ARMY RESERVE COMPONENT SUPPORT UNITS

While much of the focus under ARFORGEN and in the Army's transformation effort has been on the brigade combat teams, equally critical to the Army's overall effectiveness is the health of its multifunctional support brigades, more than 60 percent of which are in the Army's reserve components.¹⁴ Some analysts have raised concerns that the new modular support brigades may have less capability than the older, pre-modularity support units and may face significant equipment and manning shortfalls.

¹³ Department of Defense, *2006 Quadrennial Defense Review Report*, February 6, 2006, p. 19.

¹⁴ Under the modularity plan, the active Army will have 75 support brigades, the Army National Guard will have 78 support brigades, and the Army Reserve will have 58 support brigades.

Some of the organic capability that resided in the old support units – soldiers and equipment – is being moved into the brigade combat teams as part of the conversion to modularity. As a result, some question whether the new multifunctional support brigades will be able to provide the required support to the brigade combat teams.¹⁵

It is not clear at this time whether the Army has the personnel available to man fully the brigade combat teams and the support units. All three Army components – active, Guard, and Reserve – fell short of their recruiting targets in 2005. The Army Reserve continues to experience significant recruiting shortfalls for the second year in a row, and while Army Guard recruiting has improved significantly, it is not yet known whether it will attain its goal for 2006. Because there are manpower shortages across the entire Army, it is likely that support brigades will compete against the brigade combat teams for personnel, which may mean they will be undermanned relative to the combat force for some amount of time. Moreover, many of the specialties in the support brigades, such as intelligence analysis, civil affairs, and psychological operations, require substantial training so that even if new recruits are in the pipeline, they will not be available to deploy as part of a support brigade until after they are qualified in their military specialty.

Support units face a similar challenge in terms of ensuring they are fully equipped for deployment. Until the Army reserve components can reset and replace equipment that has been used so heavily in Iraq and Afghanistan, and modernize their equipment overall as part of modularity, there is unlikely to be sufficient equipment for all of the support brigades. Until funding is identified to address these equipment challenges, support brigades will be competing with brigade combat teams for scarce equipment dollars, which may mean that the support brigades are less well-equipped in the near term than the brigade combat teams.

RECOMMENDATION

- *The Army should closely monitor the performance of the multifunctional support brigades to determine whether the existing design is sufficient, whether there are sufficient numbers of support brigades to support deployed combat forces, and whether equipment and manning levels are sufficient.*

¹⁵ Feickert, Andrew, *U.S. Army's Modular Redesign: Issues for Congress*, Congressional Research Service, RL32476: May 20, 2005, p. 7.

It is too early in the modularization process to determine whether the planned design for support units will have sufficient capabilities to support the brigade combat teams. It is also too early to determine whether there are sufficient numbers of these units, or to assess whether near-term manning and equipment shortages will have a significant negative effect on their performance. As the Army gains experience with these new units, it should monitor them closely so that it will be better positioned to determine whether adjustments to the design or quantity of support brigades is needed.

TRAINING UNDER ARFORGEN

Critical to the vision under ARFORGEN for both the reserve component brigade combat teams and the multifunctional support brigades is the need for additional training days beyond the traditional one weekend a month and two weeks per year that has been the norm for some time. Historically, Army reserve component forces have operated under an “mobilize, train, deploy model” meaning that while units performed annual training, it was understood that if a unit was mobilized for a mission overseas, it would spend considerable time conducting training related to the mission before actually deploying overseas. This was largely an efficiency measure to conserve limited training and equipment dollars, and did not degrade the Army’s ability to provide combat-ready forces because, for the most part, its reserve component forces were among those that deployed very late into theater under the war plans, if they were in the war plans at all. In recent years, Army Guard and Army Reserve units mobilized to serve in Operation Enduring Freedom in Afghanistan or Operation Iraqi Freedom in the CENTCOM theater have spent on average about four to six months in training after being mobilized to prepare for deployment.¹⁶ Post-mobilization training periods have been lengthy in many instances for several reasons. In many cases units needed considerable time to train on the more modern equipment with which they would actually deploy into theater. Units also needed time to train more extensively at higher echelons to ensure they were prepared to operate as part of a combined arms force. Because many reserve component units were undermanned as a matter of practice, and many had become even more short-staffed due to cross-leveling to support earlier rotations, these units also needed time post-mobilization to repopulate themselves back up to full strength.

¹⁶ See Davis, Lynn, Michael Polich, William Mix, Michael Greenberg, Steven Brady, and Ronald Sorter, *Balancing the Army Force Mix*, RAND Corporation, January 2005 (restricted draft); and Testimony of General Peter Schoomaker before the House Appropriations Committee, Subcommittee on Military Quality Of Life and Veterans Affairs and Related Agencies, *Hearing on the U.S. Army’s Fiscal Year 2007 Military Construction Budget*, March 29, 2006.

Finally, some units needed time to ensure individual members were medically ready and to ensure all members of the units were fully qualified in their military occupational specialties. Medical readiness for the Reserve Component, particularly dental readiness, is a challenge that DoD has recognized and attempted to address, particularly through an expansion of dental benefits. The report will explore this issue further in Chapter Six on the social compact.

Under the ARFORGEN model, Army Guard forces will perform one weekend a month and two weeks of annual training each year for the first three years of the cycle. In the fourth and fifth years of the cycle, Guard units will perform individual training three days during the year for a total of 27 days of individual training, and will then conduct three weeks of annual training in each of those years. Army Reserve forces will train 39 days per year for the first three years, and then train an additional two weeks for a total of one month of annual training in the fourth year just prior to potential deployments.

In practice, how long it takes to validate a unit can depend on the size and type of the unit, as well as the type of training that unit has completed in the past. For example, in recent years some types of Army Reserve units have needed closer to two to three months to be validated based on Army Forces Command data.¹⁷

The ARFORGEN training strategy will place more demands on training resources like aids and simulators and on the throughput capacity of training sites. Under ARFORGEN, up to 20 percent of the Army Reserve and up to about 16 percent of the Army Guard's BCTs will need to be validated each year. It is not clear that existing training sites, including the National Training Center and the Joint Readiness Training Center, are sufficient to conduct this validation process. Nor is it clear that there will be sufficient equipment, trainers, and support personnel at these training sites to ensure meaningful training events. At the current time, the \$21 billion for the Army Guard and the \$4 billion for the Army Reserve that is included in the FY06-FY11 defense program does not include money for the additional training days or training resources that will be needed to make ARFORGEN succeed.

The ARFORGEN training strategy also asks more of individual RC members. Under the new approach, Army reserve component soldiers will already train more each year than they have in the past. RC soldiers will spend about a month away from families and jobs, on top of their one weekend away each month, in the penultimate

¹⁷ TRADOC Analysis Center, *Army Reserve Expeditionary Force Requirements and Resources Analysis Final Results*, briefing for the U.S. Army Reserve, January 2006.

year of the rotation cycle. If RC soldiers continue under ARFORGEN to need as much as a month or more of post-mobilization training, and are then asked to deploy overseas for a full year and spend two to three weeks demobilizing, it may be difficult to sustain the Army reserve component over time.

RECOMMENDATION

- *The Army should either increase the individual and annual training levels envisioned under ARFORGEN, or make explicit that additional post-mobilization training will continue to be required and adjust deployment lengths accordingly. Additional funding is also needed to ensure the ARFORGEN training strategy can succeed.*

The training levels envisioned under ARFORGEN do not appear sufficient to move the Army reserve components to a “train, mobilize, deploy” model. Both the Army Guard and the Army Reserve envision producing validated units under the ARFORGEN cycle, but it is not clear that three to four weeks of annual training in the year before deployment will be sufficient.

Either the Army needs to increase the number of annual training days in the last phase of ARFORGEN so that unit validations can realistically be achieved, or the reserve components need to be explicit in recognizing that even under ARFORGEN, there will still be a need for some post-mobilization training. Given the realities of balancing civilian life with service in one of the Army’s reserve components, it may not be feasible to increase annual training much beyond one month in the penultimate year of the ARFORGEN cycle and sustain the reserve component over time.

At the same time, post-mobilization training contributes to longer mobilization periods, which are frequently cited by reservists and their families as a major source of dissatisfaction in surveys conducted by the Defense Manpower Data Center (DMDC), a DoD field agency.¹⁸ If ARFORGEN will in fact include some post-mobilization training, the Army will have to work closely with theater commanders to develop operational concepts that enable mission success while limiting the total period of mobilization to no more than one year if at all possible. Mobilizations of one year or less would help

¹⁸ Several DMDC reports suggest that longer mobilizations contribute to dissatisfaction. See Defense Management Data Center, *May 2004 Status of Forces Survey of Reserve Component Members: Overview Briefing*, January 2005, p. 86. Also see DMDC, *November 2004: Status of Forces Survey of Reserve Component Members: Leading Indicators*, February 2005, p. 2, 27-29.

reduce pressures on reservists, their families and their employers, and would contribute to making the ARFORGEN model sustainable over time.

The training strategy under ARFORGEN not only may require additional annual training days or explicit recognition of the need for some post-mobilization training, it also needs additional resources. ARFORGEN will not succeed unless funding for the training component of the program is found.

MANNING UNITS UNDER ARFORGEN

Critical to whether ARFORGEN succeeds over time will be whether the Army reserve components can man the brigade combat teams and multifunctional support brigades that are needed to generate the reserve component contribution to the operational force. At this time, success is not clear.

Part of the reason that so many Army reserve component units have experienced relatively long post-mobilization training periods is because once the initial Operation Iraqi Freedom rotation was complete, to deploy fully-manned units to subsequent rotations, the Army had to cross-level units to find sufficient numbers of adequately trained personnel in the right skill sets. Even when units are fully manned, there are always going to be soldiers who are non-deployable due to medical or other reasons. The Army is required to disclose the number of non-deployable personnel in its reserve components, and in FY05, there were 40,005 non-deployable soldiers in the ARNG and 18,749 non-deployable soldiers in the USAR.¹⁹

Both the Army Guard and the Army Reserve are in the process of establishing Transients, Training, Holding, and Student (TTHS) accounts to make it easier for those organizations to track which soldiers are moving, in training, in some sort of criminal or other legal status that renders them ineligible for deployment, or are students, and hence are lower in the queue for potential deployment. While these accounts will clearly make it easier for the Army reserve components to track which soldiers are truly eligible for deployment, they will not in and of themselves solve the problem of a certain percentage of RC units becoming non-deployable as a result of unforeseen developments immediately prior to mobilization.

¹⁹ See Department of the Army, *2006 Army Posture Statement – Addendum A: Data Required by the 1994 NDAA*, March 2006, p. 3.

RECOMMENDATION

- *Man and fund units in the two years preceding the potential deployment year at 105 percent or more so that units can deploy under ARFORGEN without having to undergo cross-leveling.*

To ensure that units can deploy under the new model without having to spend time transferring personnel to bring the unit up to full strength, the Army needs to ensure that all units are funded and manned at 105 percent or more. Even with the establishment of TTHS accounts in the Army Reserve and Guard, there will always be a certain number of unit personnel who are non-deployable upon mobilization due to medical or other reasons. To ensure units can deploy into theater rapidly at full strength, the Army should plan on manning units in the end of the ARFORGEN cycle at more than full strength to accommodate these inevitable losses. The Army already plans under ARFORGEN to adopt this approach, but it is critical that the budget include sufficient resources to make this possible.

Equally important to ensuring deploying units are at full strength is the need to sustain an overall Army that is sufficiently large to man its force structure. In 2005, the active Army fell short of its recruiting goal by 7,000 soldiers. These recruiting shortfalls and retention challenges resulted in pronounced shortfalls in grades E-1 through E-4. In FY05, the Army National Guard was approximately 20 percent – or 12,700 troops – short of its recruiting goal.²⁰ The Army Reserve was 16 percent – 4,600 recruits – short of its recruiting goal.²¹ By 2005 the Army Reserve had only 42 percent of the captains and 63 percent of the warrant officers needed to man its force structure.²² Moreover, 70 percent or more of all of the construction supervisors and engineers, truck drivers, civil affairs personnel, and mortuary affairs personnel in the Army Reserve have been mobilized since September 11, 2001.²³ The Army Reserve is finding it increasingly difficult to provide personnel in these high demand specialties for deployment, particularly because several of these specialties require considerable training and new soldiers with these skills cannot be developed in short time periods. If the Army

²⁰ The Army Guard introduced “Every Soldier a Recruiter” (ESAR) in 2005 where ARNG soldiers of all types to serve as recruiters. Under ESAR, current Guard members can receive up to a \$1,000 bonus for referring a non-prior service individual to any component of the Army. It is proving to be very effective and may result in the ARNG meeting its recruiting target in 2006. More information is available at <http://www.1800goguard.com/esar/>.

²¹ See DoD News Release, *DoD Announces Recruiting and Retention Numbers for September, October 11, 2005* (<http://www.dod.mil/releases/2005/nr20051011-4881.html>).

²² GAO-05-660, p.12-13.

²³ *Ibid.*, p. 13-14.

reserve components are not able to overcome current recruiting and retention challenges, they may face difficulty fully manning the units required to make the ARFORGEN model capable of providing 18 BCTs on a steady-state basis as well as the support units that are needed to sustain those combat forces.

RECOMMENDATION

- *Establish recruiting and retention programs and policies that will enable the Army reserve components to man their units at sufficient strength and to ensure a sufficient number of new recruits for high demand, low density military skills.*

Chapter Six will discuss in detail some of the steps the Department of Defense and the Army could take to address the difficult recruiting and retention environment so that the Army will be able to man its force effectively going into the future. The Department of Defense needs to address the current recruiting and retention challenges not only to live up to the tenets of the implicit social compact between DoD and RC members, but also to ensure that the Army in particular has sufficient personnel to generate the forces it has identified as the steady state requirement to execute the defense strategy of the United States.

MOBILIZATION AUTHORITIES FOR AN OPERATIONAL RESERVE

In addition to organizing, training, and equipping the reserve components to serve as part of an operational force, the Department of Defense also has to ensure it can mobilize RC forces effectively to support this model over time. Members of the Reserve Component can be called to active duty in three ways: they can serve on active duty for annual training, volunteer for active duty, or be involuntarily mobilized.

There are three legal authorities that govern how RC members can be involuntarily mobilized. Section 12301 of Title 10 authorizes the President “in a time of war or of national emergency declared by Congress, or when otherwise authorized by law” to mobilize involuntarily any and all units and individual members of the Selected Reserve to serve on active duty “for the duration of the war of emergency and for six months thereafter.” Section 12301 is widely referred to as the full mobilization authority because it does not limit substantially how many RC members the President can activate or how long they can be mobilized.

Section 12302 of Title 10 authorizes the President “in time of national emergency declared by the President...or when otherwise authorized by law” to mobilize involuntarily no more than one million members of the Selected Reserve to active duty “for not more than twenty four consecutive months.” Section 12302 is widely referred to as the partial mobilization authority, recognizing that it requires the President to declare a national emergency, limits the numbers of RC members that can be activated to one million, and limits how long they can serve to 24 consecutive months. Most but not all of the RC members who have been mobilized involuntarily to Iraq and Afghanistan have been called under 10 U.S.C. § 12302, the partial mobilization authority.

The last authority is widely referred to as the Presidential Select Reserve Call-up (PRC) authority, and it is defined in 10 U.S.C. § 12304. Under PRC, if the President determines that it is necessary to augment the active forces for any operational mission, or to respond to the use or threatened use of a weapon of mass destruction or a terrorist attack, he can mobilize involuntarily as many as 200,000 members of the Selected Reserve and the Individual Ready Reserve for no more than 270 days. Most of the peacekeeping operations in the former Yugoslavia and other similar humanitarian operations were conducted using the Presidential Select Reserve Call-up authority.

All three legal authorities were written into law many years ago – the partial and full mobilization authorities date from the 1950s. Some experts have called for an examination of whether these authorities are sufficiently compatible with use of the Reserve Component as part of an operational force.

Building the force packages for Operation Iraqi Freedom is a significant challenge for the Services, and one reason why is how the mobilization authorities governing use of the Reserve Component are being applied. Although the partial mobilization authority states that RC members can be involuntarily mobilized for no more than 24 consecutive months, the Department of Defense has determined as a matter of policy that RC members can be involuntarily mobilized for no more than 24 cumulative months. In practice this means, for example, that members of the Army reserve components can serve one 12 month tour under partial mobilization and no more, because when the Army adds on the time needed for post-mobilization training and for demobilization, RC members are activated for about 16 to 18 months. This leaves only about six months of the 24 month period, and because the theater commander often requires soldiers to serve at least 12 months on the ground, members of the RC cannot be mobilized for a second tour, even if there are still six months of potential mobilization left under the partial mobilization authority.

Many of the Service chiefs and Service reserve component chiefs have expressed concern about this policy decision because it means that fewer and fewer members of the RC are available for future overseas rotations. The only way to redeploy RC members who have already served in Iraq or Afghanistan is if they volunteer, which senior military leaders argue puts RC members in the unenviable position of having to tell spouses, family members, and employers that they have chosen to go back overseas. Several senior military leaders have called for returning to the strict interpretation that limits involuntary activations to no more than 24 consecutive months, which some argue would increase DoD's access to the Reserve Component and make it easier to generate force packages for overseas operations. At the same time, for those RC members who might not have volunteered for another deployment, such an approach would expose them to the potential of a second involuntary deployment within a short period of time.

The issue of how to mobilize the Reserve Component and what authority to use is not just a legal issue, but a political and strategic one as well. The partial mobilization authority was originally envisioned as a signaling mechanism that could help deter adversaries from threatening the United States or U.S. interests. Under partial mobilization, the President could call up substantial numbers of forces and begin the transition to a wartime footing in advance of a more definitive declaration of war by Congress. Because partial mobilization allows a substantial commitment of Reserve Component forces, it requires the President to declare a national emergency, which in turn requires the President to expend political capital and make the case to the American people that such a step is needed. Partial mobilization was not envisioned as a mechanism to enable significant and sustained use of RC forces over a long period of time; it was a bridging mechanism to put the foundation in place for full mobilization if necessary.

Decisions about which mobilization authority to use, how to interpret the mobilization authorities, and whether to declare national emergencies are all decisions that require the President and the Secretary of Defense to weigh the military requirements of specific missions, the degree of access to the Reserve Component that different mobilization authorities provide, and the political implications of using the different authorities. In the post-September 11 period, the existing authorities may no longer be structured appropriately to strike the delicate balance among providing the President access to the Reserve Component for a variety of different contingencies, ensuring that the Reserve Component is used prudently and judiciously, and enabling the Reserve Component to function as part of an operational force over a sustained period of time.

RECOMMENDATION

- *The Department of Defense needs to propose a new set of mobilization authorities to Congress that would enable use of the Reserve Component as part of an operational force, ensure judicious and prudent use of the Reserve Component, and preserve the flexibility of the President to call on the Reserve Component as appropriate for national emergencies or declarations of war.*

There is not a single “right” way to rewrite the existing mobilization authorities in view of the complexity of issues involved, but it is clear that the current authorities are already problematic and will continue to be problematic as long as the Reserve Component serves routinely as part of an operational force on a relatively large scale.

To enable mobilization of the Reserve Component as part of an operational force, one option would be to establish a mobilization authority that allows the President to mobilize involuntarily units and RC members not assigned to a unit for a single activation not longer than 18 months during a six year period. Such an authority should require a Presidential declaration of the need for a reserve call-up and should require the certification of the appropriate Service Secretary for voluntary service beyond what is outlined in the mobilization authority. This kind of a new PRC authority would enable the Reserve Component to be used as part of an operational force without undue expenditure of political capital by the President, and would protect RC members from overuse and from coercive efforts to secure voluntarily mobilization.

In lieu of the partial mobilization authority, DoD could propose a “national emergency mobilization” authority that allows the President to mobilize involuntarily any unit or member not assigned to a unit for a single activation of up to 18 months during a time of national emergency declared by the President. Under this type of authority, the President would be required to limit the declaration of the national emergency to a period of no more than 18 months. If the emergency is still ongoing after 18 months and continues to require significant forces, consideration would need to be given to invoking full mobilization of the Reserve Component. This type of authority, like a new version of PRC, would require Service Secretarial certification of voluntary service beyond the scope authorized under the statute to protect RC members from coercive volunteerism efforts.

This type of authority also should have a limit on the number of RC members that could be called, so it could not be used as a substitute for a full mobilization. It would provide the President additional access to the Reserve Component beyond what

would be authorized under a new PRC, but would require a Presidential declaration of emergency. The Presidential declaration is critical in that it would signal to the American public the gravity of the security situation and would articulate why the nation needs to call on members of the Reserve Component to serve beyond what is envisioned under the steady-state social compact.

Even armed with an authority that enables the Reserve Component to serve routinely as part of the operational force and a “national emergency” mobilization, the President will continue to need legal authorization to call on the entire Reserve Component. The full mobilization authority, written into law for the first time in 1956 and modified many times since, continues to be an appropriate authority by which to call-up the reserves in a time of war.

ROLE OF THE CHIEF, NATIONAL GUARD BUREAU

As the Reserve Component has played a larger and more significant role in the operational force, some in the defense community have argued that the visibility and influence of the leadership of the Reserve Component needs to be increased. Particularly where budget resources are involved, there is a long history of tension between the active military and their respective reserve components. During the 1997 Quadrennial Defense Review, the Army National Guard felt it did not have sufficient visibility or input into the process. More recently, the Air Force Reserve and Air National Guard felt they were excluded from the BRAC deliberations until very late in the process. While the Army reserve components were included throughout the 2005 BRAC process to a much greater degree than were the Air Force reserve components, important decisions concerning end strength and force structure were taken at the very end of the 2006 QDR process. The Army National Guard clearly felt it was informed, rather than consulted about these decisions. Perhaps because the Army reserve components have made such a substantial contribution to Operations Enduring Freedom and Iraqi Freedom over the last three years, resentment levels in the National Guard community about the perception of being “cut out of the process” seemed to run even higher than they have in past. Just a few days after DoD announced the force structure changes and end strength reductions, the National Guard community energized 75 Senators to sign a February 2, 2006 letter to Secretary Rumsfeld urging him to restore funding in the budget for the additional Guard troops.²⁴

²⁴ Plummer, Anne, *Army Official Reassure Senate Panel on Personnel Plan for National Guard*, CQ Today, February 14, 2006.

Each of the five federal reserves augment and complement their respective active services. Reflecting this supporting relationship, the chiefs of the five federal reserves report to either their Service secretaries or their Service chiefs or both. The Army National Guard and the Air National Guard in their constitutional roles as the nation's militia report to state governors, but in their federal role as part of the Title 10 Army and Air Force they report to the Secretaries of the Army and Air Force. The Chief of the National Guard Bureau serves as "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."²⁵ Under the current organizational structure, the leaders of the five federal reserve components and the Army and Air National Guard, as well as the Chief of the National Guard Bureau are required to work out differences over policy, plans, or budgets within their respective Service structures. Some argue that this arrangement means that the reserve components will always lose to the active components in the fight for scarce resources. In the aftermath of the 1997 QDR, and the associated decision to cut Army Guard force structure, legislation to elevate the Chief of the National Guard Bureau to the rank of a four-star general and to give the Chief a seat on the Joint Chiefs of Staff almost passed in Congress, having cleared as part of the Senate version of the FY98 National Defense Authorization Act, but was removed from the final bill during conference negotiations between the Senate and House of Representatives.²⁶

In the wake of the more recent DoD decisions about Army Guard force structure and end strength, legislation has again been submitted to elevate the Chief of the National Guard Bureau to the rank of four-star general and to create a seat for the National Guard on the Joint Chiefs of Staff.²⁷ In submitting this legislation, the bill sponsors seek to increase the influence of the National Guard in key policy and budget decisions.²⁸

²⁵ 10 U.S.C. § 10502.

²⁶ Although the Chief of the NGB was not added to the Joint Chiefs at that time, DoD did create two new advisory positions to the Chairman of the Joint Chiefs in 1997. Since that time there have been two 2-star general officers from the Guard and reserve community who serve as Assistants to the Chairman for National Guard and Reserve Matters.

²⁷ See *The National Defense Enhancement and National Guard Empowerment Act of 2006* (S. 2658 and H.R. 5200 in the 109th Congress).

²⁸ In their April 28, 2006 "Dear Colleague" letter to members of the Senate, Senators Christopher Bond and Patrick Leahy argued that "the National Guard does not possess sufficient muscle to participate as an equal partner in key policy and budget deliberations which has led to action that weaken the Guard's capabilities." Senators Bond and Leahy asserted that making the Chief of the National Guard Bureau a four-star general will ensure "that the President and the Secretary of Defense receive unmediated advice

The Army and Air National Guard are not independent military services. They serve the state governors when they are performing state missions or missions under Title 32 of the United States Code, but “whenever Congress determines that more units and organizations are needed for the national security than are in the regular components of the ground and air forces, the Army National Guard of the United States and the Air National Guard of the United States, or such parts of them as are needed, together with such units of other reserve components as are necessary for a balanced force, shall be ordered to active Federal duty and retained as long as so needed.”²⁹

While the Army and Air National Guard do not determine or control their own budgets, they are unique among the reserve components in that they are directly embedded in the political structure of all 50 states. This arrangement gives them considerable leverage to participate in key policy and budget debates. In addition to the senior positions of Director, Army National Guard, Director, Air National Guard and Chief of the National Guard Bureau, the National Guard has an Adjutant General in every state that reports to the governors, and typically has relationships with the Congressional delegation of that state. As a result of this nationwide political network and bottom-up structure, the National Guard has tremendous influence at the end of the budget process when the defense budget reaches Capitol Hill, regardless of how its influence waxes and wanes inside Pentagon councils.

Recognizing this dynamic, senior active military leaders and senior civilian leaders of the Services, as well as the Secretary and Deputy Secretary of Defense themselves, are well served to bring the National Guard into key policy and budget decisions early in the process of their own initiative. Recent experience has shown that when the military and civilian leadership of the Pentagon include senior representatives from the Guard in key decisions early, as the Army did during the BRAC process, there is much greater potential to arrive at a mutually satisfactory outcome. When senior active military and civilian leaders bring the Guard into key decisions much later in the decision-making process, it is much harder to resolve differences internally, as DoD has seen in terms of the 2006 decisions concerning the Army National Guard’s end strength. While the Chief of the National Guard Bureau and the Directors of the Army and Air Guards are outranked by the Army and Air Force chiefs of staff, there are substantial mechanisms and incentives already in place by virtue of how the National Guard is structured to give it a real voice in key policy and budget decisions. When the system breaks down, as it did most recently during the controversy over Army Guard force

on Guard issues and provides the nation’s governors, whose Adjutants General work with the National Guard Chief, with enhanced input into critical defense debates.”

²⁹ 32 U.S.C. § 102.

structure and end strength, it is usually because the senior military and civilian leaders inside DoD have failed to appreciate sufficiently the dynamics of the National Guard in the states and on Capitol Hill, not because the Chief of the NGB lacks persuasive powers as a three-star general.

RECOMMENDATION

- *The Chief of the National Guard Bureau should remain a three-star general and continue to report to the Secretaries of the Army and Air Force as well as the Chiefs of Staff of the Army and Air Force on all matters except those concerning the National Guard's role in homeland defense and civil support.*

The National Guard and the other reserve components do need to have a strong voice in key policy and budget decisions, but elevating the Chief of the National Guard Bureau to the rank of four-star general and giving the Guard a seat on the Joint Chiefs of Staff is highly problematic. Giving the Chief of the Guard Bureau a fourth star and a seat on the Joint Chiefs sends the message that the National Guard is a separate service from the Army and Air Force when it is not. Such a move would likely hamper efforts to integrate the Guard more fully with the Army and Air Force active components. Moreover, it is not clear that elevating the Chief in this way will give him or her greater ability to influence key policy and budget decisions than the Chief already has, as elevating the rank of the Chief will not change the fundamental funding relationship between the Army and Air National Guards and their parent services.

The one area where it may make sense to revise the Chief of the NGB's statutory authority is in the area of the National Guard's role in homeland defense and civil support. When the Guard is functioning in state active duty status, or under Title 32 and reporting to state governors, it is fulfilling its role as the nation's state militia. In the post-9/11 environment, there may be a need to refine existing authorities to ensure the Chief of NGB can carry out his responsibilities in this area effectively. Chapter Five will discuss this issue in greater detail.

CONCLUSION

Moving from a strategic reserve to using its reserve components as part of the operational force is a paradigm shift for the Army, but one that is essential if the Army is to be able to fulfill its role in the National Security Strategy. If the paradigm shift that

ARFORGEN and AREF represents is to be made successfully, DoD and the Army must resource these concepts fully; build the policy, planning, and human resource management frameworks needed to support these concepts; and recognize that the Army's reserve components are now truly partners with the U.S. Army's active components. Implementing the new rotational approach effectively is not just central to the Army's ability to supply sufficient combat ready forces, it is part of the social compact with members of the Army reserve components. When people join the Reserve Component, they expect not only to be compensated for their time and sacrifice, but also trained and equipped to perform their missions effectively. If well executed, ARFORGEN and AREF represent an important part of a new opportunity for DoD to craft a social compact that accurately reflects the challenges and rewards of serving as a citizen-soldier who is a significant part of the larger operational force.

CHAPTER FOUR

REALIGNING THE DOD WORKFORCE TO MAXIMIZE CONSTRAINED RESOURCES

Since talk began in the early 1990s about a “peace dividend” in the wake of the Cold War, the Department of Defense has pursued many initiatives to identify resources within its budget that could be reallocated to more pressing priorities, including consolidating its infrastructure through the Base Realignment and Closure (BRAC) process and reforming acquisition and business practices processes through previous efforts, like the Defense Reform Initiative, and now through the recently established Defense Business Transformation Agency¹.

A major element of this long-term funding reallocation campaign has been the effort to optimize the DoD workforce, particularly in terms of ensuring that every individual wearing a military uniform is performing a job that requires military expertise. In light of the continuing and growing pressures on the DoD budget that were described briefly in Chapter Three, the Department’s efforts to get the most out of its military end strength have only become more pressing as time has passed. While the conversion of military positions into civilian positions is unlikely to affect the Reserve Component, since there are few full-time RC personnel who would even be eligible for such conversions, many of the support functions that could potentially be performed by private sector contractors or technology, or a combination of both, are found in the Reserve Component.

This chapter will briefly describe what DoD has done in recent years to realign its workforce, outline some of the key challenges it has faced, and recommend how DoD might make more progress in this important area. While realigning the DoD workforce has traditionally proven quite challenging, and has rarely lived up to expectations in terms of predicted savings, there is clearly more that can be done to optimize military end strength. Any savings from this process will make it easier for the Department of Defense to address the resource shortfalls that are associated with the transition to the operational reserve.

¹ See Pulliam, Daniel, *Pentagon to House Business Programs in One Central Agency*, GovExec.com Daily Briefing, October 17, 2005 (<http://www.govexec.com/dailyfed/1005/101705p1.htm>).

THE MILITARY TOOTH-TO-TAIL RATIO

While the Department of Defense has sought efficiencies in its personnel system for many years, efforts to reduce the number of military personnel performing jobs that could be accomplished by non-military staff have often fallen short of official targets and have been very difficult to track accurately.

A variety of issues make the task of optimizing military end strength very challenging. Defense requirements frequently change, and they are not regularly or comprehensively assessed in terms of how they translate into personnel needs. This makes it difficult to assess what functions must be performed by military personnel and how many military personnel are needed for each function.² Political and cultural factors can also complicate this process, as unions and members of Congress with significant constituencies of federal employees often resist conversion efforts. Furthermore, military commanders hesitate to replace military personnel with non-military personnel because of concerns that they will have less control over non-military workers.

Despite these difficulties, realigning the DoD workforce to be more efficient has, for years, been cited as a potentially significant source of savings. Throughout the mid-1990s, the Department of Defense and outside organizations like Business Executives for National Security reported that somewhere between 245,000 to 300,000 military personnel were performing functions that could be performed by civilians or contracted out to the private sector.³ Although conversion efforts had been underway almost continuously, and senior DoD officials continued to state as recently as in 2004 that about 300,000 military jobs could be performed by non-military personnel, the Office of the Secretary of Defense (OSD) has subsequently clarified that this number was based on a 1997 study that overstated the potential for conversion. OSD has revised the number of military positions that could be converted to only approximately 44,000.⁴

² See Government Accountability Office, *Military Personnel: DoD Needs to Conduct a Data-driven Analysis of Active Military Personnel Levels Required to Implement the Defense Strategy*, GAO-05-200: February 2005.

³ In the 1994 DoD Manpower Requirements Report, the Department of Defense noted that 245,000 military personnel were performing non-military functions. This number and report were cited in (then) General Accounting Office, *DoD Force Mix Issues: Greater Reliance on Civilians in Support Roles Could Provide Significant Benefits*, GAO/NSIAD-95-5: October 1994. Also see Taibl, Paul, *Defense Department Jobs in Transition*, Business Executives for National Security Special Report, February 1999 (http://www.bens.org/pubs_0299.html).

⁴ GAO-05-200, p. 17-18.

Yet, even when jobs eligible for conversion are identified, the Department still faces obstacles in completing the conversion process. As part of Program Budget Decision (PBD) 712, issued in December 2003, OSD directed the military services to convert almost 20,000 military positions into civilian or private sector contractor positions by the end of fiscal year 2005. In providing guidance on how to execute the PBD, OSD told the services to fund the costs of conversion through offsets from other programs within their respective budgets. According to a recent Government Accountability Office (GAO) report, the Services did not meet the conversion targets that OSD directed and, in fact, only converted 3,400 positions by the end of fiscal year 2004.⁵ Reflecting the fact that insufficient funding may have been to blame, the FY05 defense budget included \$572 million for conversion.

Oversight issues have also limited the amount of progress that has been made. Throughout the 1990s, OSD did not have a consistent mechanism in place to monitor Service efforts to convert military positions. Establishing an oversight process suffered from lack of a clear organizational home within DoD and irreconcilable demands on staff time. Only in the fall of 2004 did the conversion program begin to receive formalized oversight, when the Office of the Under Secretary of Defense for Personnel and Readiness (USD (P&R)) began implementing a process to manage the military to civilian and contractor conversion program.⁶ While the new oversight program is a useful step, it is still too early to determine whether this new mechanism will be sufficient to close the gap between the conversion targets outlined in annual budget documents and those conversions that are actually completed each fiscal year.

Given the political, cultural, and organizational challenges associated with realigning DoD's workforce, it is prudent to remain conservative in terms of what can be expected from the conversion and outsourcing process. While realigning the DoD workforce may generate some savings that could be used to fund the transition to the operational reserve and additional combat structure, it is unlikely to be a source of dramatic savings in the near term.

SUBSTITUTING CAPITAL FOR LABOR

Realigning the DoD workforce should not be limited just to making greater use of civilians and contractors. Another element is finding opportunities to use technology to perform tasks currently performed by people in uniform, or to enable the

⁵ GAO-05-200, p. 17-18.

⁶ Ibid.

fundamental reengineering of how particular objectives are achieved. This process of substituting capital for labor can be seen in various forms throughout the Department of Defense. As the military services design and procure new weapons systems, they are identifying ways to achieve the same battlefield effects with systems that require fewer people to operate them. The most obvious example is the emergence of unmanned aerial vehicles (UAVs) like the Predator, which does not require a pilot and requires fewer support personnel to maintain it. Others include the development of driverless trucks that can follow the lead truck in a convoy or unmanned undersea and sea surface vehicles that could patrol waterways or protect Naval vessels in port.

Driven by the manpower shortages that have resulted from ongoing operations, the services are also finding ways to use technology to perform entire functions that previously were performed by military personnel. In the wake of the September 11 attacks, the Air Force found it increasingly difficult to provide sufficient numbers of perimeter security personnel for its facilities. As manpower became increasingly scarce, the Air Force developed a suite of cameras and sensors to provide perimeter security and began deploying that system to bases overseas in lieu of actual people in uniform.⁷

Technology may also be a critical enabler for a fundamental rethinking of how the military performs entire functions. “Big box” stores like Wal-Mart and companies like FedEx continually revolutionize and rethink their supply-chain processes – focusing on leveraging emerging technologies, best practices, and lessons-learned – yet the military is performing entire functions much the way it has for decades.⁸ In 2002, GAO testified before Congress comparing the management styles of Wal-Mart and Sears to the Department of Defense. The GAO witness noted that while Sears and Wal-Mart maintained integrated, automated systems, “DoD’s current business processes and data systems [are] not being designed and implemented in an integrated fashion.”⁹

OPTIMIZING END STRENGTH FOR THE FUTURE

As defense budgets become increasingly stretched, the costs of overseas operations rise, and the military workforce as a whole becomes more expensive, DoD must optimize its “tooth to tail ratio” – the number of support troops relative to the number

⁷ Office of the Deputy Assistant Secretary of Defense for Reserve Affairs (Readiness, Training, and Mobilization), *Rebalancing Forces: Easing the Stress on the Guard and Reserve*, January 15, 2004, p. 16.

⁸ General Accounting Office Testimony, *DoD Management: Examples of Inefficient and Ineffective Business Processes*, GAO-02-873T: June 25, 2002.

⁹ *Ibid.*, p. 2.

involved in direct combat. This optimization process, while not likely to be the source of dramatic savings in the near term, is a critical part of the transformation process, and should include using technology to perform tasks more efficiently and identifying new ways to perform long-standing functions more efficiently.

RECOMMENDATION

- *DoD should conduct the comprehensive personnel audit recommended by the Defense Science Board in 2006, and use it to identify opportunities to use technology to reduce personnel requirements.*

As part of its 2005 Summer Study assessing DoD transformation, the Defense Science Board (DSB) asserted that there continue to be large numbers of military personnel performing non-military functions despite numerous tooth-to-tail efforts.¹⁰ The DSB recommended that USD (P&R) conduct an audit, to include a full examination of costs of all military, civilian, and contractor personnel working for DoD, with the objective of using military personnel to perform military functions, civilians to perform inherently governmental functions, and the A-76 process to outsource any remaining functions competitively to the private sector. Not only is this audit sorely needed to assist DoD in rationalizing its human workforce, it could also help DoD determine what functions could be performed, in whole or in part, by technology.

THE ROLE OF DEFENSE CONTRACTORS¹¹

A critical component of the effort to realign DoD's workforce is the Department's reliance on private sector contractors. The role of defense contractors in DoD operations, whether as part of headquarter functions or in support of deployed forces, has been increasing steadily. The role of defense contractors is directly relevant to the future shape of the Reserve Component because many of the functions that contractors perform, such as base support operations, maintenance, and security, are also performed by members of the National Guard and federal reserves. Looking to the

¹⁰ Defense Science Board Summer Study, *Transformation: A Progress Assessment*, Volume I, February 2006, p. 35-36.

¹¹ This portion of the chapter was heavily informed by a paper commissioned for the CSIS study and written by Dr. Deborah Avant of the Institute for Global and International Studies at The George Washington University. See Avant, Deborah, *The Role of Contractors in the U.S. Force*, unpublished paper commissioned by CSIS, 2005.

future, the Department of Defense will need to determine to what degree support functions currently performed by members of the Reserve Component could be performed by contractors on contingency contracts in support of specific operations at home or overseas.

Although non-uniformed personnel have performed military services throughout the nation's history, the first official government statement on this type of contracting did not come out until 1954 and has come to be known as Office of Management and Budget Circular A-76.¹² Initially the military relied on the private sector primarily for weapons manufacturing and logistics materials, but over time DoD came to use contractors to provide technical support for a broad array of deployed systems, to help train foreign militaries and police forces, and to provide base support services for deployed U.S. troops. A particularly visible trend in contractor support in the last several years has been the rise in the number of contractors providing security services either for U.S. personnel or for U.S. facilities overseas.¹³ By 2004, the ratio of contractors to U.S. military personnel in Iraq and Kuwait may have been as close to one contractor for every four U.S. military personnel.¹⁴

The use of contractors, particularly deployed overseas, poses a variety of significant challenges for the Department of Defense that are not concerns when military personnel perform the same tasks. As news reports and experts in academia have pointed out, contractors on the battlefield can be expensive, they present operational challenges in terms of reliability and rules of engagement, and they can present legal challenges for DoD because contractors are not subject to the Uniform Code of Military Justice (UCMJ).¹⁵

¹² See Althouse, James, *Contractors on the Battlefield*, Army Logistician, November/December 1998.

¹³ The tragic case of the four contractors employed by Blackwater Security who were ambushed and killed in Fallujah in 2004 is perhaps the most well-known example of this trend, but many companies, including Halliburton, Dyncorp, Kroll, and Triple Canopy, provide these types of services.

¹⁴ A CBO report published in October 2005 stated that the actual number of contractors and other non-military support personnel in Iraq and Kuwait was 38,000, based on Logistics Civil Augmentation Program (LOGCAP) data as of December 2004. With about 156,000 military personnel in these two countries at that time, the ratio of contractors to military personnel in Iraq would be almost one contractor for every four military personnel. See Congressional Budget Office, *Logistics Support for Deployed Military Forces*, October 2005, p. 5 and Armed Forces Information Service, *Fresh Troops Tabled for Iraq, Afghanistan Deployment*, December 12, 2004.

¹⁵ See Singer, P.W., *Corporate Warriors: The Rise of the Privatized Military Industry*, Cornell University Press, 2003; Avant, Deborah, *The Role of Contractors in the U.S. Force*, unpublished paper commissioned by CSIS, 2005; National Public Radio, *Contractors in Iraq*, Talk of the Nation, June 21, 2005; White, Josh and Griff White, *Tension, Confusion Between Troops, Contractors in Iraq*, The Washington Post, July 10, 2005, p. 12; and Eunjung Cha, Ariana and Renae Merle, *Line Increasingly Blurred Between Soldiers and Civilian Contractors*, The Washington Post, May 13, 2004, p. 1.

In theory, contractors should be able to provide support to deployed forces less expensively than combat service support (CSS) forces because contractors do not have to pay the costs associated with maintaining a rotation base. In other words, when the Department of Defense signs a contract with a private company to provide support to deployed forces, DoD pays the costs of that contract, both in terms of personnel and services, only for the life of the contract. When the work ends, DoD no longer has any bills to pay. In contrast, if DoD wants to use military forces to provide that support, it pays for those forces while they provide that support, and it also pays to maintain the rotation base at home for those support forces. In essence, DoD is paying the costs of all the support personnel in its force structure whether or not they are actively providing support services to deployed forces.

While contractors are in theory less expensive, in practice their costs can rise significantly for a variety of reasons. Support contracts are more cost effective for the Department of Defense when they are bid through a competitive process, but in many contingencies, time constraints may not allow for a full and open competition. As a result, DoD may find itself paying a premium for services it needs because speed of delivery is more important than identifying the lowest bid. Similarly, if a particular type of service that DoD needs is becoming more expensive, in many cases those costs are passed directly on to the Department of Defense as the customer. Most DoD support contracts are “cost plus” contracts, which means that the government pays the costs of “reasonable, allowable, and allocable costs incurred to the extent prescribed in the contract” plus a set profit margin.¹⁶ In addition, the Department of Defense also may find itself paying more for services if it has to negotiate contracts at a time where actual requirements are still quite ambiguous, or if tasks need to be added to an existing contract to address emerging and unforeseen requirements.

When the U.S. military found that it needed additional contract personnel to provide security services in Iraq, the combination of the dangerous conditions on the ground and the limited number of individuals with the requisite backgrounds meant that DoD would ultimately begin paying much more than it planned to procure this particular type of service.¹⁷ The resulting disparity in pay between military personnel and private contractors performing security services has led to lowered morale for some

¹⁶ Government Accountability Office, *Military Operations: DoD's Extensive Use of Logistics Support Contracts Requires Strengthened Oversight*, GAO-04-854: July 2004, p. 5.

¹⁷ A number of press accounts have reported that retired military personnel services as private security contractors are earning as much as two to four times what they made when they were on active duty. See Schmitt, Eric and Tom Shanker, *Big Pay Luring Military's Elite to Private Jobs*, *The New York Times*, March 30, 2004; Barry Lando, *Soldiers And Fortune*, *TomPaine.com*, April 20, 2004.

in uniform. In some cases, it has even resulted in military personnel leaving the service for higher pay in the private sector.¹⁸

Beyond costs, contractors also pose significant operational challenges – for example whether the U.S. military can rely on contractors to provide services if conditions in theater are hazardous. Because contractors are not subject to the UCMJ, they cannot be compelled to perform their jobs. During the initial invasion of Iraq and the subsequent insurgency, there were reports of problems with the supply chain due to contractors not doing their jobs. The Army’s senior logistics officer stated publicly that “[w]e thought we could depend on industry to perform these kinds of functions...[but it got] harder and harder to get [them] to go in harm’s way.”¹⁹ The military has not yet experienced widespread problems with contractors not performing duties as outlined in DoD contracts, but this continues to be a concern for many military commanders and planners who worry about the degree of risk they assume when they rely on contractors rather than military personnel.²⁰

Another operational challenge concerns the rules of engagement governing contractors in theater. Should contractors be allowed to carry more than personal firearms if the security environment is dangerous? When should the military be responsible for providing force protection to contractors? If contractors come under attack while in theater, is the military obligated to launch a search and recovery operation? There have been multiple incidents of private contractors killed in firefights with insurgents after requesting but not receiving assistance from coalition forces in Iraq.²¹ Questions about how much firepower and protection contractors should have are sensitive for many reasons, including the fact that actions taken by individual contractors have the potential for strategic effects in terms of efforts to win the hearts and minds of local populations. Contractors are not clearly subject to the same conservative rules of engagement that apply to military personnel and there have been instances where private contractors have injured or even killed civilians in Iraq.²²

¹⁸ Ibid. Also see Heimlich, Janet, *Contractors Say Risks in Iraq Are Worth the Salaries*, National Public Radio: Morning Edition, January 26, 2005 and FRONTLINE: Private Warriors, *Interview with Doug Brooks*, June 21, 2005 (<http://www.pbs.org/wgbh/pages/frontline/shows/warriors/interviews/brooks.html>).

¹⁹ David Wood, *Some of Army’s Civilian Contractors Are No-Shows in Iraq*, Newhouse News Service, July 31, 2003.

²⁰ See Singer, P.W., *Outsourcing War*, Foreign Affairs, March-April 2005.

²¹ Wilson, Jamie, *Private Security Firms Call for More Firepower in the Combat Zone*, The Guardian, April 17, 2004.

²² Price, Jay, *Hired Guns Unaccountable: Pentagon Releases 400 ‘Serious Incident Reports’ Voluntarily Filed By Security Contractors in Iraq*, The News and Observer (Raleigh, NC), March 23, 2006, p. A1.

A final major challenge associated with using contractors as a substitute for military personnel is that contractors are not subject to the same legal code as military personnel. Depending on the Status of Force Agreement (SOFA) between the United States and the country in which contractors are working, contractors may be subject to the laws of that territory. If there is no functioning government in the territory, it may not be clear what legal framework governs contractor behavior. Initially the Coalition Provisional Authority in Iraq specified that contractors working for CPA were subject to the laws of their parent country. American contractors may be subject to the Military Extraterritorial Jurisdiction Act as well as the USA PATRIOT Act.

The Military Extraterritorial Jurisdiction Act (MEJA) was passed in 2000 and provides U.S. federal courts with legal authority over persons who commit criminal acts abroad while under contract with the U.S. Government. It does not give U.S. federal courts authority over persons who commit civil crimes and it does not address command and control issues that are addressed as part of the UCMJ. In terms of international law, contractors do not fit neatly into the categories for prisoners of war under the Geneva Convention. There has been some concern that contractors, if captured, might be denied prisoner of war status or perhaps even tried as war criminals.²³

In October 2005, the Department of Defense issued a new instruction, "Contractor Personnel Authorized to Accompany the U.S. Armed Forces," that clarifies, if not entirely resolves, many of these issues at the policy level.²⁴ The instruction notes that the geographic combatant commander may provide security for contractors in cases where it cannot be secured affordably or reliably, commensurate with the level of security provided to DoD civilians. Similarly, the geographic combatant commander must approve requests to arm contractor personnel for individual self-defense. Additionally, the level of authority and armaments for contractors providing private security services will be set forth as part of their contract. The instruction states that contracts shall be used cautiously in contingency operations where major combat operations are ongoing or imminent, and makes clear that only the geographic combatant commander, a four-star general or admiral, can determine whether private security contractors can guard U.S. or coalition supply routes, facilities, military personnel, or property.²⁵

²³ Vernon, Rebecca, *Battlefield Contractors: Facing Tough Issues*, Public Contract Law Journal, Vol. 33, No. 2 (Winter 2004), p. 401-418.

²⁴ Department of Defense Instruction Number 3020.41, *Contractor Personnel Authorized to Accompany the U.S. Armed Forces*, October 3, 2005.

²⁵ *Ibid.*, p. 17.

The instruction also requires that, as part of the request to arm private security contractors, the private company must provide a description of how their movement will be coordinated with military personnel engaged in conflict (including how military personnel will be able to rapidly identify contractors), and a plan for how appropriate assistance will be provided to contractor security personnel who become engaged in hostile situations. While the instruction does not appear to guarantee that the military will come to the assistance of contractors under fire, it does put a formalized process in place to establish a much better understanding between private security contractors and military personnel.

In terms of the legal issues posed by using contractors, the instruction also notes that it will be official DoD policy that, as long as contractors carry appropriate identification cards as called for in the Geneva Convention, they will be legally considered as civilians accompanying the armed forces and will be entitled to prisoner of war status. In terms of potential criminal activities, the instruction also makes clear that contractors are subject to MEJA and, in the case that a formal declaration of war is issued, they may be subject to prosecution under the UCMJ.²⁶ For all other activities, the instruction notes that defense contractors are responsible for ensuring that their employees meet the terms of their contract and must discipline employees if there is a problem. While commanders have no direct contractual relationship with the direct contractor, military personnel may direct contractors to take lawful action in emergency situations.²⁷

USING CONTRACTORS TO OPTIMIZE MILITARY END STRENGTH

Despite the challenges associated with using contractors to support deployed troops, they can provide high quality services and, when used effectively, can offer DoD substantial savings over military personnel. Greater use of contractors would appear to offer significant potential for further optimizing military end strength, particularly if the following recommendations were implemented.

RECOMMENDATION

- *DoD should place more trained contracting technical representatives in theater and provide other oversight mechanisms to ensure cost effective and efficient implementation of support contracts.*

²⁶ Ibid., p.7.

²⁷ Ibid., p. 15-16.

To ensure that DoD is paying no more than it needs to for services rendered, and to address concerns about the degree to which commanders in theater can rely on contractor support to provide necessary services, DoD should place more trained contracting officer's technical representatives (COTRs) in theater to oversee support contracts and develop other mechanisms to better monitor and adjust contractor performance. Many returning military officers from Iraq have noted that COTRs are simply overwhelmed with tasks and do not have time to familiarize themselves with contract terms or to verify contract terms are being met.²⁸ In a 2004 report, the Government Accountability Office recommended that the military service secretaries establish teams of subject matter experts that travel periodically to locations receiving contractor support to evaluate performance and make recommendations for improvement.²⁹ While DoD agreed with that recommendation, such service teams have not yet been formed according to a subsequent GAO report issued in March 2005.³⁰

RECOMMENDATION

- *DoD should aggressively pursue the sponsored reserve concept to expand the number of contractors who can deploy into theater as reservists subject to UCMJ.*

DoD has begun to explore the concept of a sponsored reserve as part of its Continuum of Service. The sponsored reserve concept originated from a 1992 British military study that recommended exploring whether civilians with reserve status could be used more widely for operational support functions. Under the sponsored reserve concept, contractors employed in the private sector to provide support services for the U.S. military would also be members of a reserve component and would be activated as reservists if and when they were deployed overseas. As activated reservists, these

²⁸ In prepared testimony for the House Government Reform Committee (entitled *Contract Management: Contracting for Iraq Reconstruction and for Global Logistics Support*), Comptroller of the United States David Walker noted that "Contracting officer's technical representatives are customers who have been designated by their units and appointed and trained by the administrative contracting officer. They provide technical oversight of the contractor's performance. We found that [the Defense Contract Management Agency] had not appointed these representatives at all major sites in Iraq. Officials at the 101st Airborne Division, for example, told us that they had no contracting officer's technical representatives during their year in Iraq, even though the division used LOGCAP services extensively." See Government Accountability Office Testimony, *Contract Management: Contracting for Iraq Reconstruction and for Global Logistics Support*, GAO-04-869T: June 15, 2004, p.10.

²⁹ GAO-04-854, p. 49-50.

³⁰ Government Accountability Office, *High-Level DOD Coordination is Needed to Further Improve the Management of the Army's LOGCAP Contract*, GAO-05-328: March 2005.

individuals would be subject to the UCMJ, which would resolve many of the legal and operational challenges that traditional contractors present for the Department of Defense. Sponsored reserve members are different from military technicians in that, when they are not deployed, they are private sector employees rather than federal civilians. The Air Force has explored this concept in the most detail and has a test program under way to examine many of the policy and legislative issues that would need to be addressed in order to implement the sponsored reserve concept in the Air Force Reserve.³¹

While the Air Force is examining whether the sponsored reserve concept could be used to provide capabilities in the areas of intelligence, space and satellite operations, and a variety of other specific skill sets, the sponsored reserve concept is clearly a mechanism to access contractors that all military services could implement if desired. Some in the private sector have raised concerns about this concept, particularly those companies that have provided security services for the Department of Defense.³² Would sponsored reserve members experience divided loyalties between their private sector employers and their military commanders in the field? Would private sector companies be able to recruit sufficient numbers of employees if those employees would essentially become members of the military upon deployment into the field? While these concerns would need to be well understood and addressed before making dramatic changes to how the military acquires support services, they do not invalidate the potential of the sponsored reserve concept.

RECOMMENDATION

- *The Department of Defense should seek to use contractors in lieu of combat service support personnel to provide support services in future operations when the security environment permits.*

The Department of Defense should pursue using contractors to provide support services for operations taking place in more secure environments to the greatest degree possible in order to lower the operational tempo for combat service support forces. During the last several years, the Army has relied substantially and successfully on private contractors to provide support services for its operations in the former Yugoslavia. Since many of the operational and legal challenges that contractors pose

³¹ Stephen M. Blizzard, *Increasing Reliance on Contractors on the Battlefield; How Do We Keep From Crossing the Line?*, Air Force Journal of Logistics, Spring 2004, p. 12-13.

³² See Avant, p. 14-17.

are much less of a concern in relatively stable environments, DoD should continue to encourage the military services to look for opportunities to substitute contractors for military personnel in those kinds of environments.

More fundamentally, DoD should carefully examine whether contractor support can permanently replace some existing combat service support structure in view of the downward pressure on the DoD budget, and rising personnel costs for active and reserve forces. Determining whether permanent substitutions of contractor support for force structure is prudent will be challenging, as it requires making judgments future operational demands. Is the level of contractor support in Iraq indicative of the degree to which contractors can substitute for military personnel in unstable environments? What is the likelihood that future operations will take place in significantly more hazardous environments?

DoD should move toward establishing a set of military combat service support requirements it thinks it will need in the future and comparing that level to its existing CSS force structure to determine whether there is any excess. If excess capacity exists, the Department of Defense could consider whether it makes sense to eliminate permanently any of that structure and to rely instead on contingency contractors.

CHAPTER FIVE

THE RESERVE COMPONENT'S ROLE IN HOMELAND DEFENSE AND CIVIL SUPPORT

The ongoing debate about how best to use the different reserve components to help protect the United States homeland has been picking up speed since the mid-1990s. In 1997, the National Defense Panel said, "The National Guard should also provide forces organized and equipped for training of civil agencies and the immediate reinforcement of first-response efforts in domestic emergencies. They would focus on management of the consequences of a terrorist attack (to include weapons of mass destruction) and natural disasters."¹ The Hart-Rudman Commission recommended in February 2001, that homeland defense be made "a primary mission of the National Guard."²

After the September 11 attacks, however, debate over how to use the Reserve Component in homeland defense and civil support took on renewed urgency. The Department of Defense *Strategy for Homeland Defense and Civil Support*³, published in

¹ National Defense Panel, *Transforming Defense: National Security in the 21st Century*, December 1997, p. 54-55.

² The United States Commission on National Security/21st Century, *Road Map for National Security: Imperative for Change*, Phase III Report, February 15, 2001, p. 25-26.

³ The Department of Defense defines homeland defense as "the protection of US sovereignty, territory, domestic population, and critical defense infrastructure against external threats and aggression, or other threats as directed by the President." DoD defines civil support as "DoD support, including Federal military forces, the Department's career civilian and contractor personnel, and DoD agency and component assets, for domestic emergencies and for designated law enforcement and other activities. The Department of Defense provides defense support of civil authorities when directed to do so by the President or Secretary of Defense." See Department of Defense, *Strategy for Homeland Defense and Civil Support*, Washington, D.C., March 2005, p. 5. Civil support is an umbrella term that encompasses the support the Department of Defense could provide as part of a response to a natural disaster or terrorist attack, to include an event involving chemical, biological, nuclear, radiological, or explosive materials (CBRNE) as well as support DoD could provide for other law enforcement activities. Although there are a wide range of other terms still in use by DoD organizations to describe subsets of civil support, such as military assistance to civil authorities (MACA), military assistance in civil disturbances (MACDIS), military support to civilian law enforcement authorities (MSCLEA), and consequence management, in this report the study will use the terms homeland defense and civil support as defined in the official DoD strategy in an attempt minimize confusion. The very need for this footnote underscores both the lack of a common, widely accepted terminology in the homeland security field and the need for such a lexicon to reduce confusion and increase the ability of the many different stakeholders to communicate with each other effectively.

June 2005, noted that “the nation needs to focus particular attention on better utilizing the competencies of the National Guard and Reserve Component organizations.”⁴ Yet, although this strategy document outlines a number of areas where National Guard and Reserve forces could contribute to the protection of the homeland, it provides neither a detailed nor definitive statement of how. Almost five years after the September 11 attacks, it is still not clear how the Reserve Component should organize, train, and equip for homeland defense and civil support, and what priority it should place on these missions.

Should the National Guard focus exclusively on these missions, as some have argued? Are these missions “lesser included cases” that do not require specific training or dedicated units and equipment? What should be the division of labor between Active Component and Reserve Component forces? The Guard and Reserve study team examined these and many more issues related to the Reserve Component’s role in homeland defense and civil support. This chapter will describe how DoD currently envisions the role of the Reserve Component in this area, highlight aspects of these missions that continue to pose significant challenges, and recommend ways for RC forces to more effectively protect the homeland.

ELEVATING CIVIL SUPPORT

The United States will lack the technical capabilities to protect its borders fully and prevent adversaries from penetrating its defenses for at least the next decade. Although the concept of “an active, layered defense” is sound, its implementation is years away. There are simply too many miles of land border, shoreline, and airspace to patrol and not enough technologies to identify, track, and interdict weapons of mass destruction or the terrorists who might seek to use them. As a result, the near-term focus needs to be on strengthening the nation’s ability to respond to an event. Reflecting this view, the study team focused on how the Reserve Component – particularly the National Guard – can contribute to a stronger civil support capability, while recognizing that the federal Reserves also have a role to play in homeland defense missions.

Despite the compelling need to field a robust set of civil support capabilities, as well as the recommendations of numerous high profile blue ribbon panels for DoD to play a more active role in this area, DoD has long viewed civil support as a drain on

⁴ Department of Defense, *Strategy for Homeland Defense and Civil Support*, June 2005, p. 37-38.

forces needed for more important overseas missions and as a threat to the defense budget.

The Hart-Rudman Commission's carefully worded recommendation in 2001 to make homeland defense "a primary mission" (emphasis added) of the National Guard was a nod to the military's well known resistance to putting homeland defense and civil support on an equal footing with other military missions. When the Hart-Rudman report was written, there was no support inside DoD or the National Guard to make homeland defense the sole focus of the Guard. The Department did not want to see its access to Guard forces for Title 10 missions be restricted, and the National Guard feared that if it focused on homeland defense, it would lose most of its resources, which have historically flowed from its Title 10 missions. More recently, when U.S. Northern Command (NORTHCOM), the combatant command charged with the mission to protect the United States homeland, was established in 2002, some argued that DoD's decision not to assign forces to the command was a further indication of its desire to minimize the burden civil support missions might place on U.S. military forces.

Despite the September 11 attacks, DoD's fundamental emphasis continues to be "the away game." As Secretary Rumsfeld frequently comments, the DoD's focus will be to "take the war to the enemy."⁵ The DoD *Homeland Defense and Civil Support Strategy* makes clear that DoD will play a supporting role in responding to events here at home, "when directed by the President or the Secretary of Defense," using "military force and DoD capabilities designed for use in expeditionary warfighting missions."⁶ General Inge, the NORTHCOM Deputy Commander, stated at a March 2006 Senate hearing that NORTHCOM's "primary focus is on homeland defense, deterring, preventing, and defeating attacks. We also stand ready to assist primary agencies in responding quickly to man-made and natural disasters as directed."⁷ Close observers know that these words telegraph DoD's fundamental approach to civil support – the military will provide response capabilities if asked, but it does not envision its support on a wide scale, it will not make civil support missions a priority for significant forces on a consistent basis, and it will not take an activist approach to determining requirements for the civil support mission.

⁵ See Rumsfeld, Donald, *Annual Report to the President and Congress*, Department of Defense, 2002, p. 30. Also, at a recent Pentagon Town Hall meeting, Rumsfeld stated, "It is possible to put pressure on terrorists, and that's what we're doing. And you can't just play defense; we have to play offense. We have to go after them and weaken them and capture and kill them." See CQ Transcriptions, *Donald Rumsfeld Holds a Pentagon Town Hall Meeting*, May 19, 2006.

⁶ DoD, *Strategy for Homeland Defense and Civil Support*, p. 19.

⁷ Lieutenant General Joseph Inge, Testimony before the Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee, March 10, 2006.

Clearly, the Department of Defense should not be the lead federal agency for civil support missions. Given the nature of American society and the breadth of federal agencies that play roles in responding to events inside the United States, it is fully appropriate to have a civilian agency, not DoD, in charge of most response efforts. In most cases, the appropriate lead federal agency will be the Department of Homeland Security (DHS) or possibly the Federal Bureau of Investigation in the event of a terrorist attack. At the same time, it is also clear that in the event of a single catastrophic attack, or multiple, simultaneous events around the country, the military may be the only organization that can communicate, command, and control large numbers of assets across very large areas. As noted in the White House report on Hurricane Katrina, the Department of Defense “demonstrated that along with the Coast Guard it was one of the only Federal departments that possessed real operational capabilities to translate Presidential decisions into prompt, effective action on the ground.”⁸

Despite the fact that DoD is the only federal department that has substantial capabilities to respond to catastrophic or multiple, simultaneous events, the military has not organized, trained, or equipped its active or reserve forces to reflect civil support as a priority mission. Instead, much of the time since 9/11 has been spent debating how many simultaneous events DoD should plan for. Clearly a single event is unrealistic, given that al Qaeda has demonstrated its ability to plan and execute multiple, simultaneous attacks, but those in DoD who fear civil support could become a force structure driver in a tight fiscal environment opposed basing planning on anything more than a modest number of events.

The National Planning Scenarios, issued by the Homeland Security Council, direct the interagency to plan, exercise and train against scenarios that include a ten kiloton nuclear explosion, a pandemic flu that kills over 80,000 people, an anthrax attack that kills 13,000 people, and a Category V hurricane that kills a thousand people and devastates the local economy.⁹ Yet DoD continues to assert that there is no need to dedicate any more than a very small portion of forces to the civil support mission, train forces specifically for catastrophic civil support missions, or ensure that there is timely airlift available to transport response forces to the site of an event.

Hurricane Katrina highlighted the practical implications of DoD’s limited approach to civil support missions. Although “the Department of Defense response to

⁸ The White House, *The Federal Response to Hurricane Katrina: Lessons Learned*, February 2006, p. 54.

⁹ An April 2005 draft of the document outlining the 15 National Planning Scenarios was made publicly available on the website of the Washington Post. At the time of publication, this draft was accessible at <http://media.washingtonpost.com/wp-srv/nation/nationalsecurity/earlywarning/NationalPlanningScenariosApril2005.pdf>.

Hurricane Katrina was the largest, fastest deployment of military forces for a civil support mission in our nation's history,"¹⁰ and both active and reserve military forces saved thousands of lives and essentially salvaged a desperate situation, the experience showed just how far the U.S. government and military have to go in terms of being prepared to provide civil support. During the Katrina response, it was clear that many involved at the federal, state, and local level were working with the military in a civil support context for the first time. The Federal Emergency Management Agency (FEMA) and DoD used a 21-step process to place and approve requests for assistance.¹¹ The two agencies did not even agree on the terms for such interactions – FEMA called them "mission assignments" and DoD called them "requests for assistance," reflecting DoD's reluctance to take assignments from another federal agency.

The media has extensively documented the considerable tensions surrounding the question of who should have had command and control of the military forces in the Gulf Coast region.¹² While some of the controversy may have reflected political divisions at the federal and state level, it also revealed a lack of familiarity at all levels about which forces could perform what missions under what conditions – and these issues were further complicated by long-standing cultural suspicions between active military and National Guard forces.

The Katrina response highlighted that, as currently organized, DoD and the interagency more broadly, lack a substantial capability to assess support requirements, assign forces effectively to meet those requirements, track which forces are performing what tasks in which areas, or provide a structured and orderly process to flow military

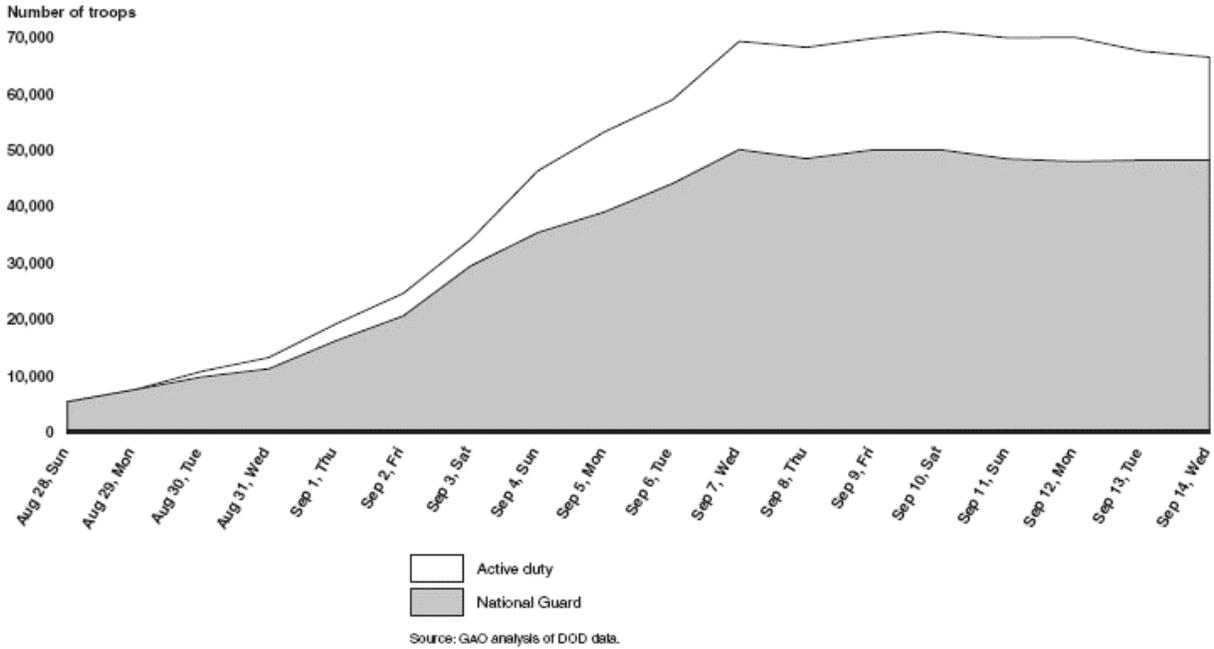
¹⁰ See testimony of Assistant Secretary of Defense for Homeland Defense Paul McHale before the Senate Committee on Homeland Security and Governmental Affairs, *Hearing On The Defense Department's Role In Hurricane Katrina Response*, February 9, 2006.

¹¹ The White House Katrina report noted that "while this overly bureaucratic approach has been adequate for most disasters, in a catastrophic event like Hurricane Katrina the delays inherent in this "pull" system of responding to requests resulted in critical needs not being met." See White House report, p. 54.

¹² See Burns, Robert, *Military Response to Katrina Was Hampered by Poor Communications*, Associated Press, October 12, 2005; Walsh, Bill, Robert Travis Scott, and Jan Moller, *Political Breach Between Bush, Blanco Creates Parallel Recovery Operations*, Newhouse News Service, September 6, 2005; Scott, Robert Travis, *Politics Delayed Troops Dispatch to N.O.*, The Times-Picayune (New Orleans, LA), December 11, 2005, p.1; Bowman, Steve, Lawrence Kapp, and Amy Belasco, *Hurricane Katrina: DoD Disaster Response*, Congressional Research Service, RL33095: September 19, 2005; Wilson, Rep. Joe, *Who Should Control the National Guard, States or the Federal Government?: Flexibility Is Crucial for The National Guard*, Roll Call, May 1, 2006; and Letter dated September 29, 2005 from Senators Bond and Leahy to President George W. Bush regarding the use of the United States military in domestic emergencies (available at http://leahy.senate.gov/press/200509/Military_Emergency_Response_Bond-Leahy_Letter.pdf).

FIGURE D

Figure 1: Buildup of Military Forces Supporting Hurricane Katrina Operations



Buildup of Forces Supporting Hurricane Katrina Operations

Source: GAO-06-643, May 2006, p. 21.

capabilities rapidly to the areas that need them most. The response to Hurricane Katrina was essentially a “pick-up game,” albeit it one that highlighted the ability of the U.S. military to respond reasonably effectively from a standing start. Because DoD has resisted taking a more active stance to the civil support mission area, DoD forces were not truly familiar in advance with their key federal, state, and local counterparts: command and control relationships had not been thought through in advance; equipment that would have contributed significantly to the response effort was not available because it was overseas in Iraq and Afghanistan; airlift to move response forces was mobilized from a standing start on an ad hoc basis and came largely from the Air National Guard; and forces on the ground in some cases were not prepared for the operating environment in which they found themselves.

Sadly, Hurricane Katrina is not representative of the most challenging scenario DoD and the rest of the federal government may face in the future. Katrina announced herself in advance, there were no other major events taking place inside the United States, and the hurricane did not involve a weapon of mass destruction. While there is no question that the military’s response to Katrina was the fastest and largest

deployment of forces inside the United States in the country's history, the full deployment of 72,000 active duty and Guard personnel to the region was not reached until ten days after the hurricane struck land, even with advance warning of the storm.¹³ During the first three days after Katrina made landfall, the number of Guard forces on the ground hovered around 10,000-15,000 – and most of those were Louisiana and Mississippi National Guard troops that were placed on alert as the storm arrived.¹⁴ The number of troops on the ground did not begin increasing substantially until the fourth and fifth day of the response. If the next event is a terrorist attack, the military could be called upon to provide civil support on a wide scale with no warning at all, and the operating environment could include the presence of CBRNE materials. In the event of a nuclear detonation, or chemical attacks in multiple locations, the military will not have five days to respond. The Department of Defense has to be prepared to provide large-scale support within hours, not days.

Even after the inadequate federal response to Hurricane Katrina, DoD remains very cautious about its role in civil support. President Bush himself twice called on DoD to expand its role, noting that “it is now clear that a challenge on this scale requires...a broader role for the armed forces – the institution of our government most capable of massive logistical operation's on a moments notice.”¹⁵ The White House report on the federal response to Hurricane Katrina, reflecting the President's comments, clearly states that DoD should plan and prepare for a significant DoD supporting role during a catastrophic event. The White House report even directs that DoD should “develop plans to lead the Federal response for events of extraordinary scope and nature.”¹⁶

Yet, despite this clear direction from the White House, many of the specific recommendations in the report concerning the role of the military, to include the National Guard, appear to be the end product of a negotiation process that likely softened more directive language to leave more leeway for DoD to interpret how it should plan and budget for its role in civil support. For example, the White House

¹³ See Miles, Donna, *DoD Uses Katrina Lessons to Improve Response Capability*, American Forces Press Service, February 6, 2006.

¹⁴ See Government Accountability Office, *Hurricane Katrina: Better Plans and Exercises Needed to Guide the Military's Response to Catastrophic Natural Disasters*, GAO-06-643: May 2006, p. 21; and posters presented by LTG H. Steven Blum, Chief, National Guard Bureau, during testimony before the Senate Homeland Security and Governmental Affairs Committee, *Hurricane Katrina: The Defense Department's Role in the Response*, February 9, 2006 (http://hsgac.senate.gov/files/Katrina/020906_Blum_Posters.pdf).

¹⁵ President George W. Bush, *President Discusses Hurricane Relief in Address to the Nation*, Jackson Square, New Orleans, Louisiana, September 15, 2005. Also see *George W. Bush Delivers Remarks Regarding Briefings on Hurricane Katrina*, Colorado Springs, CO, September 24, 2005.

¹⁶ White House Katrina report, p. 94.

report recommends that “DoD *should consider* fully resourcing the JTF State Headquarters,” “*should consider* assigning additional personnel (to include General officers) from the National Guard and the reserves of the military services to USNORTHCOM,” and “*should consider* chartering the [National Guard Bureau] as a joint activity of the DoD” (emphasis added).¹⁷ Until DoD accepts that it will likely play a substantial support role, and perhaps the lead role temporarily during a catastrophic event, it will not develop requirements or organize, train and equip its military forces – both active and reserve – to be able to provide the necessary level of support within the very compressed timeframes that an effective response will require.

RECOMMENDATION

- *The Department of Defense should recognize civil support, particularly in response to a catastrophic event, as a central mission for which it must plan, program and budget.*

The Department of Defense needs to accept and internalize the civil support mission at the highest levels of leadership so that it can develop the requirements necessary to respond across the full range of National Planning Scenarios. Integrating civil support into the requirements process will lead to identifying capability gaps, determining whether forces need to be dedicated in some way to the civil support mission, and budgeting for the necessary manpower, equipment, training, and exercises. This is the first and most essential step toward ensuring that DoD has the requisite capabilities to play a significant supporting role, and potentially even the lead role, during a catastrophic event. Focusing more narrowly on the Reserve Component contribution to civil support, once DoD defines requirements for this mission, the Services will be much better positioned to define clearly the role of the National Guard and the federal reserves in this area.

STRENGTHENING DOD CIVIL SUPPORT CAPABILITIES

Although DoD has not developed official civil support requirements that reflect the operational challenges posed by the National Planning Scenarios, the Department does have some forces and capabilities identified to perform civil support missions. The most definitive description of DoD capabilities for civil support exists in the form of standing execution orders that are classified, but there is some unclassified information

¹⁷ Ibid., p. 95-96.

available that provides a basic picture of how DoD approaches the civil support mission today.

The Department of Defense has very few forces assigned to focus on civil support on a permanent or exclusive basis. One permanently designated capability is Joint Task Force Civil Support (JTF-CS), a standing joint task force located at Fort Monroe in Hampton, Virginia, that reports to U.S. Northern Command. JTF-CS plans and integrates DoD support for domestic consequence management operations during CBRNE events. Staffed by about 160 personnel, it is comprised of active, reserve, and National Guard personnel and is designed to be a command and control headquarters without assigned forces or dedicated transportation.¹⁸ During an event, JTF-CS would report to NORTHCOM and would be a Title 10 command.

Although there are no active duty forces that focus exclusively and consistently on civil support missions, DoD does maintain at all times a brigade-sized capability of active duty ground troops that can respond to a no-warning event within a few days. These troops do not receive special civil support training beyond the routine training they perform as part of their efforts to maintain combat readiness. The Department also created the CBRNE Consequence Management Response Force (CCMRF), which includes response, medical, and support units that could respond within one to three days to a catastrophic event. The CCMRF is a ready reaction force organized into three task forces comprised largely of active units that totals about 3,600 troops and that would report to JTF-CS during an actual event. Like the brigade-sized response capability, the units that comprise the CCMRF are not focused exclusively on civil support and can be deployed overseas in support of other requirements. As a result, the units that comprise the CCMRFs are constantly changing. Moreover, like the brigade, it is not clear that the CCMRF could respond fast enough to a no-warning catastrophic event.

The Department of Defense also has a number of capabilities resident in the National Guard that can be used to respond to catastrophic events and other civil support missions. Most well known are the Weapons of Mass Destruction Civil Support Teams (WMD-CSTs). Formed by DoD at the direction of Congress in 1998, these teams have grown in number from the original 10, which were certified in 2001, to 36 today. By 2007, every state and territory of the United States will have a WMD-CST, bringing the total number to 55 teams. The WMD-CSTs are 22-person specialized units

¹⁸ See Hornbarger, Chris, *Katrina Lessons-Learned: National Contingency Planning for Domestic Incidents*, September 23, 2005 Memorandum, (http://www.dean.usma.edu/sosh/Academic_Program/Courses/ss493/LESSONS/Military_Role_in_Homeland_Security/Memo_DoD-DHS_Cooperation.pdf).

designed to assist first responders in detecting the presence of chemical, biological, or nuclear materials, and assessing potential courses of action for consequence management. The CSTs are supposed to be able to deploy anywhere within their states in four hours or less, but in many instances this is not possible because the CSTs do not have ready access to airlift.

In addition to their equipment to detect and identify hazardous materials, the WMD-CSTs have a very sophisticated communications system, called the Unified Command Suite (UCS), which can connect many disparate communications systems and make them interoperable. Multiple WMD-CSTs deployed to the Gulf Coast as part of the response to Hurricane Katrina and proved to be extremely valuable assets by virtue of their ability to connect law enforcement departments using many different radio channels into a single integrated communication system.

Under the leadership of Lieutenant General H. Steven Blum, Chief of the National Guard Bureau (NGB), the National Guard also drew on existing capabilities to develop twelve CBRNE Enhanced Response Force Packages (CERFPs). Congress approved in the Fiscal Year 2006 Defense Appropriations Act an additional five CERFPs, for a total of seventeen. The CERFPs are comprised of medical units that can triage victims and provide emergency treatment, chemical units that can provide mass decontamination and zone monitoring, and engineering units that can perform search and rescue mission, even in a contaminated environment. The CERFPs range in size from about 100-125 personnel and are geographically dispersed around the country, with one CERFP in each FEMA region plus one team in Hawaii and another in West Virginia to ensure proximity to the National Capitol Region (NCR). They have some specialized equipment for civil support missions, although most of their equipment is dual-use and can be used for overseas missions. The CERFPs do conduct specialized training and exercise collectively with other first responders in the state in which they are located. Although these units can provide critical response capabilities, like the WMD-CSTs they lack ready access to airlift to deploy rapidly to distant locations, and like the active duty units designated to provide civil support capabilities, the personnel and equipment that comprise the CERFPs can be deployed at any time to meet overseas requirements. This means that if personnel trained to serve in a CERFP were deployed and an event occurred shortly thereafter, new members of the CERFP that would respond to the event would not be fully trained, familiar with how the unit does business, or experienced in working with other state and local first responders.

The National Guard also has general purpose forces in each state organized to respond relatively rapidly to a natural disaster or other type of catastrophe. These "reaction forces" can deploy a platoon or company of soldiers within four hours and a

battalion of soldiers within one to three days. The reaction forces are generally infantry units and do not receive specialized training for civil support missions. Under the Army Force Generation model, the Guard envisions drawing on units in the early part of the deployment cycle if there is a need to respond to some kind of event. As discussed in Chapter Three, units at this point in the deployment cycle would be in the process of resetting from deployments and would not be at a high level of readiness.

Looking beyond the National Guard, there are a wide range of capabilities resident in the other reserve components that would be useful in responding to a catastrophic event. The Army Reserve has a large number of CBRNE consequence management capabilities, particularly medical and decontamination units. The Air Force Reserve can provide airlift, logistics, and aero-medical support. The Marine Corps Reserve can contribute to quick reaction forces and the Navy Reserve and Coast Guard Reserve can provide maritime interdiction and port security as part of steady-state homeland defense efforts, but also in the wake of an attack. Although there is clearly a wealth of assets resident in the reserves, it is not clear they could be mobilized rapidly or effectively because at present there is no comprehensive assessment of what assets exist, where they are located – whether in the United States or deployed overseas – and which military service controls them. Moreover, in many cases, even if reserve forces are available to respond to a catastrophic event, they are not co-located with the equipment they need, which would hamper their ability to respond quickly.

DoD's approach to the civil support mission – which essentially relies completely on dual-missioned forces – is problematic given the operational challenges posed by the potential kinds of catastrophic events that could occur in the United States. Many of the forces DoD envisions deploying rapidly to perform civil support are relatively small – usually less than 200 people. In many cases it is not clear that these units can even make their doctrinal timelines because they lack guaranteed access to airlift. The largest unit available for civil support, the brigade-sized unit, cannot deploy fully to a no-notice event in less than 3-4 days. The same is true for the CCMRF. With the exception of the WMD-CSTs and CERFPs, none of the forces that would respond to an event consistently receive focused civil support training.¹⁹ Finally, none of these forces plan,

¹⁹ National Guard troops do train to provide military assistance to civil authorities, which is among the kinds of training that is critical to prepare for consequence management. Current policy requires that every soldier in a National Guard line unit receive eight hours of MACA training annually. While current reporting and tracking systems indicate which units have completed the eight hours of required MACA training, there is no guarantee that the soldiers or units that have MACA training will be in those units that would form the initial response to an emergency. Both the House and Senate versions of *The National Defense Enhancement and National Guard Empowerment Act of 2006* contain provisions that would

train, or exercise regularly to perform as part of a regional response to an event. Although the CERFPs are geographically dispersed to increase their ability to respond rapidly to an event within a given region, the states that house the CERFPs “own” them in the sense that the units report to those state governors; as a result, the units largely exercise at the state level. Finally, because there are almost no units that are exclusively focused on civil support, it is almost impossible for the military units tasked with this mission to develop the kinds of relationships at the state and local level, and at the interagency level, that are so critical to mission effectiveness. It has become almost a mantra in the homeland security community that “you don’t want the first time you are exchanging business cards to be during a crisis,” but the way DoD is currently organized for civil support almost guarantees that this will be the case.

In looking at how the Reserve Component, and the National Guard in particular, could be used to strengthen the nation’s response capability, the study team considered a wide range of options, and determined that the key criteria were:

- Availability: Having forces available 365 days a year, seven days a week, and 24 hours a day that could respond rapidly to a catastrophic event.
- Simultaneity: Being able to respond to at least two or three simultaneous, geographically dispersed events.
- Readiness: Having forces that are trained and ready to conduct civil support missions, potentially in a CBRNE environment.
- Rotation Base Impact: Having a capability that meets the other criteria with minimal negative impact on DoD’s ability to generate forces to meet its overseas requirements.
- Cost: Meeting the other criteria at affordable cost.

Using these criteria, the study team assessed DoD’s current approach as well as a range of other options, including enhancing the current approach through provision of additional training and equipment; developing rapid response National Guard brigades on the East and West Coast; developing regional force packages in the Guard; transferring the Guard’s combat structure to the Army Reserve and dedicating the remaining Guard force structure solely to the civil support mission, perhaps under the command of the Department of Homeland Security; and relying on State Defense Forces, which currently exist in 22 states throughout the country.

make the responsibility for organizing, training, and equipping National Guard forces for MACA missions a function of the National Guard Bureau.

RECOMMENDATION

- *At a minimum, the Department of Defense should resource and organize the National Guard to serve as the backbone for ten regional Civil Support Forces that would be responsible for regional planning, training, and exercising and would be able to deploy initial response forces rapidly to the scene of an event.*

As a first step toward elevating the mission of civil support to a level that reflects the seriousness of the threat to the homeland and the operational challenges these threats pose, DoD should leverage the National Guard more fully and use it to establish the foundation for Civil Support Forces (CSF) in each of the ten FEMA regions throughout the United States. These Civil Support Forces could become the backbone of broader regional task forces that would include not just National Guard forces, but also representatives from other reserve components, state defense forces, and other similar organizations. The CSFs would plug directly into the Homeland Security Regions mandated in the White House report on the response to Hurricane Katrina and would work closely with these organizations and other relevant regional organizations such as the Army Reserve Regional Readiness Commands to integrate the military component of the planning process into the larger and broader efforts led by the Regional Directors.²⁰

The Civil Support Forces would have two key tasks: first, to lead National Guard planning, training, and exercising for civil support missions at the regional level; and second, to provide a sizable operational response force that could deploy to an event within 12 to 24 hours; establish an initial command, control, and communications capability; provide initial reception, staging, onward movement, and integration (RSOI) services; and augment state and local first responders performing consequence management tasks. Located in the state that houses the regional FEMA headquarters, the CSF headquarters would be co-located with the existing state joint force headquarters. The CSF commander would report to the adjutant general and the governor of that state, but might be selected by the Chief, National Guard Bureau (CNGB).

The operational units that would comprise each CSF would be drawn from National Guard forces in the states that make up each FEMA region. When not actually responding to an event or training as a cohesive unit, the operational elements of the CSF would report to the adjutant generals and governors of the states in which they are located. During an actual response, the units would be “chopped” to the adjutant

²⁰ See White House Katrina report, p. 89-90.

general and governor of the hardest hit state using the Emergency Management Assistance Compact (EMAC) or a similar mechanism. During CSF training events, the operational units could be chopped to the CSF headquarter state using the same process. These civil support units would be focused on responding to major regional events. Governors in the ten FEMA regions would continue to draw on general purpose National Guard forces for smaller, more routine events such as wildfires or localized flooding, while reserving the CSFs for disasters like those envisioned in the National Planning Scenarios.

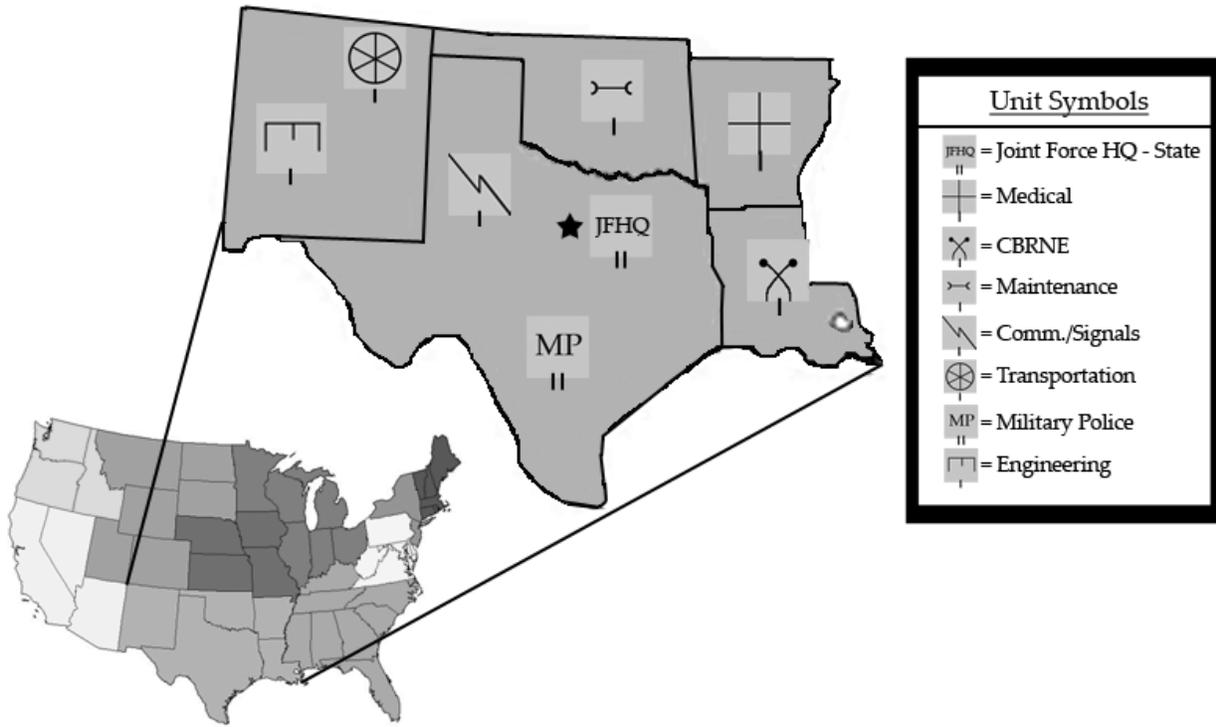
While the CSF headquarters would leverage the existing Guard JFHQ-State infrastructure, they would require additional personnel with plans and operations expertise to carry out their regional planning, exercising, and training function. As noted earlier, most civil support training today occurs at the state level. WMD-CSTs and CERFPs participate in training exercises that test their ability to respond to a terrorist attack, but for the most part these scenarios occur at the state level and involve participants drawn from the local government level. Under the CSF model, the headquarters would be responsible for developing detailed plans for the National Guard role in responding to an event that requires a regional, or even national, response. The CSF headquarters would be responsible for identifying the full range of National Guard capabilities in the region, being familiar with other federal assets and state and local capabilities in the region, and developing plans for how Guard and capabilities could be used during a response. Initially the CSF would coordinate with federal Reserve forces in the FEMA regions as part of the planning process, but over time the CSF could become a fully joint Guard and Reserve structure that would actually incorporate Reserve capabilities directly into regional plans.²¹

One goal of this planning process would be to analyze in advance how to knit together the many different players in a regional response and their different capabilities, explore different command and control structures to evaluate how to ensure unity of effort, determine the timelines needed to conduct an effective response, and figure out how to flow capabilities to where they are needed within those timelines. Through this planning process, the CSF headquarters staff would build relationships not just with federal, state and local officials in the headquarters state, but across all the states in the CSF region.

²¹ Particular attention would need to be given to appropriate command and control arrangements as Reserve units are commanded under Title 10 and cannot report to state governors. Similarly, at this point in time reservists cannot be involuntarily mobilized for domestic missions but can only volunteer. Regional plans would need to reflect these realities.

FIGURE E

ILLUSTRATIVE VIEW OF CSF FOR FEMA REGION VI*



* Unit symbols do not correspond to actual unit types or locations in Region VI. Graphic is meant only to illustrate the types of capabilities in the CSF that would be drawn from states throughout the specific FEMA region.

An explicit task for the CSF would be to develop liaison relationships with the DHS/FEMA headquarters in the region, with the ARNORTH (the Army component command of NORTHCOM) Defense Coordinating Officer staff in the region, as well as the first responder community across the region, which would include law enforcement, fire and emergency management technicians, and the public health community. Building these kinds of relationships on a routine basis would ensure that the CSF headquarters staff and operational personnel would already be familiar with likely partners and their standard operating procedures if an event were to occur.

The operational units in the CSF would largely be drawn from combat service and combat service support National Guard units in each of the ten regions. The CSFs would include a small deployable forward headquarters element with a communications capability, and would include support units that could provide transportation, logistics, maintenance, engineering, and communications during the first few days of a response. The CSF also would include security forces and consequence

management units to provide CBRNE assessment, medical services, and decontamination capabilities. Finally, the CSFs would have at least some organic utility aviation to facilitate moving troops, equipment, and possible evacuees.

Twice a year, the CSF headquarters and its operational units could exercise the plans it develops using regional scenarios as part of the existing National Guard annual two-week training program. One exercise might feature the CSF functioning in Title 32 status and reporting to the governor of one of the stricken states. This type of exercise also would provide the opportunity to explore whether using the new dual-hat authority provided by Congress, which allows Guard officers to command active duty troops and report simultaneously to a state governor and the Secretary of Defense, would be feasible during a no-warning crisis event. During the second exercise, the scenario could dictate that the CSF has been federalized and placed in Title 10 status, in which case it would report to NORTHCOM. These exercises would not only allow the CSFs to test and evaluate their operational plans, they would also be an opportunity to operate “in the field” with other stakeholders in the regional response community. Through these exercises, the CSFs could begin assessing in earnest a range of very important operational questions, such as:

- What rules of engagement are appropriate if the National Guard or other military forces have to restrict movement or enforce a quarantine during a contagious event?
- What kind of security and rules of engagement might be necessary to protect hospitals or vaccine/treatment distribution centers during a catastrophic event?
- If civil order breaks down significantly during an event, what role should the National Guard and other military forces play, and how can order best be reestablished?

The CSFs would be comprised largely of Army National Guard units in the third year of the Army Force Generation model, and the personnel and equipment in these units would be fenced from overseas deployment during the year in which they are “in the box” to serve as part of the CSF. As currently envisioned, Army Guard units in year three of ARFORGEN will have on hand the minimum equipment items that have been identified as the baseline necessary to perform civil support missions. Like the troops themselves, this equipment and other equipment normally associated with units serving in the CSF would not be available for overseas deployment during the CSF year. In order to be able to respond within 12 to 24 hours, CSF personnel would have to be on some type of soft alert that would likely require personnel to wear beepers or have some

other means by which to be contacted rapidly at all times. In addition, the CSFs would likely need to be overmanned by a significant percentage so that unit personnel could go on leave without jeopardizing the unit's ability to deploy rapidly. Given that personnel in the CSF would need to be on higher alert than traditional National Guard members during the "in the box" year and as a result would be more constrained in their ability to travel outside the region, it might be appropriate to offer a special duty pay in recognition of the additional requirements associated with CSF service.

In order to deploy anywhere within the CSF region within 12 to 24 hours, the CSFs in each of the ten regions would almost certainly require pre-identified airlift. The existing system to move units and equipment inside the country, called "In-System Select," (ISS) is run by Air Mobility Command (AMC) which is located at Scott Air Force Base in Illinois. Under In-System Select, when a requirement to move forces is communicated to AMC, the command prioritizes the requirement against all other existing requirements and identifies what airlift, if any, is available.

With operations ongoing in Iraq, Afghanistan, and other places around the world, as well as more routine missions such as transporting forces around the country for training and exercises, there is not a large amount of excess lift capacity available in the airlift community. During the Hurricane Katrina response, the National Guard, rather than AMC, organized intra-theater airlift for 33,483 of the more than 50,000 Guard soldiers who responded to the Gulf Coast region and transported 13,177 tons of equipment.

While there is no doubt that In-System Select could ultimately generate airlift assets to move CSFs to respond to a catastrophic event, it is less clear that the system could identify available airlift and then have ground forces move to meet that airlift in a sufficiently timely manner. To ensure that the CSFs could respond quickly, the Air Force would need to place airlift assets in some, if not necessarily all, of the ten FEMA regions on some kind of soft alert. Under a soft alert approach, aircraft for CSF troops and equipment could be on a four hour turnaround status, for example, which would mean that these aircraft could still be used for training missions and other activities. Similarly, aircrews on soft alert could be on some sort of tether and would not necessarily have to live at the airfield. Drawing on active, Guard, and Reserve assets, the Air Force could have pilots and aircrews on soft alert on a rotational basis, using an approach similar to that of the current Aerospace Expeditionary Force (AEF) model. One approach might be to divide the ten FEMA regions among the ten AEFs and identify assets from within them to be on soft alert for short periods of time. Under the traditional AEF approach, two of the ten forces are "in the box" at any given time and each AEF stays in the box for about 90 days. Using this construct, the ten AEFs could

provide soft alert airlift for all ten FEMA regions throughout the year, rotating every three months so that at any given time, only two AEFs are actually on alert for this requirement. Within each individual AEF, the locations that provide civil support airlift would rotate on a monthly basis to minimize the burden on personnel. Like members of the CSF themselves, air crews on soft alert to move the CSFs in case of an event would likely require a compensation bonus.

It is clear that establishing a requirement to have some amount of lift capability inside the United States on soft alert would place a new requirement on the Air Force's airlift capability, but it is hard to argue that such a requirement is unreasonable.²² To respond effectively to many kinds of catastrophic scenarios, forces need to be on the ground within a day or so. The only way to guarantee getting forces with bulky equipment across long distances in that kind of timeframe is to fly them to the scene within hours of the disaster. It would be foolhardy to develop a rapid response ground capability and then fail to provide the airlift necessary to get to the site of an event fast enough.

Until DoD develops more formal civil support requirements and determines how best to meet them, a concept like the Civil Support Forces would ensure that there are trained standing forces available 365 days a year, 24 hours a day, seven days a week to respond to a catastrophic event or events across the entire country – while at the same time ensuring that the Army can generate at least 18 BCTs and the associated support troops to sustain them on a steady state basis. Because the CSFs would conduct their training as part of the routine 39 days of training a year, they do not require a rotation base. Moreover, as the units that would comprise the CSF are not scheduled to be deployed overseas under ARFORGEN, they would not negatively affect the Army's ability to field forces for overseas deployments. There is also considerable anecdotal evidence that RC members who participate in meaningful training and exercises – like the CSFs would require – have higher satisfaction levels than those who are not fully engaged during annual training.

²² Because there is a finite amount of airlift capacity in the Air Force and many requirements for airlift across the entire military, DoD and the Air Force in particular have resisted moving toward more assured airlift for civil support mission. Although the study team feels strongly that the threat to the homeland is sufficiently serious to merit more assured airlift, a less stringent alternative might be to renegotiate the Civil Reserve Air Fleet (CRAF) agreement to provide airlift to units like the CSFs for civil support, as recommended by the Defense Science Board in 2004. See Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics, *Defense Science Board 2003 Summer Study, DoD Roles and Missions in Homeland Security*, May 2004, Volume II-A: Supporting Reports, p. 114.

Because the CSF model does not require that specific troops be permanently dedicated to the civil support mission, Guard soldiers that comprise the Civil Support Forces in any given year would continue through the ARFORGEN rotational cycle and be available in year six to deploy overseas like all other Guard units. This approach does not create Guard units permanently dedicated to civil support – it leverages the ARFORGEN rotation cycle to provide the nation a dedicated civil support capability using dual-missioned forces. And given that Secretary Rumsfeld said in May 2006 that the plan to deploy National Guard soldiers to the U.S. southern border “will not in any way degrade or damage the National Guard’s capability... [but would] actually provide useful, real-life training,”²³ it seems fair to conclude that Guard soldiers can perform civil support functions and still maintain combat readiness.

The CSFs also would not take away authority or control from state governors. To the contrary, the study team believes a major benefit of the CSF model is the fact that it is designed to provide a more rapid response capability in every region while at the same time be a force that is controlled more often than not by state governors rather than the Secretary of Defense. Organizing the National Guard to be able to operate under gubernatorial control or federal control is critical, no matter what ultimate organizational construct is chosen. The United States Constitution sets up two chains of command by virtue of the President’s ability to exercise federal command and the governors’ ability to command the state militia, commonly known today as the National Guard. While two chains of command are not optimal from the perspective of military operational efficiency, the prospect of conducting a response using two or more chains of command is firmly rooted in the nation’s federalist system of government.

As Assistant Secretary of Defense for Homeland Defense Paul McHale stated before the Senate Armed Services Committee, “when possible, we should preserve the command authorities of the governor, certainly respect[ing] the constitutional authorities of the President of the United States. And while recognizing two distinct chains of command – through a close coordination, deliberate staff planning, detailed anticipation of mission requirements and rigorous exercises to test that – we should preserve the two chains of command while insisting upon unity of effort through coordination.”²⁴

²³ Quoted in Allen, Vicki, *Rumsfeld Sees Boost for Guard from Border Work*, Reuters, May 17, 2006. Secretary Rumsfeld made the statement in testimony before the Senate Appropriations defense subcommittee.

²⁴ Assistant Secretary of Defense for Homeland Defense Paul McHale, *Testimony Before the Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee*, March 10, 2006.

Not only would the CSFs improve unity of effort at the regional level, providing forces to participate in the CSFs would not reduce the ability of the governors to protect their home states. Because the CSFs are drawn from a broad pool of forces throughout the regions, in the event of a major catastrophe state governors could agree to deploy those elements of their state Guards that comprise the CSF and still have large numbers of National Guard troops available to hold in reserve to respond to subsequent events, natural or manmade.

The CERFPs developed by LTG Blum provide many of the same types of capabilities envisioned in the CSF concept, but the CSF units would be considerably larger (battalion size or greater), would have a more robust planning function, would focus on the regional level and above, and most importantly, would be dedicated solely to responding to major events inside the United States. That said, if DoD were to adopt the CSF concept or something similar, the CERFPs would form an excellent foundation upon which to build, particularly because nine of the CERFPs are already located in states that host a FEMA regional headquarters.

INTEGRATING THE NATIONAL GUARD AND NORTHCOM

Critical to the effectiveness of the Civil Support Forces and any similar units in the future, as well as to the National Guard's role in civil support more broadly, is the need for strong relationships with U.S. NORTHCOM, the regional combatant command responsible for protection of the United States. Secretary Rumsfeld announced the establishment of NORTHCOM on April 17, 2002 and the command achieved initial operating capability in October 2002. NORTHCOM's mission is "to provide command and control of DoD homeland defense efforts and to coordinate military assistance to civil authorities."²⁵ As mentioned earlier, NORTHCOM has few permanently assigned forces.

To execute its homeland defense and civil support missions, NORTHCOM draws on forces assigned to it by the President and the Secretary of Defense when needed. Since 2002, NORTHCOM has drawn on a range of Navy and Marine Corps assets to provide maritime defense, and it routinely commands and controls active, reserve, and Guard Air Force assets to conduct Operation Noble Eagle, DoD's air sovereignty mission. NORTHCOM also commands and controls a small number of

²⁵ See Northern Command's mission statement, available online at http://www.northcom.mil/about_us/vision.htm.

ground forces as part of the counterdrug and counterterrorism operations conducted out of JTF-North in El Paso, Texas.

If a catastrophic event occurred inside the United States, there would likely be a need for significant ground troops to conduct a variety of tasks. Some of those troops would potentially be active duty Army soldiers, and would likely be under the command of ARNORTH (formerly Fifth Army, one of the historic continental armies of the United States), the Army component command that reports to NORTHCOM, or one of its two joint task forces. Because the National Guard is already stationed throughout the United States and can be called to service by the state governors, a substantial part of any major response would likely come from the Army and Air Guard. In some cases the Guard might be under the command and control of the state governor, but there are scenarios in which the Guard might be federalized and would be under the command and control of NORTHCOM itself. Whether the Guard responds in state active duty status, Title 32 status, or Title 10 status under NORTHCOM directly, there is no question that NORTHCOM needs to have a close working relationship and a deep understanding of the National Guard's unique capabilities, character, strengths, and limitations.

Although there are a number of senior officers from the National Guard community at NORTHCOM, the relationship between NORTHCOM and the National Guard is strained for a variety of reasons.²⁶ Like all regional combatant commands, NORTHCOM is an active duty command. As a result, many of the cultural biases and tensions between Active and Reserve Component forces permeate working relationships between NORTHCOM and the broader National Guard community. The first Commander of NORTHCOM was an Air Force four-star general, and the current Commander is a Navy four-star admiral. Neither of these two leaders, despite their considerable leadership skills and experience, was intimately familiar with the National Guard. Both Commanders had as their Deputy Commanders three-star active duty Army officers. Due to the longstanding, deep-rooted cultural differences and suspicions between the active Army and the Army Guard, whether fairly or unfairly many in the Guard community feel the Deputy Commander position has functioned to date as an obstacle to integrating the Army Guard more deeply in NORTHCOM.

²⁶ Currently the NORTHCOM chief of staff, the National Guard Special Assistant to the Commander, and the Commander of JTF-Civil Support are all Guard general officers. NORTHCOM also has on its staff tens of field-grade officers from the National Guard and Reserves, although these individuals typically do not serve above the level of Division Chief.

Many of these simmering tensions came to light during the response to Hurricane Katrina. At one level, there was considerable tension between Louisiana Gov. Kathleen Blanco and the Executive Branch.²⁷ This may have reflected larger political dynamics, but state governors have historically preferred to manage responses to natural disasters or other types of events rather than cede control to the federal government. During the responses to Hurricane Hugo in 1989 and Typhoon Iniki in 1992, there were reports that the governors of South Carolina and Hawaii each declined turning over response operations to active Army commanders who had deployed of their own initiative to storm ravaged areas.

The National Guard community is highly attuned to these dynamics and the National Guard Bureau has extensive experience working directly with individual state guards. During Hurricane Katrina, the National Guard Bureau served as the central coordination point to organize the flow of National Guard forces from virtually every single state in the nation to the Gulf Coast. The fact that the NGB played this role reflects the level of confidence it hold among individual state adjutant generals. NORTHCOM simply does not have the same breadth and depth of state level relationships. On the negative side, the NGB shared situational awareness with NORTHCOM less rapidly than was desirable – perhaps reflecting a certain degree of suspicion of the command and a desire to retain as much control of the process as possible.²⁸

NORTHCOM's decision to put Lieutenant General Russel L. Honore in charge of the active duty military response to Hurricane Katrina further exacerbated Guard-NORTHCOM tensions. LTG Honore was clearly a charismatic leader with deep roots in Louisiana and inspired confidence in those watching the Katrina response on television, but at the same time he deeply antagonized many in the National Guard community. The vast majority of forces on the ground in Louisiana and across the Gulf Coast were National Guard troops who reported either to the adjutant general of Louisiana or the adjutant general of Mississippi. LTG Honore commanded less than a

²⁷ Hsu, Spencer S., Joby Warrick, and Rob Stein, *Documents Highlight Bush-Blanco Standoff*, Washington Post, December 5, 2005, p. A10

²⁸ As noted in the White House Katrina report “for the first two days of Katrina response operations, USNORTHCOM did not have situational awareness of what force the National Guard had on the ground. Joint Task Force Katrina (JTF-Katrina) simply could not operate at full efficiency when it lacked visibility over half of the military forces in the disaster area.” See White House Katrina report, page 55 and LTG Inge testimony before the Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee, March 10, 2006. While eventually the NGB updated the NORTHCOM operations center on a regular basis as to the locations and missions of Guard forces located throughout the Gulf Coast, in most cases these updates were at least 24 hours old, if not older, which meant NORTHCOM's situational awareness was generally not real-time during much of the Katrina response.

third of the total military forces responding to the hurricane, yet most Americans – and perhaps most people watching the response on television worldwide – had the impression that he was the single man in charge.

The Hurricane Katrina experience left much of the Guard community feeling that they did most of the work while the active duty military took the credit. President Bush's comments in the wake of Katrina that the military might need to take the lead in catastrophic responses further fueled state and local concern that the federal government was planning to take control in the future. Governors in Washington, Mississippi, Michigan, Arkansas, West Virginia, Delaware, Florida, and Alabama all publicly opposed the notion of a larger active duty military role in civil support.

RECOMMENDATION

- *The Department of Defense should nominate a National Guard general officer to serve as Deputy Commander at NORTHCOM.*

To ensure that the National Guard is well understood and well represented at senior leadership levels at NORTHCOM, DoD should make the Deputy Commander a Guard general officer. Historically, regional combatant commands are led by the service that is likely to provide the bulk of forces in the event of a conflict. Until recently, US European Command has always been led by an Army general officer, in part because it was clear that the Army would lead the battle in the fields of Europe. Similarly, U.S. Pacific Command has historically been led by a Navy admiral, out of recognition that the Navy would play a primary role if there were ever major conflict in Asia. The National Guard will clearly play a major role if there is another catastrophic event inside the United States. Although there are National Guard general officers that serve in senior positions at NORTHCOM, such as the command's chief of staff, and as an adviser for Guard and Reserve issues, there is no Guard general officer in the actual chain of command at NORTHCOM.

By making the Deputy Commander a Guard general officer, at least in the command's early years, DoD will make clear to the National Guard and the active duty military that it understands the important role the Guard will likely play in any major response, and the need to embed the Guard fully in the full range of NORTHCOM activities. If NORTHCOM's Deputy Commander were a Guard general officer, the governors and adjutant generals across the nation would likely have more confidence that the command appreciated the concerns of governors and TAGs at the state level, and that the command understood clearly how the Guard operates and what

capabilities it brings to the challenge. This would not only increase the likelihood of states cooperating more willingly with NORTHCOM, but also would make NORTHCOM more effective because it would be functioning as a partner rather than a competitor to the National Guard.

Nominating a Guard general officer to serve as the Deputy Commander at NORTHCOM poses cultural challenges, because the Deputy position is a three-star position, and historically Guard general officers have not had the same level of command as their active duty colleagues. As a result, Guard general officers who serve at the three-star level often encounter credibility problems when dealing with active duty counterparts. Some argue that this difference in command experience will generate substantial, and perhaps unworkable, credibility problems for the National Guard. Although it is true that National Guard general officers have not traditionally held the same types of command positions as their peers in the active forces, as a result of the Iraq and Afghanistan experience and the enhanced role that the Guard has played since 2001, many more Guard officers will have command experience. This trend is likely to continue as the Army implements the ARFORGEN model – and regardless, given the stakes, cultural barriers should not be permitted to delay this reform.

THE ROLE OF THE NATIONAL GUARD BUREAU IN CIVIL SUPPORT

To leverage fully the capabilities of the National Guard for civil support missions, the role of the Chief of the National Guard Bureau and the Bureau itself also may need to be refined. The existing National Guard Bureau charter states that the NGB is responsible for “facilitating and coordinating with the Department of the Army and the Air Force the use of National Guard personnel and resources for contingency operations, Military Operations Other Than War, natural disasters, Military Support to Civil Authorities, and special events.”²⁹ The charter also states that part of the mission of the NGB is to “participate with the Army and the Air Force staffs in the formulation, development, and coordination of all programs, policies, concepts and plans pertaining to or affecting the National Guard, the Army National Guard of the United States, and the Air National Guard of the United States.”³⁰ Both aspects of the charter emphasize the NGB’s supporting role in developing policies, plans and programs in the area of

²⁹ Departments of the Army and the Air Force, *Organizations and Functions of National Guard Bureau*, Army Regulation 130-5, AFMD 10, December 30, 2001, p. 4

³⁰ *Ibid.*, p.5.

civil support, as well as its supporting role facilitating the actual use of National Guard forces in this mission area.

When requirements for a particular mission are being developed, the Services are responsible for identifying what capabilities they have that could meet those requirements. Part of developing requirements in DoD is the iterative process between those responsible for defining what is needed to achieve the objective and those who have existing capabilities – with strengths and limitations – that might meet the requirements in whole or in part. How defense requirements are defined is shaped in part by what existing capabilities the Services have to bring to bear, as well as what capabilities they hope to develop over time. Traditionally, the Services that are expected to play major roles in a potential mission area or contingency have significant input into the requirements development process for that mission area or contingency. The Army is deeply involved in developing the requirements for contingencies with major ground operations and the Navy is deeply involved in defining the requirements to conduct a major combat operation against a near-peer competitor with significant anti-access capabilities, e.g. China. Although the total Army may play a substantial role in managing the consequences of a catastrophic event inside the United States, the National Guard in particular is likely to play the most prominent role in many scenarios because of its presence in every state, its relationship to state governors, and its ability to deploy forces under Title 32 or in state active duty mode, which allow the Guard to conduct law enforcement activities. As currently chartered, however, the National Guard Bureau does not play a direct role in the requirements definition process for the civil support mission. The Bureau can facilitate and coordinate the use of Guard forces in civil support, and work through the Army and Air Force on requirements, but it does not have a direct or prominent role in requirements development despite the fact that the National Guard will in many instances comprise the bulk of land forces in the event the military has to respond to another major event.

Although the National Guard Bureau today does not have a prominent role in the requirements definition process for civil support missions, there is an increasing awareness that the Guard is likely to play a significant role in responding to future events, and that the NGB will in turn play a major role in managing the Guard response. The White House Katrina report noted that the hurricane response effort demonstrated that the NGB “is a significant joint force provider for homeland security missions.”³¹ In fact the NGB is not a force provider in the classic sense because, unlike the military services, the NGB is not directly responsible for organizing, training, and equipping the National Guard. That is largely the responsibility of the Departments of

³¹ White House Katrina report, p. 55

the Army and the Air Force for federal missions, and the state governors and adjutant generals for state missions. It is more accurate to say that the NGB is a significant joint force manager or coordinator for homeland defense and civil support missions, reflecting the critical role that the Bureau played in working with the adjutant generals of the Gulf Coast to identify requirements, matching those requirements to capabilities throughout the National Guard of the States and Territories, and working with the Guard in the States and Territories to flow forces to the region. While not a force provider in the classic sense, it was clear during Katrina that the NGB played a central role in organizing the Guard element of the response. The NGB played a similarly central role in fleshing out President Bush's May 2006 decision to deploy National Guard troops to the southwestern border to assist the Border Patrol.³²

The NGB played an important role during Hurricane Katrina, and has been the engine behind some of the major initiatives to develop additional civil support response capabilities, such as the CERFPs, but it does not control resources on a routine basis for civil support missions. The Department of the Army has argued that the CERFPs do not meet any recognized DoD requirements, hence it has not agreed to provide any funding for these force packages. Highlighting this situation, Congress, not DoD, has provided the funding for the CERFPs. The FY06 Defense Appropriations Act provided almost \$17 million to sustain the existing 12 CERFPs and to establish five more. NGB does not have control over funding that would allow it to sponsor civil support exercises or training programs, purchase specialized equipment for the civil support mission that the Army or Air Force do not want to pay for, or fund any other initiatives that might enhance the National Guard's ability to conduct large scale responses to catastrophic events.³³ Because the vast majority of resources for the National Guard come from the Department of the Army and the Department of the Air Force, resources are focused largely on the missions of greatest importance to those two services, and if the Army and Air Force need to reallocate funds during the fiscal year to address unexpected shortfalls, money the NGB may have planned to use for homeland defense and civil support activities is generally swept back up as part of the larger effort to balance the books. As a result, it is very difficult for NGB to resource initiatives like the CERFPs consistently, or to identify funding for potential new initiatives such as training and exercise programs.

³² Miles, Donna, *Guard Border Mission Won't Detract from Other Roles, Officials Say*, American Forces Press Service, May 24, 2006.

³³ Both the Chief of the National Guard Bureau, LTG Steven Blum and the Assistant Secretary of Defense for Homeland Defense Paul McHale are on record calling for greater funding for homeland defense and civil support training and exercising. See March 10, 2006 testimony before the Subcommittee on Emerging Threats and Capabilities Subcommittee of the Senate Armed Services Committee.

RECOMMENDATION

- *Designate the Chief, National Guard Bureau as the principal adviser to the Secretary of Defense for matters concerning the role of the National Guard in homeland security, homeland defense, and civil support missions.*

Congress should amend Title 10 to make the Chief of the National Guard Bureau the principal adviser to the Secretary of Defense for all matters concerning the National Guard role in homeland security, homeland defense, and civil support. When the National Guard is called to serve in state active duty status or under Title 32 for domestic missions, it is fulfilling its role as the nation's militia rather than serving as part of the federal Army and Air Force. For such missions, it is wholly appropriate for the Chief of the National Guard Bureau to advise the Secretary of Defense directly, though working closely with the Office of the Assistant Secretary of Defense for Homeland Defense. The Chief of the National Guard Bureau would continue to be the principal adviser to the Secretaries of the Army and Air Force on all other Guard matters. Creating two reporting chains for the CNGB is not a clean organizational solution and will create the potential for future Chiefs to try to frame unrelated issues as homeland defense and civil support issues in order to raise them with the Secretary of Defense. Future Secretaries of Defense, and future Secretaries of the Army and Air Force will have to be vigilant and resist such efforts. At the same time, ensuring that the National Guard is well integrated into DoD's broader homeland defense and civil support plans and policies, and that the Guard is sufficiently trained and equipped for these missions, is critically important. Allowing the CNGB to advise the Secretary of Defense directly will reduce the potential for the Guard's role in these areas to be neglected in favor of missions of greater importance to the Army and Air Force.

RECOMMENDATION

- *Revise the charter for the NGB to recognize its role as the joint force manager for the National Guard's role in homeland defense and civil support.*

In addition to revising the role of the CNGB in terms of his responsibilities for homeland defense and civil support, the Secretaries of the Army and Air Forces also should amend the NGB's charter to include a new function. This new function would be to serve as the principal organization within DoD responsible for advising OSD and the combatant commanders on the development of plans, policies, and programs concerning the National Guard's role in civil support, as well as to manage the actual

provision of National Guard forces for such missions. As part of this new responsibility, the NGB would be the primary adviser to OSD and the combatant commands for developing joint requirements for civil support missions that would draw on Guard forces and for translating those requirements and the associated military capabilities resident in the National Guard into operational plans for these missions.

To carry out this enhanced civil support role, the NGB would need to have control over a modest amount of resources that could be used to fund a range of homeland defense and civil support activities, such as exercise and training events, equipment purchases needed to equip more fully the CERFPs or units like the Civil Support Forces, or other similar efforts. One possibility is amending the language associated with DoD's Major Force Program Five that addresses funding for the National Guard and Reserves to authorize resources for homeland security, homeland defense, and civil support activities. With such a modification, the NGB could exercise control over a small number of program elements that could provide up to \$10-15 million for these purposes. Over time, it might make sense to have the Department of Homeland Security provide some of the funding for these kinds of activities to the extent that exercises and training contributed to overall national preparedness, for which DHS is responsible. There is precedent for such a budgetary approach; the Department of State requests from Congress, as part of its budget, the funds for the International Military Education and Training program (IMET), but the program itself is actually administered by the Department of Defense.

The NGB also will likely need to expand the size of its Joint Operations Center (JOC) to carry out its mission to manage the provision of Guard forces for civil support, particularly civil support on a large scale. Although the NGB JOC performed remarkably well during the Hurricane Katrina response, it was not designed to function as the epicenter of a major response to a catastrophic event and needs additional personnel and infrastructure to fulfill this role effectively in the future.

In its role as the force manager for the National Guard's role in homeland defense and civil support, the NGB would not have operational control over National Guard personnel in the states and territories, nor would it have the responsibility to train or maintain these forces. Operational control of National Guard forces would remain with the governors, as would the responsibility to train and ensure the maintenance and operations of Guard units. In its role as force manager, the NGB would be responsible for working with the governors and adjutant generals to track the daily operations of National Guard personnel around the country, to maintain awareness of what capabilities are deployed overseas and what capabilities are

available inside the United States at any given time, to solicit capabilities from state governors if a large-scale response is warranted, and to match offered capabilities with existing and emerging requirements.

In its recommendation that DoD “should consider chartering the NGB as a joint activity of the DoD,” the White House outlined a range of similar functional enhancements for the role of the NGB.³⁴ While not explicit about exactly what chartering the NGB as a joint activity would mean, the White House report states in a footnote that “if chartered as a joint DoD activity, the NGB would become a member of the Joint Staff, rather than only having a reporting relationship with the Secretary of the Army and the Secretary of the Air Force.”³⁵ Although it is clear that the NGB’s charter needs to be revised to reflect its enhanced role in the civil support arena, as noted in the discussion in Chapter Three about the role of the Chief of the National Guard Bureau, the study team believes enhancing the role of the National Guard and the NGB in the civil support mission area should not negatively affect the National Guard’s equally important role as part of the federal Army and Air Force. Fundamentally, elevating the Chief of the NGB to serve on the Joint Chiefs of Staff sends the signal that the National Guard is a separate service, rather than a unique piece of the Reserve Component that serves as both part of the federal Army and Air Force and as the militia of the several States and Territories. Where the National Guard truly functions as a joint force is in the areas of homeland defense and civil support. One way to ensure the National Guard has the organizational capacity to carry out the enhanced functions outlined above while preserving the integrity of its role as part of the Total Army and Air Force would be to empower the Chief of the NGB to report to the Secretary of Defense on matters concerning the Guard’s role in homeland defense and civil support.

CONCLUSION

The role of the Reserve Component in homeland defense and civil support, in particular the role of the National Guard in these areas, will continue to evolve and change over time, but it is clear that almost five years after the September 11 attacks, DoD has not done enough to leverage the considerable resources resident in the reserve components to enhance the nation’s preparedness and ability to respond to a catastrophic event. For at least the next ten years, if there is another catastrophic event

³⁴ White House Katrina report, p. 96.

³⁵ White House Katrina report, endnote number 18 for Chapter Five: Lessons Learned. The footnote cites an article written by the current Chief, National Guard Bureau, LTG H. Steven Blum, *A Vision for the National Guard*, Joint Forces Quarterly, December 2004, p. 24-29.

inside the United States – and many security experts believe there will be – there is no question that the President of the United States will look to DoD to provide significant support, if not to take the lead entirely in a response effort. The Department must step beyond accepting this mission at the rhetorical level and invest the intellectual and budgetary resources to make good on its statement in the 2001 QDR that “the highest priority of the U.S. military is to defend the nation from all enemies.”³⁶ Part of that effort should include establishing a Civil Support Force comprised of National Guard troops in each of the ten FEMA regions – forces that would be available, trained and equipped at all times to respond rapidly to a crisis. Part of that effort should include strengthening the relationship between NORTHCOM – the combatant command responsible for protecting the homeland – and what will perhaps be its largest source of forces for a response effort, the National Guard. Making the Deputy Commander of NORTHCOM a Guard general officer – at least for the next several years – would ensure that National Guard capabilities are fully integrated into NORTHCOM contingency plans, well understood by the command’s senior leadership, and would facilitate the command’s ability to build strong relationships with the National Guard of the States and Territories. Part of the effort to elevate civil support also should be empowering the National Guard Bureau to serve as the primary adviser to the Secretary for Defense for what capabilities reside in the Guard and how best to use them, to ensure that the National Guard in the states and territories are trained and equipped to conduct civil support missions, and to manage the actual provision of National Guard troops during a crisis. Almost five years have passed since September 11, and almost ten years have passed since the National Defense Panel recommended that the National Guard provide forces focused on responding to terrorist attacks. It is time to recognize that the “lesser included case” approach to homeland defense and civil support is simply not sufficient to meet the threats the United States faces, and take substantial steps to organize, train, and equip the Reserve Component as a whole – but the National Guard in particular – to respond to large-scale catastrophic events.

³⁶ Department of Defense, *Quadrennial Defense Review Report*, September 30, 2001, p.18.

CHAPTER SIX

ADAPTING THE SOCIAL COMPACT

As the nation's reserve forces have come to be used as a more operational reserve, the demands being placed on America's citizen-soldiers have changed rather dramatically. Reservists have been called to active duty in greater numbers, with greater frequency, and for longer tours. In the late-1980s, reservists put in less than one million duty days per year. In the late 1990s, this figure climbed to 13.5 million duty days per year. After 9/11 and with ongoing wars in Afghanistan and Iraq, reserve duty days soared to more than 63 million per year.¹ At the same time, the average length of a reservist's tour of duty has more than doubled, from an average of 156 days during Desert Shield/Desert Storm to 342 days during Operations Enduring Freedom and Iraqi Freedom. As an integral part of the operational force, reservists can expect to be mobilized on a regular basis for the indefinite future.

Yet the social compact between the U.S. Government, reservists, their families, and their employers – that is, the set of expectations and obligations that govern how the nation uses, compensates, and takes care of reservists and their families – does not yet reflect these changes.

Today's social compact was inherited from the Cold War era in which the reserve components were designed and used as a largely strategic reserve. Reserve personnel and capabilities were expected to be called upon only rarely, rather than regularly – primarily when the nation found itself engaged in a major war that was longer or more difficult than expected. In reality, this translated into the widespread expectation that a given reservist might be mobilized only once or twice in a 20-30 year career. Under the inherited social compact, reservists agreed to be prepared to serve and sacrifice for the United States in times of need in exchange for several assurances and benefits: reasonable limits on the amount of time spent away from home; receipt of adequate training, equipment, and leadership necessary to meet active duty standards of performance; fair compensation and benefits; and opportunities for advancement in the military. For family members, the compact promised mobilizations that were relatively rare, adequate support services during deployments, and longer-term compensation and benefits in exchange for their willingness to support a family member's

¹ Office of the Assistant Secretary of Defense for Reserve Affairs, *The New Guard and Reserve: A New Approach to Military Force Management*, February 22, 2006 Briefing at CSIS, p. 3.

participation in the Guard or Reserves. For employers, it was understood that mobilizations would be infrequent, only in time of national emergency.

But the central premise of this inherited compact – that the reservist would be called on to serve only rarely – no longer holds true. A new set of demands is defining the U.S. Government's expectations of those who serve in the Guard and Reserves, now and in the future. Indeed, DoD is now seeking higher levels of individual and unit readiness to support a more operational reserve, greater accessibility to and deployability of selected reservists and units, and greater flexibility to match compensation and benefits to different levels and types of service. In an era of runaway personnel costs, one of the Department's greatest challenges is finding ways to gain access to the critical skills it needs to perform its missions without unnecessarily shouldering the tremendous costs of paying for full-time military personnel.

At the same time, the expectations of reservists and their family members are changing. Cognizant of the fact that they are likely to experience more numerous mobilizations, they are seeking greater predictability as to when they will be "in the box" for deployments and reassurances that mobilizations will be of manageable length and frequency. In this context, improved transparency and communications between DoD and reservists, their family members and their employers become critical. Reservists are also seeking enhanced training and equipment to support higher levels of readiness and higher compensation and benefits for higher levels of participation.

The current disconnect between the new set of demands and the old set of rewards is increasing dissatisfaction among reservists and their families. According to recent surveys, there has been a significant decline in spousal and family support for participation in the National Guard and Reserves.² Among the top concerns expressed by spouses are frequent or long periods of mobilization. If reservists and their families do not see the compact as fair and manageable, they will be less likely to join and stay in the force. Addressing this disconnect by updating the social compact is critical to manning and sustaining the operational reserve of the future.

Adapting the social compact will require change in four broad areas: first, replacing the inherited "one size fits all" approach to service in the Reserve Component with a "continuum of service" model that offers a broad range of opportunities and

² The Defense Management Data Center has reported a 13 point decline (from 72 percent to 59 percent) in spousal support for participation in the Reserve Component from September 2003 to November 2004. Declines in spousal support were seen in all reserve components and pay-grades. See Defense Management Data Center, *May 2004 Status of Forces Survey of Reserve Component Members: Overview Briefing*, January 2005, p. 28-35.

rewards for service; second, creating a far more flexible set of tools to enable the Department of Defense to manage an operational reserve effectively; third, developing new incentives and approaches to recruit and retain people in the operational reserve of the future; and fourth, adjusting compensation and benefits to the operational reserve model in ways that are affordable and sustainable over time.

Although the Administration and the Congress have taken some promising initial steps in each of these areas, the redesign of the social compact remains in its infancy. This chapter identifies further steps that could be taken in the areas of continuum of service, recruiting, retention, health care, compensation, and benefits in order to create a new social compact for the 21st century.

FROM “ONE SIZE FITS ALL” TO A CONTINUUM OF SERVICE

Over the past several decades, duty in National Guard and Reserve units has generally required a commitment of 39 training days a year – one weekend a month and a two week annual training period. Although there were certainly cases of greater or lesser commitment – such as the reservist who periodically volunteered for active duty, the unit commanders and NCOs who put in additional hours to make sure their units were well run, and members of the Individual Ready Reserve (IRR) who no longer drilled with selected units – these remained exceptions to what was otherwise a fairly universal experience in the Reserve Component.

As the United States transitions to a more operational reserve, the 39-days-a year “one size fits all” model is no longer adequate. In some cases, it does not allow sufficient time to train individuals and units to the level of proficiency required prior to mobilization. In others, it unduly constrains DoD’s ability to develop units in high demand specialty areas comprised of individuals who are willing to put in more than 39 days a year. Conversely, it may also complicate DoD’s efforts to develop non-traditional contracts for reservists who can perform critical functions without needing to drill one weekend a month plus two weeks of training per year.

Manning and managing the operational reserve could be greatly facilitated by fully implementing what the Department of Defense calls a “continuum of service” approach, in which individual reservists can seamlessly transition in and out of active service to meet various mission requirements over a lifetime of service.³ At the core of

³ The “continuum of service” concept was first developed by the Department of Defense to address the inadequacies of the traditional 39 days per year model in the face of increased demands for Guard and

this concept is the notion of creating many more “on ramps” and “off ramps” between active duty and reserve duty in the U.S. military. For example, the Army is exploring how to offer a broader range of enlistment options in which new recruits can choose from among different mixes of military service obligations: whereas one option might offer six years of active duty service, another might offer two years of active duty and four years in a Selected Reserve unit, and another might offer three years of active duty service and three years in a reserve unit.

The continuum of service approach also aims to significantly expand the service opportunities available to reservists by creating a “variable pool” of reserve units and individuals who could volunteer to serve more than 39 days a year, as well as innovative programs that would tap individuals with high priority skills for less than 39 days a year. The idea is to enhance volunteerism by providing more options and flexibility for individuals to support DoD missions while also improving DoD’s ability to gain access to critical skills that reside in the civilian workforce. This approach would, in theory, give the Department of Defense more of a “rheostat” capability for managing the reserve workforce, enabling it to dial up its use of reserve volunteers to meet demand and then dial down its reliance on reserves as demand decreased.⁴ An important objective of this concept is reducing the need for involuntary mobilization.

Although the continuum of service concept has been introduced in DoD policymaking circles and was endorsed in the 2006 Quadrennial Defense Review,⁵ the Department has yet to allocate substantial resources to developing and implementing this approach. There are a number of service initiatives envisioned, but only a few are currently under development. The first set of initiatives focuses on expanding opportunities for reservists to participate more than the traditional 39 days a year in an effort to provide DoD with trained and ready volunteers who can meet mission needs without requiring involuntary mobilization. This includes both VPR-U (variable participation of reservists at the unit level) and the use of individual augmentees. The VPR-U program consists of reservists who volunteer to participate in units that are available for short notice deployments worldwide for more than the traditional 39 days but not to exceed one year.⁶ Interest in the VPR-U concept to date has focused primarily

Reserve forces. Although the concept has been championed by the Office of the Secretary of Defense in recent years, it has yet to be widely implemented.

⁴ Office of the Assistant Secretary of Defense for Reserve Affairs briefing, p. 7.

⁵ See Department of Defense, *Quadrennial Defense Review*, February 2006, p. 75-81. The section entitled “Developing a 21st Century Total Force” contains several recommendations for ‘operationalizing’ the Reserve Component.

⁶ For an overview and assessment of the VPR-U assessment, see DFI International, *Validation of the Variable Participation of Reservists at the Unit Level Concept: Executive Summary*, Prepared for the Office of the

on increasing access to reserve capabilities that are in high demand – such as C-130 pilots and crews, Seabees and other engineers, civil affairs units, and JSTARS crews – particularly those that are needed in the earliest days and weeks of operations. Under the VPR-U concept, individual reservists would volunteer to sign a legally binding contract or memorandum of understanding in which they would agree to additional service and readiness requirements, in some cases in exchange for an affiliation bonus.⁷

While the Marine Corps and Navy have started small VPR-U pilot programs, the Army has been somewhat reluctant to participate due to lack of funding for the initiative and concerns about its impact on force management and unit cohesion, particularly for the Army National Guard. Whereas the other services and the Army reserves have long traditions of using individual reservists and small detachments to augment active duty forces, the Army National Guard tends to provide sizeable, free-standing units. Embracing the VPR-U approach on any significant scale would require a substantial shift in the Army National Guard's approach to managing and employing its forces. It will also require the Department of Defense to set aside additional resources to cover the costs of rewarding reservists for affiliating with VPR-U units and sustaining their higher operational tempo.

A second set of continuum of service initiatives involves creating new and nontraditional options for civilians with critical skills to join the reserves. Perhaps the most well-known program of this type is the Army's IRR Direct Entry Program for the 09L military occupation specialty, which recruits "heritage speakers" of 21 priority languages for direct entry into the Individual Ready Reserve, provides them with basic military training, and then mobilizes them for a period of active duty. This program has been particularly successful in recruiting native Arabic speakers to serve as interpreters for coalition forces in Iraq. Similarly, DoD has launched a "Defense Wireless Service Initiative" to bring civilian wireless engineers into the force to provide on-call support to reinforce bandwidth managers deployed in theaters of conflict. This program allows these high-tech engineers to participate in the reserves without having to conform to traditional drill schedules and requirements.

A third set of initiatives is designed to develop new associations with civilian employers in order to increase the military's access to critical skills. These include the establishment of civilian auxiliaries that would make civilian volunteers rapidly

Assistant Secretary of Defense for Reserve Affairs, September 2003 – March 2004, p. 2. The Army's version of this is called the "Intensive Reserve" program.

⁷ Affiliation bonuses would be one way of making service in these units more attractive. If, however, there is no shortage of volunteers for a given type of unit, an affiliation bonus may not be necessary.

available to support the armed forces on a temporary basis and the creation of sponsored reserves.⁸

Finally, if properly resourced and managed, the Individual Ready Reserve can provide an invaluable pool of individual augmentees for the services. Today, however, the state of the IRR in different services ranges from highly useful to almost useless. Whereas the Marine Corps has put substantial human and financial resources into maintaining its IRR as a viable pool of ready reservists from which it draws on a regular basis, other Services have allowed their IRRs to atrophy. The Army, for example, has more than 110,000 personnel in its IRR, but only about half of them are believed to be accessible – that is, having the correct contact information, an acknowledged commitment to service, and ready and able to deploy.

Creating a true continuum of service for reservists is critical to making the operational reserve work. DoD has started down this path, but much more needs to be done to realize the full potential of this approach.

CONTINUUM OF SERVICE RECOMMENDATIONS

- *The military services should give priority to developing a much broader range of programs to implement the continuum of service concept.*

Priority should be given to expanding the number and type of VPR-U pilot programs underway.⁹ The services, particularly the Army, should also expand their direct entry IRR programs beyond linguists and wireless engineers to other high demand areas such as Civil Affairs, country and regional specialists, and other types of information technology specialists. The services should also seek to develop and expand sponsored reserve relationships with private industry.

⁸ For a more detailed discussion of the sponsored reserve concept, see Chapter Four on Realigning the DoD Workforce to Maximize Constrained Resources.

⁹ The DFI study noted above has identified a number of unit types as potential candidates for VPR-U prototyping. These include: public affairs, watercraft crew, explosive ordinance disposal, and transportation terminal units in the Army; C-130, KC-135, aeromedical evacuation, and communications units in the Air Force; naval mobilization processing site, naval coastal warfare squadron, naval mobile construction, and broad area maritime surveillance units in the Navy; and IMA detachment, maritime prepositioning force support, and Navy support units in the USMC.

- *The Army, Navy, and Air Force should revitalize their IRR programs.*

This will require culling existing IRR databases and launching a full court press to obtain valid contact information for those who have accepted or are willing to accept a legal obligation to serve. Going forward, the IRR obligation of individual service members needs to be clarified in their initial contracts and each service needs to invest more resources in keeping its IRR viable. Following the Marine Corps example, this should include aggressively updating the records of individuals in the IRR, conducting virtual and/or in-person annual musters, paying for training to maintain individual skills and competencies, taking steps to enhance individual medical readiness, and so on. Finally, contractual obligations need to be fully enforced.¹⁰

- *The Services should enhance lateral entry opportunities to attract more mid-career recruits in priority specialties.*

Many of the specialty areas in highest demand in the military today – such as civil affairs, information technology specialists, and experts in specific countries and cultures – require knowledge and skills that are more often found in civilians who have had years of professional experience. The National Guard and Reserves need to expand opportunities for mid-career professionals with valuable expertise to join these organizations, much as they long have done to recruit medical professionals.

MORE FLEXIBLE TOOLS TO MANAGE AN OPERATIONAL RESERVE

In order to implement the continuum of service approach and to manage the operational reserve effectively, the Department of Defense must give top priority to developing and implementing new and more flexible force management tools. Current management tools are not responsive to the requirements associated with managing a more operational reserve. For example, with the exception of the Marine Corps, all of the military services maintain separate personnel and pay systems for active duty and reserve personnel. In the case of the Air Force and the Army, this is further complicated by the fact that the National Guard has its own systems as well. This bifurcation (or trifurcation) of personnel management systems within individual services creates substantial barriers to making the transition between reserve duty and active duty status as seamless as possible for individual reservists. In practice, these barriers are often experienced by individual reservists as delays in the mobilization process, late or

¹⁰ It should be noted that the Army is launching an IRR Transformation initiative to make its IRR more useable. The Navy is also moving to initiate a “virtual muster” of its IRR on a more routine basis.

incorrect paychecks, and delayed or denied access to promised benefits. Indeed, the GAO told Congress that 19 out of 20 mobilized Guard and reserve members have experienced payroll errors.¹¹ Such experiences can be contributing factors to reservists deciding to leave the service. Given the challenges associated with manning an all-volunteer operational reserve, now and in the future, we can no longer afford to accept these “glitches” as the inevitable inefficiencies associated with managing a large and complex system.

Although the Department of Defense has invested hundreds of millions of dollars in developing a universal personnel and pay system for all military personnel in all services, this system, known as the Defense Integrated Military Human Resources System (DIMHRS), is at increasing risk of coming in behind schedule, over budget, and falling far short of its original objectives.¹² It has proven to be too difficult to meet all of the services’ requirements with a single system without seriously compromising its utility for its diverse users. Consequently, the Army and Air Force are now refocusing their energies on salvaging what they can from DIMHRS to develop their own service specific systems that will integrate human resources management for all active, reserve and Guard personnel within a single service. The Navy is exploring expanding the Marine Corps’ integrated personnel and pay system to cover all naval personnel.

Further complicating this picture is the fact that reservists can be employed in more than 30 different duty status subcategories. This multiplicity of duty statuses poses additional challenges for managing the force efficiently and for enabling the easy transitions between reserve and active duty status required to make the operational reserve work.

FLEXIBLE TOOLS FOR AN OPERATIONAL RESERVE RECOMMENDATIONS

- *Each Service should create and implement a fully integrated personnel and pay system by 2008.*

Drawing what they can from both DIMHRS and the Marine Corps experience, the Army, Air Force, and Navy should have their own integrated personnel and pay

¹¹ See Inside the Army, *Army Struggles to Pay Reserve, National Guard Soldiers on Time*, November 22, 2004; and Crawley, Vince, *New Pay System to Help Fight ‘Financial Friendly Fire;’ 19 out of 20 Reservists Report Payroll Errors, Agency Says*, Army Times, March 21, 2005, p. 32.

¹² See Government Accounting Office, *DoD Systems Modernization: Management of Integrated Military Human Capital Program Needs Additional Improvement*, GAO-05-189: February 2005.

systems in place within the next two years. These systems should be designed to manage all of the human resources in a given service – active, reserve and National Guard – and to enable seamless transitions between different duty statuses, consistent with the continuum of service model.

- *Reduce and rationalize the number of Duty Status subcategories.*

The Department of Defense should work closely with Congress to streamline the number of duty statuses and associated subcategories in which Guard and Reserve personnel can be mobilized, and adapt them to the requirements of the new security environment and a more operational reserve.

- *Authorize the Service Secretaries to offer flexible compensation schemes in support of Continuum of Service initiatives.*

The reliance on uniform service agreements based on the traditional “one weekend per month; two weeks per year” model unduly restricts efforts to recruit, train, mobilize, deploy, and retain the number and quality of personnel, officer and enlisted, necessary to meet the dynamic requirements of the operational reserve. Further, rigid service agreements limit the services’ ability to recruit the skills available in the private sector for specific operational requirements. The Service Secretaries should be authorized to tailor Reserve Component service agreements and associated terms of commitment and compensation schemes to meet the anticipated skill and manning requirements of the reserve components functioning under the operational reserve paradigm.

NEW APPROACHES TO RECRUITING

Effective recruiting and retention efforts will be critical to ensuring that the National Guard and Reserves have high quality people with the right skill sets and in adequate quantities to sustain the operational reserve over time.

There is ample evidence to suggest that this will not be easy. First, the aging of some parts of the force is increasing pressures to bring in more new recruits in order to avoid long-term imbalances in the force.¹³ In addition, some experts project that the percentage of reservists leaving the force is likely to be at least six percent higher with

¹³ See Office of Assistant Secretary of Defense for Reserve Affairs, *Official Guard & Reserve Manpower Strengths and Statistics: “Personal Profile – Age by Grade,”* CSIS compared the 2001 and 2004 data-sets.

an operational reserve, which will in turn increase the number of new recruits that will be needed to sustain the force.¹⁴

Second, recruiting for the Guard and Reserves may be more difficult in an era when the prospect of being mobilized and sent into harm's way is a near certainty. In 2005, for example, nearly all of the reserve components fell short of their recruiting goals: the Army National Guard by 20 percent; the Army Reserve by 16 percent; the Air National Guard by 14 percent; and the Navy Reserves by 12 percent.

Third, fewer personnel with prior service in the military are signing up for the Guard or Reserves when they leave active duty. In many cases, particularly for those who have recently deployed while on active duty, the reluctance to join the Guard or Reserves stems from a concern that they would almost certainly be mobilized as a reservist. Historically, prior service personnel have been a bedrock of the reserves. In recent years, however, the percentage of reserve personnel with prior military service has dropped. For example, whereas in 2001, about one of every two National Guard recruits was from the active-duty force; in 2006 it's closer to one in three. As a result, active, reserve, and Guard components now find themselves in a more intense competition for non-prior service recruits.¹⁵

At the same time, the demographic pool of eligible recruits is shrinking. The U.S. Army Recruiting Command estimates that only three of ten 17-24 year old Americans meet the physical, intellectual, and moral standards for military service, making recruiting more difficult than ever. Moreover, those who do meet the military's standards are likely to have other economic and educational opportunities as well. These factors suggest the need to look beyond traditional sources of recruits.

Finally, some components, like the Army Reserve and the Army National Guard, are experiencing higher drop out rates of new recruits who fail to complete initial training within the 24 month window. For example, the number of Army National Guard personnel discharged for not completing initial training within 24 months went

¹⁴ See Dolfini-Reed, Michele, *Attrition After Demobilization*, Center for Naval Analysis, presented at a conference co-sponsored by the Office of Assistant Secretary of Defense for Reserve Affairs and the Reserve Forces Policy Board entitled "The New Reserves: Strategic in Peace, Operational in War," November 29, 2005.

¹⁵ See Prepared Testimony of LTG James Helmly before the Senate Appropriations Committee, Subcommittee on Defense, *Hearing On Fiscal Year 2005 Appropriations For The National Guard And Reserve*, April 7, 2004. Also see Garamone, Jim, *Guard Seeks Stabilization Guarantee to Attract Recruits*, American Forces Press Service, July 30, 2004, and Garamone, Jim, *Army Reserve Concerned About Prior-Service Recruiting*, American Forces Press Service, August 9, 2004.

from 1,109 in 2002 to 13,591 in 2006.¹⁶ The Army Reserve has also reported that in the absence of service contracts being strictly enforced, 65-70 percent of those who sign a six year contract fail to fulfill their service obligations in Selected Reserve units. Taken together, these shortfalls have contributed to significant gaps between authorized and actual end strength for the Army National Guard and, most acutely, the U.S. Army Reserve.

In the face of these recruiting challenges, the military services and the National Guard, working with Congress, have launched a number of initiatives aimed at bolstering their ability to attract new recruits. For example, signing bonuses have increased from roughly \$8,000 to \$20,000 over the last several years. In recent years, Congress has also given DoD greater flexibility to use accession bonuses in a more differentiated manner, providing greater bonuses to those who sign up for types of units or specialties that are in greatest need of new personnel. This has greatly enhanced the services' ability to man and manage their reserve components. These crucial authorities should be continued and, if necessary, expanded to ensure that the reserve components have maximum flexibility to target their recruiting efforts on areas of greatest need. In addition, a number of innovative approaches to recruiting have been tried, such as the Army's "Every Soldier a Recruiter" program in which serving soldiers or Guardsmen who bring a new recruit into the force are rewarded with a "finder's fee" of up to \$1,000. In order to attract prior service personnel, the Army Reserve has also offered reductions in military service obligations, an affiliation bonus of up to \$20,000, and mobilization deferments for active duty personnel who join Selected Reserve units. Finally, all components have increased the number of recruiters in the field. This combination of initiatives has begun to bear fruit in some reserve components, particularly the Army National Guard, which has made significant progress in closing the gap between its authorized and actual end strength.¹⁷

Building on the steps that have already been taken, we recommend a number of new approaches designed to enable DoD to provide individuals with needed skills and experience with the incentives and assurances they need to agree to serve in the Reserve Component.

¹⁶ See the addendums in the Army Posture Statement's from 1997 to 2006 on the Army's website at: <http://www.army.mil/aps/>.

¹⁷ The Army National Guard met or exceeded recruiting targets from October 2005 to March 2006. April recruiting dipped below the goal of 6,530, but May numbers are at 105 percent of target. Service recruiting and retention numbers can be found on DoD's website: <http://www.defenselink.mil/news/>.

RECRUITING RECOMMENDATIONS

- *Shield prior service personnel from deployments for a two year period upon joining the National Guard or Reserves.*

In order to attract prior service personnel to serve, the Reserves and National Guard should offer a contract that would guarantee prior service personnel at least two years at home prior to being called up with their Guard or Reserve unit.¹⁸ Although this approach would require some careful force management to ensure that units had adequate numbers of deployable personnel, the more flexible force management tools recommended above combined with the practice of over-manning reserve units should make this possible. National Guard units in a number of states have recently adopted this approach, and DoD should encourage its use by all reserve components.¹⁹

- *Make service in the National Guard and Reserves a path to accelerated U.S. citizenship for legal immigrants.*

In July 2002, President Bush signed an Executive Order that accelerates the citizenship process for legal permanent residents (Green Card holders) who enlist in the active duty military or reservists who deploy to Operation Enduring Freedom/Operation Iraqi Freedom, essentially eliminating any residency requirement. As the United States moves to an operational reserve in which virtually all RC members can expect to be mobilized over time, this program should be expanded to include accelerated citizenship for *all* RC members. Such an expansion would likely bring thousands of new members into the force. In addition, a similar program should be established to accelerate U.S. citizenship for legal immigrants who are qualified to enter the officer corps. Such a program would allow qualified individuals to join the military (active or reserve) and enter the officer training pipeline, while an accelerated citizenship process occurs concurrently. Upon completing officer training, the individual would be granted U.S. citizenship. Such a program could help address the challenge of keeping adequate numbers of qualified junior officers in the force. It would also broaden and deepen the reservoir of language and cultural experience in the U.S. military.

¹⁸ The Army and the Marine Corps are already moving down this path. For example, the Army Reserves offers 18 months of “stabilization” for prior service personnel who were deployed one or more years ago and 2 years for anyone deployed within the last 12 months.

¹⁹ The Texas Army National Guard has provided a two year protection from deployment to new prior-service recruits for the last year and a half. See Axtman, Kris, *Guard Recruiters Try Realism and Succeed*, The Christian Science Monitor, April 12, 2006, p. 1.

- *Allow Guard and Reserve recruits to attend college without risk of activation in exchange for a longer period of service.*

As in the case of prior service personnel, the Guard and Reserves should protect reservists who are full-time students in the midst of getting their college degrees from the risk of having to interrupt their studies due to mobilization. This would remove a significant barrier to the recruiting of college bound individuals and would increase the RC's ability to attract high quality recruits. In exchange for a guarantee that they would not be mobilized for the four years they are in college, these reservists would be required to make a longer commitment to serving in the reserves, adding one year of additional duty for every year served in a non-deployable status, and sign a letter of intent to apply to Officer Candidate School. Here again, the more flexible management approached recommended in this study would make implementing this initiative feasible.

- *Target compensation on needed skills and capabilities instead of using "fair share" driven resource allocation schemes.*

Funding for general compensation and bonus programs should be allocated among and within the Military Departments to target specific skill needs. The study team recognizes that the Military Departments are already engaged in this effort and encourages them to continue and expand their emphasis on this type of resource allocation. Additionally, the Department of Defense should discourage reliance on "fair share" allocation of resources that, while preserving some sense of equity among the Military Departments, does not necessarily provide the resources where the needs are the most pressing.

- *The President and other national leaders should issue calls to national service.*

In 1961, President John F. Kennedy summoned a generation of Americans to ask what they could do for their country. Today, if the United States is indeed in a "long war," the President and other national leaders should seek to inspire every American to find an appropriate way to serve their country, be it serving in the military, helping to protect the American homeland, contributing language skills or subject matter expertise, or performing other forms of public service. Such calls to service could provide the U.S. military with political "top cover" that would assist its recruiting and retention efforts.

NEW APPROACHES TO RETENTION

Although each of the Guard and Reserve components appears to be meeting its overall retention goals, there are several categories of personnel in which they are falling short. Specifically, the U.S. Army Reserve is losing captains, warrant officers, women, married, and senior personnel at higher than desired rates, and fewer than anticipated USAR personnel are renewing their commitment once their initial service obligation has been fulfilled.²⁰ For its part, the U.S. Marine Corps Reserve is struggling to fill its ranks of company grade officers.²¹ More generally, there is growing concern among some defense analysts that the shift to an operational reserve will make it more difficult to keep people in the force for a full 20 or more years. That said, the initial data on people who have joined the Guard and Reserves since 9/11 – and with the expectation that they would be serving in a more operational reserve – is heartening; this group appears to have very high retention rates.

RETENTION RECOMMENDATIONS

- *Enhance the predictability of mobilizations.*

Predictability – that is, knowing when and for how long a reservist is going to be mobilized – is perhaps the most frequently cited concern of reservists, their families and employers. In recent years, there have been a number of cases in which reserve units have been called to active duty (causing members to leave their civilian jobs), subsequently had their mobilization orders cancelled a few days later, and then received new mobilization orders a few weeks later. This lack of predictability can have very negative impacts on both morale and retention, and also undermines employer support for service in the Reserve Component. Moving to an operational reserve model

²⁰ For USAR information, see Government Accountability Office, *Reserve Forces: An Integrated Plan is Needed to Address Army Reserve Personnel and Equipment Shortages*, GAO-05-660: July 2005, p.12-13. According to this study, the Army Reserve lacks 52 percent of the Captains, and 37 percent of the warrant officers it is authorized. In 2001 these numbers were 42 and 28 percent respectively. Also see Pint, Ellen, *Army Recruiting Challenges*, “The New Reserves: Strategic in Peace, Operational in War” Conference, November 29, 2005.

²¹ For recent USMC information, see Testimony of Lieutenant General H. P. Osman, Deputy Commandant for Manpower and Reserve Affairs, before the Senate Armed Services Committee, *Hearing On Defense Department’s Fiscal Year 2007 Budget For Active Component, Reserve Component, And Civilian Personnel Programs*, March 1, 2006. Lt. General Osman stated, “Officer recruiting and retention for our Selected Marine Corps Reserve units is traditionally our greatest challenge, and remains the same this year. The challenge continues to exist primarily due to the low attrition rate for company grade officers from the active force.”

in which potential mobilization periods could be anticipated and prepared for well in advance will likely have a significant and positive impact on retention. As part of its effort to enhance the predictability of deployments, DoD also should reach out more energetically and on a broader scale to employer groups, to include encouraging greater communication between unit commanders and employers.

- *Keep the average length of mobilization to no more than a year.*

The average length of a reservist's mobilization has more than doubled since Desert Shield/Desert Storm, with tours for Operation Enduring Freedom/Operation Iraqi Freedom *averaging* almost a full year in length, which means that many reservists are finding themselves on active duty for more than a year. Although longer tours of duty may be optimal for some types of operations, such as stability operations, longer mobilizations are frequently cited as a major source of dissatisfaction by reservists and their families.²² In implementing the operational reserve concept, the services need to strike a balance between mission needs and the needs of reservists and their families. They should aim to keep total mobilization time to one year or less in order to enhance predictability and reduce the burden on families and employers.

- *Avoid using reservists as garrison replacements at active duty installations in the United States.*

In the past, reservists have sometimes been called up to provide routine functions, such as base security or administrative support, at installations in the United States whose active duty units have deployed overseas. Studies show that reservists who are activated but not deployed overseas are much more likely to leave the service. Given the potential impact of this practice on retention, the services should, to the extent possible, use private contractors rather than reservists to temporarily replace key support functions at active duty installations with units deployed overseas.

²² Several DMDC reports suggest that longer mobilizations contribute to dissatisfaction. See Defense Management Data Center, *May 2004 Status of Forces Survey of Reserve Component Members: Overview Briefing*, January 2005, p. 86. Also see DMDC, *November 2004: Status of Forces Survey of Reserve Component Members: Leading Indicators*, February 2005, p. 2, 27-29.

- *Reduce transition costs for Guard and Reserve members and their families.*

Although more than 70 percent of reservists actually experience a significant increase in earnings when mobilized, according to one study,²³ there are cases in which a reservist's mobilization can cause substantial or even catastrophic damage to his or her family's financial well-being. This is particularly true for small-business owners and the self-employed, whose businesses may collapse in their absence. But such damage can also be the result of an unfortunate confluence of events – such as the simultaneous loss of a spouse's job or a medical emergency. In these cases, there should be a more robust safety net for reservists and their families. This could include creating an emergency fund for families who suffer a catastrophic loss of income when a reservist is mobilized. It could also include a deferred debt payment program in which a reservist called to active duty would have the legal standing to negotiate with creditors to defer mortgage, car and other debt payments until six months after demobilization. Reservists should also be provided with the training and tools to develop financial plans for periods of mobilization.

- *Allow reservists to transfer educational benefits to spouses.*

Recent survey data suggests both a significant drop in spousal support for participation in the Guard and reserves and the substantial influence of spouses on reservists' decisions about whether or not to stay in the military.²⁴ In order to retain spousal support for a more operational reserve, the military services need to provide more tangible incentives for spouses to “buy in” to the reserves. Specifically, the educational benefits available to reservists, such as tuition assistance, should be made transferable to their spouses. In the National Defense Authorization Act of 2002, Congress authorized the services to allow active duty military personnel designated as having critical skills to transfer their Montgomery GI Bill educational benefits to dependents, but implementation and funding was left to the individual services. The Army is now developing a plan to give *all* active duty soldiers the ability to transfer unused portions of their educational benefits to their spouses. In support of boosting retention in a more operational reserve, we believe this program should be expanded to

²³ According to a RAND study that looked at reservists activated in 2001 and 2002, 72 percent experienced, “a significant increase in earnings.” See Klerman, Jacob, David Loughran, and Craig Martin, *Early Results on Activations and the Earnings of Reservists*, The RAND Corporation, 2005, p. 37.

²⁴ See the DMDC 2004 Status of Forces survey cited above. Also see Defense Management Data Center, *May 2004 Status of Forces Survey of Reserve Component Members: Leading Indicators*, July 2004, p. 1, 8-10. This report can be found online at the site of the Military Officer's Association of America at <http://www.moaa.org/Legislative/Reserve/ReserveRetention.pdf>.

include all members of the Army Guard and Reserve and that the other services should adopt a similar approach for their reserve components.²⁵

▪ *Reestablish Retention NCOs in all Guard and Reserve units.*

During the Cold War, each Army field grade headquarters – active, reserve, or Guard – had a senior NCO whose job it was to help meet the retention goals of the battalion, brigade or division by being aware of and troubleshooting problems that could cause individual reservists to leave the military. Most of the positions were eliminated during the post-Cold War downsizing process. With the onset of a more operational reserve, the Guard and Reserves need to reestablish NCO positions that are focused, at least in part, on retaining needed personnel. The Army National Guard has recently taken this step and it seems to be having a positive impact on retention.

HEALTH CARE BENEFITS

The continued reliance on a significant portion of the Reserve Component for and in support of operations in Afghanistan and Iraq has awakened the public's awareness of the sacrifices that are now directly associated with Reserve Component service. Among the general population, this awareness is manifest in a palpable sense of pride in Reserve Component service, as well as an unfortunate decline in the number of individuals willing to enlist in the Reserve Component under the new wartime paradigm. Within the Congress, this awareness has taken shape in a seemingly unquenchable desire to "do something for the Reserves." Within the Department of Defense, the awareness has resulted in a race to keep up with the steady stream of proposed legislative and policy initiatives targeted at addressing the perceived "Reserve Health Care Problem."

Although the Department of Defense had, over the past decade, significantly enhanced access to high quality of care for Active Component service members and their families, scant attention had been paid to the health care needs of the reserve components. For the Active Component, the Military Health System (MHS) had matured into a world class program that maintained the medical and dental readiness of the active forces; provided force protection and operational medical care to deployed forces; and, through a dynamic partnership with private sector health care entities

²⁵ Although the study team considered making educational benefits transferable to the children of reservists as well, there was concern that this could undercut recruiting of the next generation into military service.

known as the TRICARE Program, offered accessible, affordable health and dental benefits to the families of active duty personnel and retirees. It was expected that providing Reserve Component personnel and their families access to the MHS and the TRICARE Program while mobilized would be an adequate approach to meeting Reserve Component health care needs.

The number of individuals mobilized for service in Afghanistan and Iraq who did not meet medical or dental health standards for deployment revealed the need to provide the reserve components access to active duty-like health and dental care significantly before mobilization to keep the number of reservists ineligible for deployment for health or dental reasons to a manageable number. Similarly, the increasing length of individual deployments revealed the challenges Reserve Component families faced when trying to access military health care in the absence of the spouse/sponsor. The emergence of these issues echoed discussions conducted in the aftermath of the Persian Gulf War, but took on a new sense of urgency as more and more Reserve Component personnel were mobilized for longer periods of time.

Factors complicating the evolving dialogue included the lack of familiarity among Reserve Component personnel with the intricacies of the MHS, the TRICARE Program, and the means to access available care; the geographic separation of many Guard and Reserve units from major military bases where military hospitals and medical resources were located; and the lack of a personnel management system capable of facilitating the flow of Reserve Component personnel on to and off of active duty in a way that provided hassle-free access to the MHS when appropriate. The escalating costs of the MHS, which was in the process of accommodating a dramatic expansion of the population eligible for TRICARE with the recent establishment of the "TRICARE for Life " program for retirees and their families, also proved quite daunting. In developing a health care benefit that would be consistent with the demands of the operational reserve concept, the Congress and the Department of Defense also encountered a lack of serious research, empirical information, and longitudinal data to help guide their choices.

In 2005, the Congress attempted to address these issues by authorizing Reserve Component personnel and their families access to the TRICARE medical program up to 90 days prior to mobilization and transitional TRICARE coverage for 180 days following demobilization. This measure was to provide time for service members to resolve any medical or dental issues prior to reporting for mobilization and provide the opportunity for families to transition into the TRICARE program before the departure of the spouse/sponsor, and also to ensure appropriate health care was available following an operational deployment before the service member was released from

active duty. In most respects, these authorities appear to be meeting the pre-deployment needs of the services and the service members. The TRICARE Reserve Dental Program, however, remains undersubscribed and, given the importance of dental readiness for deploying service members, has not proven as effective as hoped. Additionally, effectiveness of the 90-day authority has been limited by Services' – specifically the Army's – inability to consistently identify and notify those to be mobilized at least 90 days prior to the expected date of mobilization.

Within a year Congress acted again to expand healthcare benefits for RC members with passage of the FY05 National Defense Authorization Act, which created the "TRICARE Reserve Select" (TRS) program. Under this new authority, members of the Selected Reserve who elect to remain in the Reserve Component can pay an annual premium to enroll in the TRICARE Program whether or not they are mobilized. The amount of the annual premium each individual is required to pay ranges from 28 percent to 85 percent of the total cost and is determined by the length of time he or she has been deployed in support of operational commitments, the individual's current employment status, and the availability of private sector employer-funded health insurance to the individual. It is anticipated that this program will be implemented by late summer 2006.

Many in Congress supported TRICARE Reserve Select in hopes that it would provide universal healthcare coverage for RC members, increase the medical readiness of the Reserve Component, and improve Reserve Component recruiting and retention. Studies have shown however that providing access to healthcare for all Reserve Component members will not necessarily result in universal healthcare coverage for this population. Large numbers of RC personnel may remain uninsured because they do not want to spend a portion of their income on TRS premiums – just as many individuals outside the military chose not to purchase health care coverage. Additionally, this population knows they will get full coverage for free if they are called to active duty, a benefit that can, unfortunately, serve as a disincentive to enroll in TRS. To achieve universal coverage under TRS, DoD would have to lower its premiums substantially, and TRICARE premiums are already significantly lower than those of most civilian healthcare plans.²⁶ There also is scant data demonstrating a positive correlation between increased access to healthcare and improved medical readiness. Similarly, healthcare benefits have not proven to be a significant recruiting incentive,

²⁶ Susan Hosek, RAND Corporation, "Reserve Health Care," briefing presented at a conference co-sponsored by the Office of the Assistant Secretary of Defense for Reserve Affairs and the Reserve Forces Policy Board entitled "The New Reserves: Strategic in Peace, Operational in War," November 30, 2005.

perhaps because younger potential recruits typically have fewer health concerns of their own, and may not yet have spouses or dependents that have healthcare needs. Increased access to TRS may play a more prominent role in retention than recruiting decisions, particularly for reservists who have been in the Reserve Component for more than 10-15 years, but the key question is whether TRS is a more cost effective retention incentive for DoD than other options such as increased direct compensation. In 2005 the total cost for the entire military health care system was about \$30 billion. This cost is expected to grow to about \$50 billion by 2010.

HEALTHCARE RECOMMENDATIONS

- *Retain the current Reserve Component health care benefit without further expansion.*

The expanded TRICARE Reserve Select program clearly demonstrates the Congress' desire to provide an enhanced Reserve Component health care benefit for the Selected Reserve, but does so without the benefit of significant research and cost/benefit analysis that demonstrates the clear value of an entitlement policy of this magnitude. Additionally, there are potential unintended consequences of this program, not the least of which is the shifting of health insurance costs from state, local, and private sector employers of Reserve Component personnel to the Department of Defense, as Reserve Component personnel are provided incentives to enroll in TRICARE Reserve Select in lieu of more expensive employer provided health insurance programs. The existing benefit - which compares favorably to many private sector health plans and is very costly for DoD - should not be expanded further, at least until more data can be collected to understand fully the costs and benefits of such changes, as well as other possible alternatives that might achieve similar objectives. Every dollar the nation spends enhancing the existing healthcare benefit further is a dollar that is not spent on equipment and training - equally important pieces of the social compact with Reserve Component members.

- *Focus efforts on improving access to health care benefits in lieu of further expansion of the existing benefits.*

While the TRICARE system is no more complicated than any commercial health insurance program, accessing that system and making maximum use of the available benefits requires both an informed beneficiary and a responsive enrollment/eligibility system based on integrated pay and personnel systems within each military

department. Spouses and families of deployed reservists are routinely located considerable distances from the supporting infrastructures commonplace at major military installations and military treatment facilities. Frequently, they are left on their own to navigate the TRICARE system when the Reserve Component unit deploys.

The incorporation of a permanent TRICARE liaison capability at the deploying unit level would greatly facilitate the ability of spouses and family members to access the TRICARE system when medical care is required. This capability could be in the form of a Federal employee, contractor, or non-appropriated fund employee who would remain as part of the “home station cadre” when a unit deploys. Additionally, this capability should be integrated with other family advocacy services.

Because the health care eligibility and financial liability for service members and their families changes when the service members are mobilized and demobilized, the implementation of integrated pay and personnel systems is essential to ensure hassle-free access to the TRICARE system and its related eligibility and claims payment processes. Such a system, when combined with a robust beneficiary education program at the deploying unit level, would eliminate much of the uncertainty and the majority of the administrative challenges that currently plague spouses and family members when they are in need of medical care.

The TRICARE Reserve Dental Program, a voluntary enrollment-based insurance program in which the Department of Defense pays a portion of annual premiums depending on the mobilization status of the service member, has not successfully ensured the dental readiness of Reserve Component members. A concentrated, educational effort in support is required to improve enrollment in and utilization of this program.

COMPENSATION, BENEFITS, AND FAMILY ADVOCACY

The exigencies of the recent operations have outpaced the Department of Defense’s ability to adapt compensation and other non-health care benefits – including family advocacy programs – to meet the demands associated with the transition to the operational reserve model in a timely manner. This situation has been complicated by the lack of analytical bases upon which to build appropriate compensation initiatives in a strategic or comprehensive fashion. The result has been the tacit acceptance of a piecemeal approach to addressing evolving requirements that, while accommodating the most immediate needs, does not provide a comprehensive framework for

addressing the long-term requirements of the operational reserve in a cost-effective manner. The traditional “fair share” funding mindset that apportions funding for compensation and benefits across the services may limit DoD’s ability to target compensation and benefits on the programs and skills sets most needed in the joint force.

One aspect of Reserve Component compensation that has drawn some attention as reservists have played a more prominent role in the operational force is the RC retirement system. Unlike active duty personnel who can collect their retirement annuity immediately upon retirement, Reserve Component personnel who retire with a non-regular retirement must wait until age 60 to receive a retirement annuity. Reservists consistently identify earlier access to retirement benefits as desirable in DoD-sponsored attitudinal surveys, and there have been numerous legislative proposals by Guard and Reserve membership associations seeking to lower the retirement eligibility age to 55 as in the civil service or to structure the Reserve Component retirement system to match the active duty system. While reservists might prefer to have access to their retirement benefits earlier, lowering the eligibility age for the annuity without a clear understanding of its effect on retention behavior would likely result in negative cost and force structure consequences for the Department of Defense. Studies of the active duty retirement system and career paths clearly show that other than losses that occur at completion of the initial term of service, retention rates are lowest when active duty personnel reach the twenty year mark.²⁷

An important non-monetary element of the social compact is “family readiness” – an element of individual and unit readiness that the Active Component has recognized is critical, but one that has not received the same degree of attention and funding in the Reserve Component. The result is an inconsistent and frequently inadequate array of programs and services available to spouses and family members in the Guard and Reserve. While there are numerous initiatives underway in this area in each of the reserve components, more can and should be done.

²⁷ Defense Advisory Committee on Military Compensation, *Completing the Transition to an All-Volunteer Force: Report of the Defense Advisory Committee on Military Compensation*, Crystal City, VA, April 2006.

COMPENSATION AND FAMILY SUPPORT RECOMMENDATIONS

- *Retain the current reserve retirement system which provides for an annuity at age 60.*

Although reservist satisfaction levels might increase if the retirement age were lowered or changed to match the current active duty system, it does not appear that such changes would have positive effects on retention nor would they be cost effective for the Department of Defense.

- *Institutionalize Reserve Component family support infrastructure at the deploying unit level.*

The deployment of Reserve Component individuals and units for extended periods results in spouses and families remaining behind in communities that do not have the family support infrastructure comparable to those that exist on active duty military installations. This lack of an available, trained support network can intensify the uncertainty, isolation, and frustration experienced by spouses and family members of deployed Reserve Component personnel. Ultimately, this results in a degradation of “family readiness” that can have a negative impact on the performance of deployed service members and can, indirectly, reduce retention. Incorporating permanent, trained family advocacy capacity at the deploying unit level across all reserve components would go a long way toward redressing this problem. This capability could be in the form of a Federal employee, contractor, or non-appropriated fund employee who would remain as part of the “home station cadre” when a unit deploys, and be integrated with other services including TRICARE liaison.

- *The Department of Defense should establish and fund the systematic collection of personnel, medical, and dental care data related to the needs and behavior of Reserve Component personnel and their families to support the development of cost effective personnel, health care, and compensation policies and programs tailored to this unique population.*

Efforts by the Congress and by the Department of Defense to respond in a timely manner to the evolving needs of the operational reserve have been hampered by the lack of reliable research and consistent data upon which to base legislative initiatives and policies. Given the financial implications of compensation and entitlement programs and the potential influence these programs have on recruiting and retention in the reserve components, it is imperative that the Department of Defense undertake

and maintain over time a sophisticated data collection, analysis, and dissemination effort to inform future legislative and policy decisions.

One of the United States' greatest comparative advantages is the diversity of backgrounds, talents, and skill sets of its vibrant population. Finding new ways to tap into and harness this wellspring of human potential will be critical to meeting the challenges of the 21st century. It will also be critical to manning and sustaining a more operational reserve. Concrete steps must be taken to enable the National Guard and reserves to bring more Americans into a service – and in new ways. This means implementing the continuum of service model, creating more flexible management tools, and developing new approaches to recruiting and retaining high quality people in the force. It also means adapting compensation and benefits to the needs of an operational reserve. Most fundamentally, adapting the social compact is about tapping the unparalleled abilities of the American people to man and sustain an all-volunteer operational reserve to protect and advance the nation's security.

APPENDIX A

SUMMARY OF FINDINGS AND RECOMMENDATIONS

CHAPTER ONE

FUTURE ROLES AND MISSIONS FOR THE RESERVE COMPONENT

1. Demand for U.S. military forces in the future will remain high. While the demand for U.S. military forces is not likely to remain as high as it is in 2006, the security environment is complex and the military is likely to continue to play a prominent role in implementing the national security strategy. The United States is almost certain to need forces in Iraq and Afghanistan for many years, in addition to other deployments in the former Yugoslavia, Guantanamo, the Horn of Africa and elsewhere. Moreover, the military will need to be prepared to respond to potential catastrophic events here at home as well as to unforeseen events overseas. This finding has important implications for the Guard and Reserves and drives several subsequent recommendations.

2. Employing RC forces as part of the operational force is a requirement, not a choice. DoD cannot meet today's operational requirements without drawing significantly on the Reserve Component. Because the demand for military forces is likely to remain high, and because the active military is not likely to expand dramatically for a range of demographic and budgetary reasons, DoD will have to continue using the RC as part of the operational force to get the job done. This is particularly true for the Army and Air Force. While this paradigm shift away from a purely strategic reserve model is an imperative, it is by no means a risk-free endeavor – and if the shift is not made successfully, the strength of the military as a whole will suffer.

3. The Guard and Reserves need to remain multi-mission capable, but put less emphasis on conventional campaigns. Coupled with the need for significant numbers of military forces in the future, the national security strategy also requires a military capable of executing a wide range of different kinds of military missions. In this context, it does not make sense to focus the Reserve Component exclusively on one or two missions. The Reserve Component should remain multi-mission capable, but does need to broaden its focus to include irregular warfare and preparing for catastrophic or disruptive challenges, just as the active duty military is doing. It is time to move beyond the historical focus on fighting “the big war,” and place more emphasis on missions like stability operations and homeland defense and civil support.

CHAPTER TWO

RESERVE COMPONENT FORCE STRUCTURE IN THE 21ST CENTURY

4. DoD should increase the size of the Total Army by creating 43 active BCTs and 34 ARNG BCTs in the near term, with the long-term goal of creating 48 active BCTs total. The Army in 2006 is already stretched thin, and given what may lie ahead in terms of the level and complexity of future demand for military forces, the Army needs at least 43 active brigade combat teams (BCTs) and 34 Guard BCTs in the near-term. Ideally the Army would grow 4-5 additional brigade combat teams on the active side over the longer term. A larger Army would provide a greater ability to surge to meet future requirements without immediately breaking force management policies that are designed to bolster retention. It would also hedge against risk if the transition to a more operational Army Guard and Reserve goes less smoothly than planned.

5. An outside panel of expert should conduct a detailed, comprehensive, cross-Service review of Active and Reserve Component manpower requirements. Although there has been considerable rebalancing and restructuring in each of the Services, the Guard and Reserve study team believes an external review of DoD requirements for active and reserve manpower might lead to greater optimization of the mix of active and reserve forces across the Department.

CHAPTER THREE

CHALLENGES ASSOCIATED WITH EMPLOYING THE RESERVE COMPONENTS AS AN OPERATIONAL FORCE

6. The Department of Defense and the Army need to address the substantial equipment funding shortfalls facing the Army's reserve components. All three components of the Army agree that the Army Guard is facing a shortfall in the next multi-year defense budget of about \$7 billion to fund the replacement of rolling stocks and conversion of the last ten support brigades to the modular design. The Army Reserve is facing at least a \$6 billion unfunded requirement for equipment required under the Modified Table of Organization and Equipment that will compete for funding as part of the broader DoD effort to build a FY08-FY13 defense program budget. These funding shortfalls are unlikely to be the end of the story in terms of what resources are needed to establish a solid equipment foundation for the reserve components under ARFORGEN.

7. The Army should closely monitor the multifunctional support brigades to determine whether the existing design is sufficient, whether there are sufficient numbers of support brigades to support deployed combat forces, and whether equipment and manning levels are sufficient. It is too early in the modularization process to determine whether the planned design for support units will have sufficient capabilities to support the brigade combat teams. It is also too early to determine whether there are sufficient numbers of these units, or to assess whether near-term manning and equipment shortages will have a significant negative effect on their performance.

As the Army gains experience with these new units, it should monitor them closely so that it will be better positioned to determine whether adjustments to the design or quantity of support brigades is needed.

8. *The Army should either increase the training levels envisioned under ARFORGEN, or make explicit that additional post-mobilization training will continue to be required and adjust deployment lengths accordingly. Additional funding is also needed to ensure the ARFORGEN training strategy can succeed.* The training levels envisioned under ARFORGEN do not appear sufficient to move the Army reserve components to a “train, mobilize, deploy” model. Either the Army needs to increase the number of annual training days in the last phase of ARFORGEN so that unit validations can realistically be achieved, or the reserve components need to be explicit in recognizing that even under ARFORGEN, there will still be a need for some post-mobilization training. If ARFORGEN will in fact include some post-mobilization training, the Army will have to work closely with theater commanders to develop operational concepts that enable mission success while limiting the total period of mobilization to no more than one year if at all possible. Training under ARFORGEN is also under-funded. The model will not succeed unless sufficient funding for training is identified.

9. *Man and fund units in the two years preceding the potential deployment year at 105 percent or more so that units can deploy under ARFORGEN without having to undergo cross-leveling.* To ensure units can deploy into theater rapidly at full strength, the Army should plan on manning units in the end of the ARFORGEN cycle at more than full strength to accommodate inevitable personnel losses that are the result of changes in medical status or other unforeseen developments. The Army plans to adopt this approach as part of ARFORGEN, but it is critical that the budget include sufficient resources to make this possible.

10. *Establish recruiting and retention programs and policies that will enable the Army reserve components to man their units at sufficient strength.* The Department of Defense needs to address the current recruiting and retention challenges not only to live up to the tenets of the implicit social compact between DoD and RC members, but also to ensure that the Army in particular has sufficient personnel to generate the forces it has identified as the steady state requirement to execute the defense strategy of the United States.

11. *The Department of Defense needs to propose a new set of mobilization authorities to Congress to enable routine but judicious use of the Reserve Component as part of the operational force.* To enable mobilization of the Reserve Component as part of an operational force, one option would be to establish a mobilization authority that allows the President to mobilize involuntarily units and RC members not assigned to a unit for a single activation not longer than 18 months during a six year period. Such an authority should require a Presidential declaration of the need for a reserve call-up and should require the certification of the appropriate Service Secretary for voluntary service beyond what is outlined in the mobilization authority. This kind of a new PRC authority would enable the Reserve Component to be used as part of an operational force without undue expenditure of political capital by the President,

and would protect RC members from overuse and from coercive efforts to secure voluntarily mobilization.

12. *The Chief of the National Guard Bureau should remain a three-star general and continue to report to the Secretaries of the Army and Air Force as well as the Chiefs of Staff of the Army and Air Force on all matters except those concerning the National Guard's role in homeland defense and civil support.* Routine employment of the Guard and Reserves as part of the operational force should strengthen partnerships between the active and reserve components within each Service and create renewed incentives to approach budget and policy challenges as teammates rather than competitors. In view of growing real-world incentives to act as partners, as well as the National Guard community's influence in the states and in Congress, senior DoD civilian and military leaders should consistently include Guard and Reserve leaders early on during critical policy and budgetary debates and decisions. Exclusionary internal DoD processes will only lead to divisive external battles during the Congressional budget process. Elevating the Chief of the National Guard Bureau (NGB) to the rank of General or adding the Chief, NGB to the Joint Chiefs of Staff would not necessarily give the National Guard a greater voice in these debates, and would send the counter-productive signal that the National Guard is a separate military service, rather than an integral part of the federal Army and Air Force in most military operations. The one area where it may make sense to revise the Chief of the NGB's statutory authority is in the area of the National Guard's role in homeland defense and civil support.

CHAPTER FOUR

REALIGNING THE DoD WORKFORCE TO MAXIMIZE CONSTRAINED RESOURCES

13. *DoD should conduct the comprehensive personnel audit recommended by the Defense Science Board and use it to identify opportunities to use technology to reduce personnel requirements.* In its Summer 2005 study, the DSB recommended that USD (P&R) conduct an audit, to include a full examination of costs of all military, civilian, and contractor personnel working for DoD, with the objective of using military personnel to perform military functions, civilians to perform inherently governmental functions, and the A-76 process to outsource any remaining functions competitively to the private sector. This audit is sorely needed to assist DoD in rationalizing its human workforce, and it could help DoD determine what functions could be performed, in whole or in part, by technology.

14. *DoD should place more trained contracting technical representatives in theater and provide other oversight mechanisms to ensure cost effective and efficient implementation of support contracts.* To ensure that DoD is paying no more than it needs to for services rendered, and to address concerns about the degree to which commanders in theater can rely on contractor support to provide necessary services, DoD should place more trained contracting officer's technical representatives (COTRs) in theater to oversee support contracts and develop other mechanisms to better monitor and adjust contractor performance.

15. DoD should aggressively pursue the sponsored reserve concept to expand the number of contractors who can deploy into theater as reservists subject to UCMJ. Under the sponsored reserve concept, contractors employed in the private sector to provide support services for the U.S. military would also be members of a reserve component and would be activated as reservists if and when they were deployed overseas. As activated reservists, these individuals would be subject to the UCMJ, which would resolve many of the legal and operational challenges that traditional contractors present for the Department of Defense.

16. The Department of Defense should seek to use contractors in lieu of combat service support personnel to provide support services in future operations when the security environment permits. Since many of the operational and legal challenges that contractors pose are much less of a concern in relatively stable environments, as part of an effort to lower the operational tempo for combat service support forces DoD should continue to encourage the military services to look for opportunities to substitute contractors for military personnel where possible.

CHAPTER FIVE

THE RESERVE COMPONENT'S ROLE IN HOMELAND DEFENSE AND CIVIL SUPPORT

17. DoD needs to accept civil support as a central mission and act accordingly. Almost five years after the September 11 attacks, DoD continues to hold the civil support mission at arm's length. If protecting the homeland is really the top priority, DoD needs to start planning, programming and budgeting for the mission. This includes determining where the National Guard and Reserves fit into the picture and what kind of training and equipment they need.

18. Leverage the National Guard to form the backbone of regional Civil Support Forces. A crucial missing piece in the existing national preparedness system is regional planning, training, and exercising. The National Guard provides a robust infrastructure on which to build and is one that is controlled in most scenarios by the state governor. The study recommends dual-hatting one of the existing Guard state joint force headquarters in each of the ten FEMA regions as the headquarters for what could ultimately become an interagency regional entity responsible for organizing and coordinating regional planning, training, and exercising. These ten Civil Support Forces (CSF) headquarters also would have response forces assigned to them, drawn from the state Guards in each region. In peacetime they would work for their own state governors, but in a crisis, they could deploy and work for any governor in the region who has been attacked, or for NORTHCOM if they are placed in Title 10 status. For one year in their rotation cycle, these Civil Support Forces would focus on being ready to respond to a domestic catastrophic event, and the troops in these units would not be eligible to deploy overseas. While the CSFs would provide a dedicated capability for catastrophic response that is grounded in the federalist system, they would not turn the National Guard into an exclusively homeland

defense force, permanently focus certain units only on homeland defense, or break the overseas rotation base.

19. *The Department of Defense should nominate a National Guard general officer to serve as Deputy Commander at NORTHCOM.* To ensure that the National Guard is well understood and well represented at senior leadership levels at NORTHCOM, DoD should make the Deputy Commander a Guard general officer. By making the Deputy Commander a Guard general officer, at least in the command's early years, DoD will make clear to the National Guard and the active duty military that it understands the important role the Guard will likely play in any major response, and the need to embed the Guard fully in the full range of NORTHCOM activities.

20. *Designate the Chief, National Guard Bureau as the principal adviser to the Secretary of Defense for matters concerning the role of the National Guard in homeland security, homeland defense and civil support missions.* Ensuring that the National Guard is well-integrated into DoD's broader homeland defense and civil support plans and policies, and that the Guard is sufficiently trained and equipped for these missions is critically important. Allowing the Chief, NGB to advise the Secretary of Defense directly will reduce the potential for the Guard's role in these areas to be neglected in favor of missions of greater importance to the Army and Air Force.

21. *Revise the charter for the NGB to recognize its role as the joint force manager for the National Guard's role in homeland defense and civil support.* The Secretaries of the Army and Air Forces should amend the NGB's charter to include a new function that allows NGB to serve as the principal organization within DoD responsible for advising OSD and the Combatant Commanders on the development of plans, policies, and programs concerning the National Guard's role in civil support, as well as to manage the actual provision of National Guard forces from the states and territories for such missions.

CHAPTER SIX

THE SOCIAL COMPACT

22. *The military services should give priority to developing a much broader range of programs to implement the continuum of service concept.* Priority should be given to expanding the number and type of variable participation of reservists at the unit level (VPR-U) pilot programs underway. The services, particularly the Army, should also expand their direct entry IRR programs beyond linguists and wireless engineers to other high demand areas such as Civil Affairs, country and regional specialists, and other types of information technology specialists. The services should also seek to develop and expand Sponsored Reserve relationships with private industry.

23. *The Army, Navy, and Air Force should revitalize their IRR programs.* These services should begin culling existing IRR databases and launching a full court press to obtain valid contact information for those who have accepted or are willing to accept a legal obligation to serve. Going forward, the IRR obligation of individual service members needs to be clarified in their initial contracts and each service needs to invest more resources in keeping its IRR viable.

24. *The Services should enhance lateral entry opportunities to attract more mid-career recruits in priority specialties.* Many of the specialty areas in highest demand in the military today – such as civil affairs, information technology specialists, and experts in specific countries and cultures – require knowledge and skills that are more often found in civilians who have had years of professional experience. The National Guard and reserves need to expand opportunities for mid-career professionals with valuable expertise to join the reserves, much as they long have done to recruit medical professionals.

25. *Each Service should create and implement a fully integrated personnel and pay system by 2008.* Drawing what they can from both DIMHRS and the Marine Corps experience, the Army, Air Force and Navy should have their own integrated personnel and pay systems in place within the next two years. These systems should be designed to manage all of the human resources in a given service – active, reserve and National Guard – and to enable seamless transitions between different duty statuses, consistent with the continuum of service model.

26. *Reduce and rationalize the number of Duty Status subcategories.* The Department of Defense should work closely with Congress to streamline the number of duty statuses and associated subcategories in which reserve and Guard personnel can be mobilized, and adapt them to the requirements of the new security environment and a more operational reserve.

27. *Authorize the Service Secretaries to offer flexible compensation schemes in support of Continuum of Service initiatives.* Rigid service agreements limit the services' ability to recruit the skills available in the private sector for specific operational requirements. The Service Secretaries should be authorized to tailor Reserve Component service agreements and associated terms of commitment and compensation schemes to meet the anticipated skill and manning requirements of the reserve components functioning under the operational reserve paradigm.

28. *Shield prior service personnel from deployments for a two year period upon joining the National Guard or Reserves.* In order to attract prior service personnel to serve, the reserves and National Guard should offer a contract that would guarantee prior service personnel at least two years at home prior to being called up with their Guard or reserve unit. National Guard units in a number of states have recently adopted this approach and the Marines are offering a similar program. DoD should encourage all reserve components to consider offering this type of arrangement.

29. Make service in the National Guard and Reserves a path to accelerated U.S. citizenship for legal immigrants. In July 2002, President Bush signed an Executive Order that accelerates the citizenship process for legal permanent residents (Green Card holders) who enlist in the active duty military or reservists who deploy to Operation Enduring Freedom/Operation Iraqi Freedom. As the United States moves to an operational reserve in which virtually all RC members can expect to be mobilized over time, this program should be expanded to include accelerated citizenship for *all* RC members.

30. Allow Guard and Reserve recruits to attend college without risk of activation in exchange for a longer period of service. As in the case of prior service personnel, the Guard and Reserves should protect reservists who are full-time students in the midst of getting their college degrees from the risk of having to interrupt their studies due to mobilization. This would remove a significant barrier to the recruiting of college bound individuals and would increase the RC's ability to attract high quality recruits.

31. Target compensation on needed skills and capabilities instead of using "fair share" driven resource allocation schemes. Funding for general compensation and bonus programs should be allocated among and within the Military Departments to target specific skill needs. The Department of Defense should discourage reliance on "fair share" allocation of resources that, while preserving some sense of equity among the Military Departments, does not necessarily provide the resources where the needs are the most pressing.

32. The President and other national leaders should issue calls to national service. If the United States is indeed in a "long war," the President and other national leaders should seek to inspire every American to find an appropriate way to serve their country, be it serving in the military, helping to protect the American homeland, contributing language skills or subject matter expertise, or performing other forms of public service. Such calls to service could provide the U.S. military with political "top cover" that would assist its recruiting and retention efforts.

33. Enhance the predictability of mobilizations. A lack of predictability can have very negative impacts on both morale and retention. Moving to an operational reserve model, in which potential mobilization periods could be anticipated and prepared for well in advance, will likely have a significant and positive impact on retention.

34. Keep the average length of mobilization to no more than a year. Although longer tours of duty may be optimal for some types of operations, such as stability operations, longer mobilizations are frequently cited as a major source of dissatisfaction by reservists and their families. To implement the operational reserve concept, the services need to strike a balance between mission needs and the needs of reservists and their families. They should aim to keep total mobilization time to one year or less in order to enhance predictability and reduce the burden of service on families and employers.

35. Avoid using reservists as garrison replacements at active duty installations in the United States. Studies show that reservists who are activated but not deployed overseas are much more likely to leave the service. Given the potential impact of this practice on retention, the services should, to the extent possible, use private contractors rather than reservists to temporarily replace key support functions at active duty installations with units deployed overseas.

36. Reduce transition costs for Guard and reserve members and their families. Although more than 70 percent of reservists actually experience a significant increase in earnings when mobilized, according to one study, there are cases in which a reservist's mobilization can cause substantial or even catastrophic damage to his or her family's financial well-being. In these cases, there should be a more robust safety net for reservists and their families. This could include creating an emergency fund for families who suffer a catastrophic loss of income when a reservist is mobilized, or a deferred debt payment program in which a reservist called to active duty would have the legal standing to negotiate with creditors to defer mortgage, car, and other debt payments until six months after demobilization.

37. Allow reservists to transfer educational benefits to spouses. Recent survey data suggests both a significant drop in spousal support for participation in the Guard and reserves and the substantial influence of spouses on reservists' decisions about whether or not to stay in the military. In order to retain spousal support for a more operational reserve, the military services need to provide more tangible incentives for spouses to "buy in" to the reserves. Specifically, the educational benefits available to reservists, such as tuition assistance, should be made transferable to their spouses.

38. Reestablish Retention NCOs in all Guard and reserve units. With the onset of a more operational reserve, the Guard and reserves need to reestablish NCO positions that are focused, at least in part, on retaining needed personnel. The Army National Guard has recently taken this step and it seems to be having a positive impact on retention.

39. Retain the current Reserve Component health care benefit without further expansion. The expanded TRICARE Reserve Select program clearly demonstrates the Congress' desire to provide an enhanced Reserve Component health care benefit for the Selected Reserve, but does so without the benefit of significant research and cost/benefit analysis that demonstrates the clear value of an entitlement policy of this magnitude. Additionally, there are potential unintended consequences of this program, not the least of which is the shifting of health insurance costs from state, local, and private sector employers of Reserve Component personnel to the Department of Defense, as Reserve Component personnel are provided incentives to enroll in TRICARE Reserve Select in lieu of more expensive employer provided health insurance programs. The existing benefit – which compares favorably to many private sector health plans and is very costly for DoD – should not be expanded further, at least until more data can be collected to understand fully the costs and benefits of such changes, as well as other possible alternatives that might achieve similar objectives.

40. Focus efforts on improving access to health care benefits in lieu of further expansion of the existing benefits. The incorporation of a permanent TRICARE liaison capability at the deploying unit level would greatly facilitate the ability of spouses and family members to access the TRICARE system when medical care is required. This capability could be in the form of a Federal employee, contractor, or non-appropriated fund employee who would remain as part of the “home station cadre” when a unit deploys.

41. Retain the current reserve retirement system which provides for an annuity at age 60. Although reservist satisfaction levels might increase if the retirement age were lowered or changed to match the current active duty system, it does not appear that such changes would have positive effects on retention nor would they be cost effective for the Department of Defense. Lowering the eligibility age for the annuity without a clear understanding of its effect on behavior in terms of retention would likely result in negative consequences for the Department of Defense in terms of cost and force structure. Studies of the active duty retirement system and career paths clearly show that other than losses that occur at completion of the initial term of service, retention rates are lowest when active duty personnel reach the point at which they can collect their retirement annuity.

42. Institutionalize Reserve Component family support infrastructure at the deploying unit level. The deployment of Reserve Component individuals and units for extended periods results in spouses and families remaining behind in communities that do not have the family support infrastructure comparable to those that exist on active duty military installations. This lack of an available, trained support network can intensify the uncertainty, isolation, and frustration experienced by spouses and family members of deployed Reserve Component personnel. Incorporating permanent, trained family advocacy capacity at the deploying unit level across all reserve components would go a long way toward redressing this problem. This capability could be in the form of a Federal employee, contractor, or non-appropriated fund employee who would remain as part of the “home station cadre” when a unit deploys, and be integrated with other services including TRICARE liaison.

43. The Department of Defense should establish and fund the systematic collection of personnel, medical, and dental care data related to the needs and behavior of Reserve Component personnel and their families to support the development of cost effective personnel, health care, and compensation policies and programs tailored to this unique population. Given the financial implications of compensation and entitlement programs and the potential influence these programs have on recruiting and retention in the reserve components, it is imperative that the Department of Defense undertake and maintain over time a sophisticated data collection, analysis and dissemination effort to inform future legislative and policy decisions.

APPENDIX B

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APPENDIX C

ACRONYMS

AEF	Aerospace Expeditionary Force
AMC	Air Mobility Command
ANG	Air National Guard
AREF	Army Reserve Expeditionary Force
ARFORGEN	Army Force Generation Model
ARNG	Army National Guard
ARNORTH	U.S. Army North (formerly 5th Army)
BCT	Brigade Combat Team
BG-N	Beyond Goldwater-Nichols
BRAC	Base Realignment and Closure
CBO	Congressional Budget Office
CBRNE	Chemical, Biological, Radiological, Nuclear, or High Yield Explosive
CCMRF	CBRNE Consequence Management Response Force
CENTCOM	United States Central Command
CERFP	CBRNE Enhanced Response Force Package
CNGB	Chief, National Guard Bureau
COTR	Contracting Officer's Technical Representative
CPA	Coalition Provisional Authority
CRAF	Civil Reserve Air Fleet
CRS	Congressional Research Service
CS	Combat Support
CSF	Civil Support Force
CSIS	Center for Strategic and International Studies
CSS	Combat Service Support
DIMHRS	Defense Integrated Military Human Resources System
DoD	Department of Defense
DHS	Department of Homeland Security
DSB	Defense Science Board

EMAC	Emergency Management Assistance Compact
FCS	Future Combat System
FEMA	Federal Emergency Management Agency
FTF	Future Total Force Initiative
FY	Fiscal Year
GAO	Government Accountability Office
IMET	International Military Education and Training
IRR	Individual Ready Reserve
JFHQ-State	Joint Force Headquarters – State
JOC	Joint Operations Center
JSTARS	Joint Surveillance Target Attack Radar System
JTF	Joint Task Force
MEJA	Military Extraterritorial Jurisdiction Act
MHS	Military Health System
MOS	Military Occupational Specialty
MSB	Multifunctional Support Brigade
NATO	North Atlantic Treaty Organisation
NCO	Noncommissioned Officer
NCR	National Capital Region
NDAA	National Defense Authorization Act
NGB	National Guard Bureau
NORTHCOM	United States Northern Command
NSS	National Security Strategy
OASD-RA	Office of the Assistant Secretary of Defense for Reserve Affairs
OMB	Office of Management and Budget
OSD	Office of the Secretary of Defense
PBD	Program Budget Decision
PSRC	Presidential Select Reserve Call-up
QDR	Quadrennial Defense Review
RC	Reserve Component
ROTC	Reserve Officers Training Corps
RSOI	Reception, Staging, Onward Movement, and Integration
SOFA	Status of Forces Agreement

TAG	The Adjutant General
TFI	Total Force Initiative
TPFDL	Time-Phased Force Deployment List
TRS	TRICARE Reserve Select
TTHS	Trainee, Transient, Holdees, and Students Account
UAV	Unmanned Aerial Vehicle
UCMJ	Uniform Code of Military Justice
UCS	Unified Command Suite
USAFR	U.S. Air Force Reserve
USAR	U.S. Army Reserve
USCGR	U.S. Coast Guard Reserve
USD (P&R)	Under Secretary of Defense for Personnel and Readiness
USMCR	U.S. Marine Corps Reserve
USNORTHCOM	United States Northern Command
VPR-U	Variable Participation of Reservists at the Unit Level
WMD-CST	Weapons of Mass Destruction – Civil Support Team