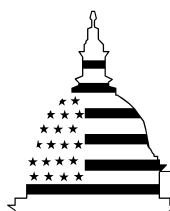


July 2005

RESERVE FORCES

An Integrated Plan Is Needed to Address Army Reserve Personnel and Equipment Shortages



G A O

Accountability ★ Integrity ★ Reliability



Highlights of GAO-05-660, a report to Congressional Committees

Why GAO Did This Study

The Department of Defense (DOD) cannot meet its global commitments without continued reserve participation. The Army Reserve provides critical combat support and combat service support units, such as medical and transportation units, to the Army. While Army Reserve members historically could expect to train one weekend a month and 2 weeks a year with activations for limited deployments, since September 11 some have been called upon to support ongoing military operations for a year or more.

GAO (1) identified the challenges the Army Reserve faces in continuing to support overseas operations and (2) assessed the extent to which the Army and Army Reserve have taken steps to improve the Army Reserve's readiness for future missions.

What GAO Recommends

GAO makes two recommendations to enhance planning and implementation of Army and Army Reserve initiatives related to readiness and predictability of deployments, including identifying funding to implement them. DOD agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?-GAO-05-660.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Janet A. St. Laurent, (202)512-4402, or stlaurentj@gao.gov.

RESERVE FORCES

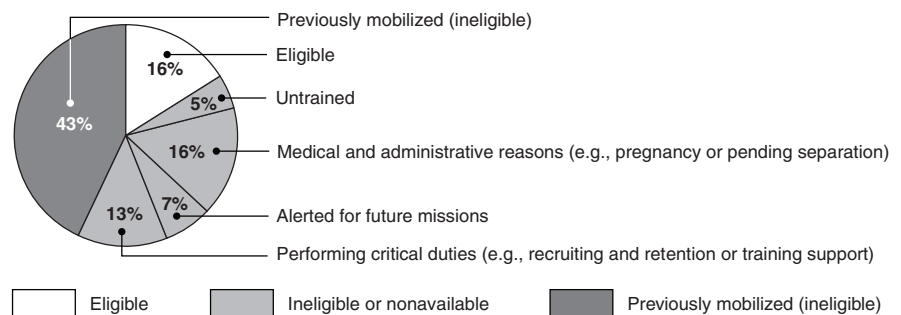
An Integrated Plan Is Needed to Address Army Reserve Personnel and Equipment Shortages

What GAO Found

While the Army Reserve has provided ready forces to support military operations since September 11, 2001, GAO found that it is becoming increasingly difficult for the Army Reserve to continue to provide these forces due to personnel and equipment shortages. The three primary causes of these shortages are (1) the practice of not maintaining Army Reserve units with all of the personnel and equipment they need to deploy, (2) current DOD and Army personnel policies that limit the number of reservists and length of time reservists may be deployed, and (3) a shortage of full-time support staff to develop and maintain unit readiness. These challenges are compounded by emerging recruiting shortfalls.

The Army and Army Reserve have recently begun several initiatives to improve the Army Reserve's readiness and provide more deployment predictability for its soldiers; however, the Army lacks a comprehensive management strategy for integrating the initiatives to ensure that each initiative most efficiently contributes to the achievement of its overall readiness and predictability goals. One of the Army Reserve's major initiatives has been to develop a rotational force model. However, the model cannot be fully implemented until the Army determines the types and number of Army Reserve units it will need to carry out its plans to restructure into a more modular and flexible force. Because the Army has not defined what personnel, units, and equipment the Army Reserve will need under the new modular and rotational models, it cannot be assured that its initiatives are most efficiently working together to meet readiness goals and that funding is appropriately targeted to meet those goals. Until plans that integrate the initiatives are completed and approved and adequate resources are provided to implement them, the Secretary of Defense and the Congress will continue to lack assurance that DOD has an effective and efficient plan for resolving the Army Reserve's growing challenges.

Army Reserve Personnel Still Eligible for Overseas Deployment, Ineligible to Deploy Again under Personnel Policies, and Ineligible/Not Available to Deploy for Other Reasons as of March 28, 2005



Source: GAO analysis of Army Reserve data.

Note: Based on 196,219 soldiers in the Selected Reserve.

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United States Government Accountability Office
Washington, D.C. 20548

July 12, 2005

The Honorable John W. Warner
Chairman
The Honorable Carl Levin
Ranking Minority Member
Committee on Armed Services
United States Senate

The Honorable Duncan L. Hunter
Chairman
The Honorable Ike Skelton
Ranking Minority Member
Committee on Armed Services
U.S. House of Representatives

The Army Reserve is a citizen-soldier force that is trained and organized to complement the combat forces of the active Army by providing specialized combat service and combat service support skills. For example, the Army Reserve provides over 95 percent of the Army's internment brigades, railway units, Judge Advocate General units, training and exercise divisions, and civil affairs units. It also provides over two-thirds of the Army's psychological operations units, chemical units, hospitals, and medical groups. As of March 2005, the Army Reserve had about 196,000 readily accessible members who participated in drills and training.

Prior to the September 11, 2001, terrorist attacks, the Army Reserve's primary role was to provide support forces for major combat operations and limited support to operations around the world, such as those in the Balkans and Kosovo. However, since September 11, the Army Reserve has provided large numbers of soldiers and units on an ongoing basis to meet requirements for ongoing military operations in Afghanistan and Iraq. Some skills, such as civil affairs specialists, that have been in particularly high demand reside heavily in the Army Reserve. Moreover, while Army Reserve soldiers historically could expect their military service to be part time—including attending training for 2 weeks each year and attending drills one weekend each month with potential activations for limited deployments—many reservists have been on active duty for over a year to support current operations.

The challenges in mobilizing large numbers of reservists on an ongoing basis have led to questions about whether changes are needed in the way

the Army Reserve is structured and resourced. In light of new security threats and increased operational demands, the Army has recently embarked on several new initiatives to increase its flexibility and responsiveness. For example, as outlined in 2004 in the Army Campaign Plan, the Army, including its reserve components, is in the midst of a major transformation to a more flexible modular force based on brigades rather than divisions. In addition, the Army plans to implement a force rotation model that would enable it to better predict when soldiers might be mobilized.¹

We have previously reported on issues related to how the reserve components have been mobilized and used for recent operations and made recommendations on actions the Department of Defense (DOD) and the services need to take to improve the efficiency of mobilization for reserve forces. In August 2003 and September 2004, we reported on several reserve mobilization issues, including the mobilization approval process, DOD's limited use of the Individual Ready Reserve, and long-term reserve force availability issues.² We also reported on the effect of the continuing high use of National Guard forces and challenges to prepare the National Guard for future overseas and domestic missions.³ In addition, we recently provided observations on the Army's plans to convert to a modular force.⁴

We prepared this report focused on the Army Reserve under the Comptroller General's statutory authority and are sending it to you because it contains information that will be useful for your oversight responsibilities for reserve personnel and readiness issues. The objectives of this report are to (1) identify the challenges the Army Reserve faces in continuing to support overseas operations and (2) assess the extent to

¹ Mobilization is the process of assembling and organizing personnel and equipment, activating units and members of the reserves for active duty, and bringing the armed forces to a state of readiness for war or other national emergency.

² GAO, *Military Personnel: DOD Actions Needed to Improve the Efficiency of Mobilizations for Reserve Forces*, [GAO-03-921](#) (Washington, D.C.: Aug. 21, 2003) and *Military Personnel: DOD Needs to Address Long-term Reserve Force Availability and Related Mobilization and Demobilization Issues*, [GAO-04-1031](#) (Washington, D.C.: Sept. 15, 2004).

³ GAO, *Reserve Forces: Actions Needed to Better Prepare the National Guard for Future Overseas and Domestic Missions*, [GAO-05-21](#) (Washington, D.C.: Nov. 10, 2004).

⁴ GAO, *Force Structure: Preliminary Observations on Army Plans to Implement and Fund Modular Forces*, [GAO-05-443T](#) (Washington, D.C.: Mar. 16, 2005).

which the Army and Army Reserve have taken steps to improve the Army Reserve's readiness for future missions.

To address our objectives, we analyzed data generated by the Total Army Personnel Data Base - Reserves and provided by the U.S. Army Reserve Command on the numbers of reservists that were mobilized for operations since September 11, 2001, and their military occupations and numbers of personnel that had not been mobilized. We assessed the reliability of data from the Total Army Personnel Data Base - Reserves and the Reserve End Item Management System by 1) reviewing existing information about the data and the systems that produced them; 2) performing electronic testing of the relevant data elements; and 3) interviewing Army Reserve officials knowledgeable about the data. We determined that the data used were sufficiently reliable to address our objectives. We analyzed DOD publications and reports on equipment shortages to identify trends in the status of equipment the Army Reserve has on hand. We supplemented this information with visits to Army and Army Reserve commands and units, including training units and an Army mobilization station. We reviewed documentation on the status of initiatives to improve long-term readiness and predictability. We also discussed the challenges the Army Reserve faced in providing ready forces and initiatives to improve readiness and deployment predictability with officials in the Office of the Secretary of Defense, the Army, and the Army Reserve. We conducted our review from April 2004 through June 2005 in accordance with generally accepted government auditing standards. Details on the scope and methodology used in our review are described in further detail in appendix I.

Results in Brief

While the Army Reserve has provided ready forces to support military operations since September 11, 2001, we found that it is becoming increasingly difficult for the Army Reserve to continue to provide ready forces in the near term due to worsening personnel and equipment shortages. There are three primary causes of these shortages: (1) the practice of not maintaining Army Reserve units with all of the personnel and equipment they need to deploy, (2) current DOD and Army personnel policies that limit the number of reservists and length of time reservists may be deployed, and (3) a shortage of full time support staff to develop and maintain unit readiness. First, because Army Reserve units are not generally maintained with all the required personnel and equipment, based on the expectation that there would be time to supplement personnel and equipment after mobilization, the Army Reserve has had to transfer personnel and equipment from nonmobilizing units to mobilizing units so

that when these units deployed overseas they would meet combatant commanders' requirements for fully manned and equipped units. From September 2001 through March 2005, the Army Reserve transferred about 53,000 soldiers from nonmobilizing units to mobilizing units. Similarly, from September 2001 to April 2005, the Army transferred about 235,900 pieces of equipment among units. While these actions met immediate requirements, transfers continue to decrease the capabilities of the units from which the personnel and equipment were transferred, which hampers their ability to prepare for potential future missions. Second, the Army Reserve also faces challenges in continuing to provide ready forces because so many of its personnel have already been mobilized and cannot be mobilized again under current DOD and Army policies regarding the length of time reservists may serve overall and in the theater of operations. As of March 2005, the number of Army Reserve personnel eligible for mobilization under current policies had decreased to about 31,000 soldiers, or about 16 percent of Army Reserve personnel, and all of these personnel may not have the required skills and ranks needed to support ongoing operations. Senior Army Reserve officials have expressed concern that without change in personnel policies the Army Reserve will soon be unable to continue to provide forces with the necessary skills and grades to support Army operations. Recent recruiting and retention problems have further reduced the available pool of reservists. Finally, the Army Reserve has been authorized only about 68 percent (26,354) of the 38,846 full-time staff it required during peacetime to perform the critical readiness tasks, such as training and maintenance. Collectively, personnel and equipment problems have hampered the Army Reserve's ability to train and effectively support ongoing operations efficiently and predictably in the near term, and emerging recruiting challenges could exacerbate these problems in the future.

The Army and Army Reserve have recently begun several initiatives to improve the Army Reserve's readiness and provide more deployment predictability for its soldiers; however, the Army lacks a comprehensive description of how the Army Reserve will be structured, manned, and equipped after the transformation and a detailed plan for funding priority initiatives and integrating the independently developed initiatives to ensure that each most efficiently contributes to the achievement of its goals of improved readiness and predictable deployments. One of the Army Reserve's major initiatives has been to develop a rotational force proposal designed to train and equip units over a 5-year cycle for possible deployment in the sixth year. The rotational force model cannot be fully implemented, however, until the Army determines the types and number of

Army Reserve units it will need to support its reorganized, modular combat forces and identifies the resources it will need to implement the plan. Meanwhile the Army Reserve is implementing another initiative designed to increase the percentage of required personnel that units are authorized by eliminating units in low-demand skills and moving personnel to high-demand skills. But, without the final determination of the Army's requirement for modular support units, the Army Reserve cannot be sure that it is not closing units with the skills the Army will need under its modular structure. Furthermore, the Army and Army Reserve have not yet developed detailed estimates for the Reserve's reorganization to a rotational and modular force. Another initiative, begun in fiscal year 2001, will increase the number of full-time personnel assigned to support the Army Reserve performing day-to-day administrative, training, and maintenance activities. However, despite increases in these tasks due to ongoing operations, the initiative is not planned to increase full-time support to meet even peacetime requirements and may not provide the level of support needed under the new rotational model. Until more detailed plans are completed and approved that integrate the initiatives and adequate resources are provided to implement them, the Congress will continue to lack assurance that DOD has an effective and efficient plan for resolving the Army Reserve's growing personnel and equipment challenges.

We are recommending that the Secretary of Defense direct the Secretary of the Army, in consultation with the Chief of Staff of the Army and the Chief, Army Reserve, to develop a detailed plan that addresses how the Army will integrate and manage the initiatives it has developed and is implementing to improve readiness and mobilization predictability for Army Reserve personnel. In its comments on a draft of this report, DOD agreed with GAO's recommendations.

Background

The Army Reserve is composed primarily of citizen soldiers who balance the demands of a civilian career with military service on a part-time basis. During the Cold War, it was expected that the Army Reserve would be a force to supplement active forces in the event of extended conflict. However, since the mid-1990s, the Army Reserve's citizen soldiers have been continuously mobilized to support operations worldwide, including those in Bosnia and Kosovo. In today's strategic environment, the Army Reserve's role has evolved to a complementary force, continuously supplying specialized skills for combat support and combat service support for Operations Enduring Freedom (Afghanistan) and Iraqi Freedom. Rather than the historical part-time employment in the Army Reserve,

some Army Reserve personnel have now been involuntarily activated for over a year.

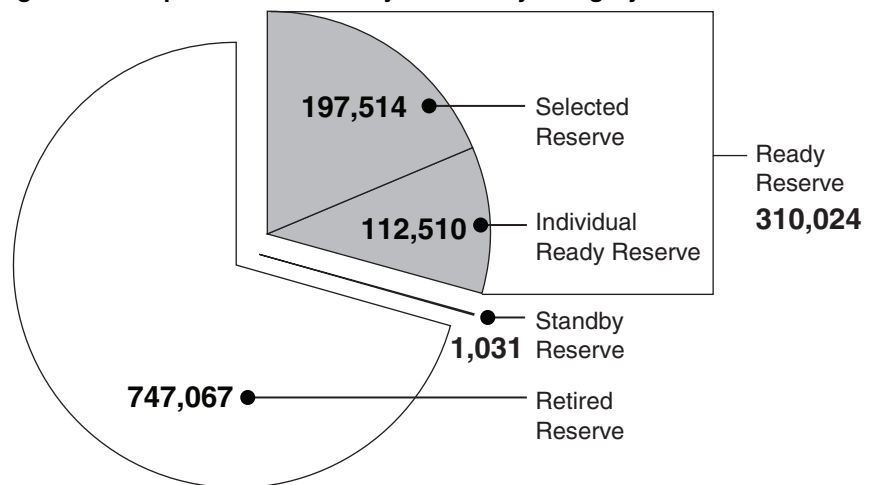
The members of the Army Reserve fall into three major categories: the Ready Reserve, the Standby Reserve, and the Retired Reserve. (See fig. 1.) Members of all three categories are subject to mobilization in the event of national emergency.

- The Army's Ready Reserve includes about 310,000 members and is made up of two subcategories: the Selected Reserve, which has about 197,500 members, and the Individual Ready Reserve, which comprises about 112,500 members. The Selected Reserve includes soldiers who are assigned to units and participate in at least 48 scheduled drills or training periods each year and serve on active duty for training at least 14 days each year; soldiers who voluntarily serve on extended tours of active duty; and soldiers assigned on an individual basis to various headquarters where they would serve if mobilized and train on a part-time basis to prepare for mobilization. Members of the Individual Ready Reserve include individuals who were previously trained during periods of active service, but have not completed their service obligations⁵; individuals who have completed their service obligation and voluntarily retain their reserve status; and personnel who have not completed basic training. Most of these members are not assigned to organized units, do not attend weekend or annual training, and do not receive pay unless they are called to active duty.
- The Army's Standby Reserve represents about 1,030 personnel who maintain their Army affiliation without being in the Ready Reserve. Standby Reserve personnel have been designated key civilian employees who have responsibilities that would keep them from being mobilized, such as members of the Congress, or have temporary hardships or disabilities that prevent them from participating in reserve activities. These personnel can be mobilized if necessary to fill manpower needs in specific skills.
- The Army Retired Reserve comprises all reserve officers and enlisted personnel who receive retired pay on the basis of active or reserve

⁵ While enlistment contracts can vary, a typical enlistee would incur an 8-year military service obligation, which could consist of a 4-year active duty obligation followed by a 4-year Individual Ready Reserve obligation.

service and may be ordered to active duty in emergency situations. Currently, about 747,000 personnel⁶ are in the Retired Reserve.

Figure 1: Composition of the Army Reserve by Category



Source: GAO analysis of Army Reserve data.

Note: Data as of February 28, 2005.

The majority of the reserve forces mobilized for current operations have been members of the Selected Reserve, who are members of units and attend monthly drills. Some members of the Individual Ready Reserve and Retired Reserve have also been mobilized to provide specialized skills.

In addition to personnel in these categories, the Army Reserve relies on a small number of full-time personnel to provide the day-to-day administrative, training, and maintenance tasks that units need to be able to attain readiness for their missions and deploy. The Army Reserve full-time support personnel are equal to about 13 percent of the authorized number of reservists.

The Army Reserve is headed by the Chief, Army Reserve who is the principal advisor to the Chief of Staff of the Army for all Army Reserve matters. Among other duties, the Chief, Army Reserve provides reports to the Secretary of Defense and the Congress, through the Secretary of the

⁶ The Army Retired Reserve includes retirees from both the active and reserve components.

Army, on the state of the Army Reserve and the ability of the Army Reserve to meet its missions; manages the full-time support program; justifies and executes the personnel, operation and maintenance, and construction budgets for the Army Reserve; and participates in formulation and development of Army policies.

The Army Reserve is a part of the total Army, which also includes the active Army and the Army National Guard. The Chief of Staff of the Army is charged with integrating reserve component matters into Army activities and provides strategic guidance to the Army Reserve on transformation. The Chief of Staff of the Army, as senior military leader of the Army, participates in the development of Army plans, policies, programs, and activities and supervises their execution. The Secretary of the Army, as the senior official of the Department of the Army, is responsible for its effective and efficient functioning.

Reserve forces may be called to active duty under a number of mobilization authorities. As shown in table 1, two authorities enable the President to mobilize forces, but with size and time limitations. Full mobilization, which would enable the mobilization of forces for as long as they are needed, requires a declaration by the Congress.

Table 1: Mobilization Authorities for Reserve Forces

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

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

The Office of the Secretary of Defense implements the activation of reservists under mobilization authority. The Assistant Secretary of Defense

for Reserve Affairs, who reports to the Under Secretary of Defense for Personnel and Readiness, is responsible for providing policy, programs, and guidance for the mobilization and demobilization of the reserve components.

On September 14, 2001, President Bush declared that a national emergency existed as a result of the attacks on the World Trade Center in New York and the Pentagon in Washington, D.C., and he invoked the partial mobilization authority. On September 20, 2001, DOD issued mobilization guidance that among other things directed the services as a matter of policy to specify in initial orders to Ready Reserve members that the period of active duty service would not exceed 12 months. However, the guidance allowed the service secretaries to extend orders for an additional 12 months or remobilize reserve component members under the partial mobilization authority as long as an individual member's cumulative service did not exceed 24 months under the President's partial mobilization authority.

Since September 11, there have been six separate rotations of troops to support Operation Enduring Freedom and four rotations of troops to support Operation Iraqi Freedom, which began in 2001. The Army has identified the personnel and units that are expected to deploy in 2005 in the seventh rotation of forces for Operation Enduring Freedom and the fifth rotation for Operation Iraqi Freedom.

To address the continuing demand for ground forces, in 2004, the Army extended the time that reservists must be deployed overseas for missions related to Operation Iraqi Freedom in Iraq or Operation Enduring Freedom in Afghanistan. The Army's current guidance is that soldiers should serve 12 months with their "boots on the ground" in the theater of operations, not including the time spent in mobilization and demobilization activities, which could add several more months to the time a Reserve member spends on active duty. The Army's Forces Command identifies the Army units and personnel to be deployed to meet the requirements of the combatant commanders.

Personnel and Equipment Shortages Will Make It Increasingly Difficult for the Army Reserve to Continue to Support Overseas Operations

The Army Reserve has provided ready forces for ongoing military operations since September 11, 2001, by transferring personnel and equipment to deploying units; however, it is running out of personnel who can be mobilized under current policies and equipment that meets deployment standards for three key reasons. First, the Army Reserve is having difficulty continuing to support ongoing operations because its units are not routinely resourced with all the personnel and equipment needed to deploy. Therefore, to meet combatant commanders' requirements that deploying units have all the personnel they require for their missions and have equipment that is compatible with other units in the theater of operations, the Army Reserve has had to transfer uniformed personnel and equipment from nonmobilized units to prepare mobilized units. This has left nondeploying units with shortages in personnel and equipment, which hampers their ability to train for future missions. Second, based on data provided by the Army Reserve, about 40 percent of Army Reserve personnel have already been mobilized once and under personnel policies cannot be mobilized again. This, in addition to emerging recruiting issues that contribute to the availability of personnel, has led to a smaller pool of reservists eligible for deployment and is making it more difficult for the Army Reserve to provide trained and ready personnel with the specific grades and skills needed for future operations. Third, the Army Reserve has been experiencing increasing shortages of the full-time support staff who maintain equipment, train personnel, and conduct the day-to-day administration of nonmobilized and returning units. This hampers the Army Reserve's ability to maintain unit readiness. These challenges, when viewed collectively and in view of emerging recruiting challenges, threaten the Army Reserve's ability to provide ready units for ongoing operations and prepare units for future missions.

The Army Reserve Has Prepared Mobilized Units by Transferring Personnel and Equipment from Nonmobilizing Units, but It Faces Shortages of Personnel and Equipment in the Near Term

To provide the ready forces required to meet mission requirements since September 11, 2001, the Army Reserve has had to transfer personnel and equipment from nonmobilized units to mobilized units—a practice that has left nonmobilized units with shortages of resources and challenges the Army Reserve to continue to support near-term operations. The Army Reserve, like the National Guard, has been structured according to a “tiered resourcing” approach. Under tiered resourcing, the Army has accepted some operational risks to save money by funding Army Reserve units to maintain fewer personnel and less equipment than they would need in the event of a deployment. Instead, units train at lower states of readiness with the expectation that there would be sufficient time to add the required

personnel and equipment prior to a deployment. Units anticipated to be needed earlier in an operation are provided a larger portion of their required personnel and equipment, while units that are not likely to be needed until later during an operation, if at all, are given lower levels of resources. This strategy effectively supported the types of operations that were anticipated before September 11, 2001, but in the current environment combatant commanders have required that Army Reserve units deploy with all the personnel and equipment they needed for their missions. While the Army Reserve has met these requirements, it has done so by transferring resources from nonmobilized units, which has impaired its ability to train for future missions. It has used this approach because its personnel and equipment levels have not increased significantly since September 11, 2001, despite the high pace of operations. In addition, the overall number of personnel in the Army's Selected Reserve has declined as recruiting and retention issues have emerged.⁷ Senior Army Reserve officials have expressed concern that without change in the policies, the Army Reserve will soon be unable to continue to provide forces with the necessary skills and grades to support Army operations.

Personnel Transfers Have Enabled the Army Reserve to Mobilize Ready Units, but the Pool of Deployable Units and Personnel Is Declining

To meet combatant commander requirements for fully manned units, the Army Reserve has had to transfer large numbers of personnel from nonmobilizing units to provide specifically required capabilities and to prepare mobilizing units for deployment. From September 11, 2001, through March 2005, the Army Reserve mobilized about 118,270 soldiers from the Selected Reserve.⁸ Of the total number of soldiers mobilized, approximately 53,000 (45 percent) were transferred from nonmobilized units to fill shortages in mobilized units and to provide personnel to fill specialized requirements, such as medical teams, that did not require an entire unit. Over 50 percent of the requests for Army Reserve personnel have been for groups of six soldiers or less. As a result of these personnel transfers, existing shortages in nonmobilized units are growing, which limit these units' ability to conduct training and require them to receive significant infusions of personnel from other units if they are alerted for mobilization. Additionally, the pool of reservists from which to fill requirements for certain skills and grades is decreasing.

⁷ GAO, *Military Personnel: Preliminary Observations on Recruiting and Retention Issues within the U.S. Armed Forces*, [GAO-05-419T](#) (Washington, D.C.: Mar. 16, 2005).

⁸ According to the U.S. Army Human Resources Command as of May 2, 2005, 10,361 members of the Individual Ready Reserve, individual mobilization augmentees, and members of the Retired Reserve have been ordered to active duty.

Under tiered resourcing, Army Reserve units have generally been assigned about 80 to 85 percent of the personnel they require to perform their assigned missions, under the assumption that the shortages could be filled before the units would deploy. Additionally, some personnel assigned to units may not be deployable for personal reasons, such as unfulfilled training requirements, health problems, or family situations. However, for Operation Iraqi Freedom, combatant commanders requested that the Army mobilize Army Reserve units with 100 percent of the required personnel. Therefore, to support the first rotation of Army Reserve troops for Operation Iraqi Freedom in March 2003, the Army Reserve had to transfer about 20 percent of the required personnel from nonmobilized units. These initial transfers worsened existing personnel shortages in nonmobilized units and increased the numbers of personnel that had to be transferred when these units were subsequently mobilized. To meet the combatant commander's personnel requirements during the second rotation of troops for Operation Iraqi Freedom in 2004, about 40 percent of the required personnel were transferred from other units. Beginning in fall 2004, combatant commanders have required that Army Reserve units mobilize with 102 percent of their required personnel so that casualties or other personnel losses during the mobilization process or during deployment can be replaced from within the unit. This requirement means that units will require even more personnel to be transferred to them before they deploy and will increase personnel shortages in remaining units even further. According to Army Reserve officials, units mobilizing in the near future may have to receive over half of their required personnel from outside the units.

As current conflicts have continued, the Army Reserve has experienced recruitment shortfalls and lost personnel from resignations and retirement. Although the Army Reserve is authorized to have 205,000 personnel in its Selected Reserve, the number of participating members was about 197,000 in February 2005. The number of members had decreased to about 196,000 in March 2005.

As the number of Army Reserve personnel available for mobilization continues to decrease, the personnel who remain do not necessarily have the ranks or skills needed to fulfill combatant commander requirements. For example, captains are the Army Reserve's unit-level leaders, responsible for filling key command and staff positions. In 2001, the Army Reserve lacked about 42 percent of the 14,996 captains it required, and as of January 2005, this percentage had increased to about 52 percent. The Army Reserve attributes the shortage of captains to fewer officers

transferring to the Army Reserve from the active Army. Similarly, the number of warrant officers—the Army Reserve’s technical experts and pilots—has also been decreasing. In September 2003, the Army Reserve lacked 28 percent of its required 2,730 warrant officers, and as of February 2005, it lacked 37 percent. In order to meet requirements with these shortages, the Army Reserve has had to fill requirements by assigning personnel in other grades who may not have as much training and experience as these officers.

Furthermore, the Army Reserve is experiencing increasing shortages of personnel who have certain skills that have been in high demand since September 11, 2001. For example, there has been a large requirement for truck drivers to support current military operations. Of the over 11,200 truck drivers assigned to the Army Reserve, over 8,690 have already been mobilized since September 11, 2001, leaving only about 2,510 (or 22 percent) still available for deployment. As table 2 shows, over 70 percent of enlisted personnel in some occupations have already been deployed and are no longer eligible for deployment. While some of these skills have been in high demand across the Army, some, such as civil affairs, reside primarily in the Army Reserve and sometimes in small numbers of critical personnel. While new recruits are constantly entering the Army Reserve, training them with specialized skills, such as intelligence analysis, takes time.

Table 2: Army Reserve Enlisted Occupations with over 70 Percent of Personnel Mobilized since September 11, 2001

Military occupation	Number of soldiers assigned	Percentage of soldiers mobilized since September 11, 2001
Construction manager	891	89
Supervisor of construction equipment operators	683	87
Concrete and asphalt equipment operator	194	84
Truck driver	11,226	78
Supervisor of general engineers	313	76
Civil affairs specialist (emergency management specialist)	2,439	74
Carpenter and mason	1,999	74
Transportation manager	578	73
Mortuary affairs specialist	228	73
Ammunition specialist	1,774	72

Source: GAO analysis of U.S. Army Reserve Command data.

Note: Data as of March 2005.

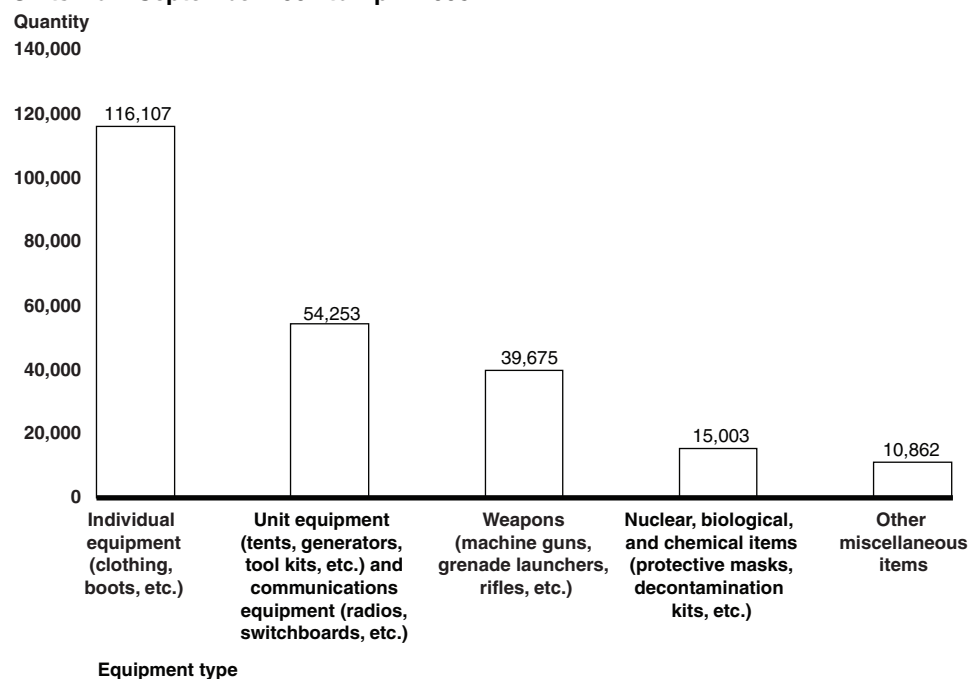
As the pool of Army Reserve personnel considered available for deployment continues to decrease, the Army Reserve is becoming increasingly challenged to find qualified soldiers to perform key functions needed to support ongoing operations.

The Army Reserve Has Transferred Equipment between Units to Prepare Mobilized Units but Is Experiencing Increasing Equipment Shortages

Since September 11, 2001, the Army Reserve has mobilized its units with the most modern and highest quantity of equipment it has had available, but increasing shortages threaten the Army Reserve's ability to continue to meet equipment requirements in the near term. As with personnel, Army Reserve units are not generally allotted all of the equipment they need to deploy; they receive a percentage based on the mobilization sequence of war plans, with those units expected to deploy first receiving priority for equipment. Since September 11, combatant commanders have required deploying units to have 90 percent of their required equipment, even though Army Reserve units are typically maintained with less than 80 percent of their equipment requirement. In order to meet equipment requirements, the Army Reserve has had to fill shortages from other sources within the Army Reserve. According to our analysis, the Army Reserve transferred 235,900 pieces of equipment worth about \$765 million from September 13, 2001 through April 5, 2005. As figure 2 shows,

individual (49 percent) and unit (23 percent) equipment represented the two largest categories of equipment transferred.

Figure 2: Equipment Items Most Transferred from Nonmobilized Units to Mobilizing Units from September 2001 to April 2005



Source: GAO analysis of Army Reserve data.

In the fiscal year 2006 *National Guard and Reserve Equipment Report*,⁹ the Army Reserve reported that in February 2005 it had about 76 percent of the equipment it requires. However, this estimate includes equipment items that are older than those used by the active component, such as previous generations of trucks and older models of night vision goggles, rifles, and generators. The Army Reserve does not generally receive new equipment at the same time as the active Army. When the active Army receives newer, modern equipment items, it often passes the older equipment to the Army Reserve. While these items are considered substitutes for newer items for some purposes, such as training, combatant

⁹ Department of Defense, *National Guard and Reserve Equipment Report for Fiscal Year 2006* (Washington, D.C.: February 2005).

commanders barred many of them from current operations because the Army cannot provide logistics support for the older items in theater. Therefore, the equipment Army Reserve units have that is acceptable for deployment is lower than the overall figure indicates. For example, Army Reserve units often train with older less capable versions of radios than their active duty counterparts have, so deploying Army Reserve units have had to be supplied with the new radios after they deployed. In addition, Army Reserve units have far fewer than the overall average for some equipment items. For example, the Army Reserve has less than half of its requirement of night vision goggles, and a portion of the goggles it has are not the most modern type. While units can be provided additional equipment from the Army after they deploy, these units do not have much time to train with new equipment prior to conducting actual operations. Moreover, continuing equipment shortages in nondeploying units also result in loss of training opportunities and increase the number of equipment items that must be transferred to prepare units for mobilization.

As the Army Reserve struggles to continue to provide the required equipment to its mobilized units, its existing equipment inventory is aging more quickly than originally planned due to high use and a harsh operational environment. According to the 2006 *National Guard and Reserve Equipment Report*, equipment is being used in theater at rates five times higher than under peacetime conditions, and several major equipment items, including some light and light-medium truck fleets and engineering equipment, are nearing or past their anticipated lifetime use. The report noted that higher use is resulting in increased costs for parts and maintenance as well as a reduction in overall unit readiness. Additionally, according to the report, the Army Reserve estimates that currently as much as 44 percent of its equipment needs servicing. This includes equipment returned from the first rotation of troops in support of Operation Iraqi Freedom, about one-fourth of which still requires maintenance before it can be reused. Moreover, returning Army Reserve units are being required to leave certain equipment items, such as vehicles that have had armor added to them, in theater for continuing use by other forces, which further reduces the equipment available for training and limits the Army Reserve's ability to prepare units for mobilizations in the near term.

The Army Reserve's Ability to Provide Ready Forces Is Affected by Current Personnel Policies

The Army Reserve's ability to continue to provide ready forces in support of ongoing operations is further affected by current DOD and Army personnel policies, which affect the number of reserve personnel eligible for deployment. As we have reported previously, the availability of reserve component forces to meet future requirements is greatly influenced by DOD's implementation of the partial mobilization authority under which personnel serving in Operations Iraqi Freedom and Enduring Freedom were mobilized and by the department's personnel policies. Specifically, we reported that the policies that affect mobilized reserve component personnel were focused on the short-term needs of the services and reserve component members rather than on long-term requirements and predictability of deployment.¹⁰

Army Reserve personnel serving in Operations Iraqi Freedom and Enduring Freedom have been activated under a partial mobilization authority, which enables the secretary of a military department, in a time of national emergency declared by the President or when otherwise authorized by law, to involuntarily mobilize reservists for up to 24 consecutive months.¹¹ However, DOD's policy implementing the mobilization authority is that any soldier who has served 24 cumulative months during the current conflicts is ineligible for any further activation unless the President signs an additional executive order or that soldier volunteers for additional duty. Time for pre- and postmobilization activities and accrued leave days are also counted toward time served on a reservist's "24-month clock" under this policy. While the DOD policy limits the time a reservist can serve on active duty to 24 months, Army policy¹² states that reservists who have been mobilized for Operations Iraqi Freedom or Enduring Freedom will serve no more than 12 months in the theater of operations. Thus, under this policy, an Army reservist who completes an in-theater rotation of 12 months, along with pre-and postmobilization activities (adding an average of 6 months to mobilization), serves about 18 months of the 24 months allowed under the DOD policy. In addition, because these deployments cannot be less than 12 months under Army policies, the Army Reserve considers these reservists ineligible to deploy again.

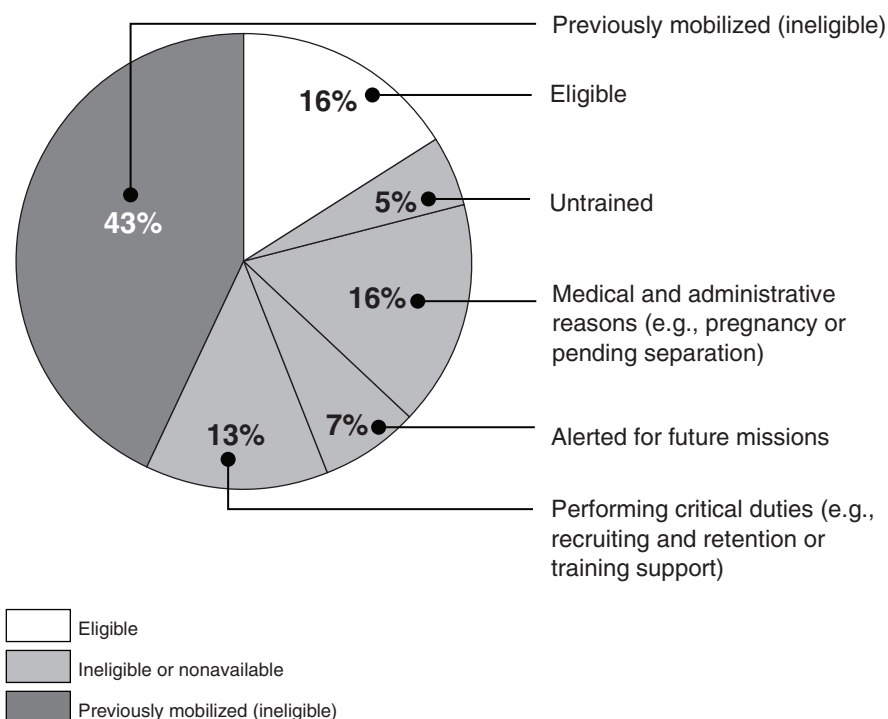
¹⁰GAO-04-1031.

¹¹ 10 U.S.C. § 12302.

¹² Department of the Army, *Department of the Army Personnel Planning Guidance* (Washington, D.C.: Apr. 20, 2005).

As figure 3 shows, as of March 2005, about 43 percent of Army Selected Reserve personnel have been mobilized since September 11, 2001, and are not eligible to be remobilized under current DOD and Army policies. Only about 16 percent, or 31,300 personnel, are considered eligible for mobilization. The other 41 percent are ineligible or not available at this time for a variety of reasons, including the nature of their current assignments—such as providing recruiting and retention support, training for mobilizing units, and other critical duties; lack of required training; or various medical and administrative issues, such as pregnancy or pending separations. Those soldiers who complete the required training or resolve medical and family issues may become available for mobilization in the future.

Figure 3: Percentage of Army Reserve Personnel Eligible, Previously Mobilized, or Ineligible/Not Available for Mobilization as of March 2005



Source: GAO analysis of Army Reserve data.

Note: Based on 196,219 soldiers in the Selected Reserve as of March 28, 2005.

In a December 2004 memorandum, the Chief, Army Reserve reported to the Chief of Staff of the Army that the Army Reserve's ability to provide ready personnel was impaired by the DOD's implementation of mobilization authorities and the Army's deployment policies, among other issues. He noted that the overall ability of the Army Reserve to continue to provide ready forces was declining quickly. He reiterated similar concerns during testimony to the House Committee on Armed Services' Subcommittee on Military Personnel, in February 2005. Senior DOD officials maintained that the military services have enough personnel available to meet requirements, and the policies have not changed since then.

The Army Reserve Lacks Required Full-time Support Staff

Another significant challenge the Army Reserve faces in continuing to provide support for near-term operations is that it has not been authorized all of the full-time support staff it needs to perform critical readiness duties at home. These personnel play a key role in maintaining Army Reserve unit readiness and participating in mobilization/deployment planning and preparation by performing the day-to-day equipment maintenance, administrative, recruiting and retention, and training tasks for the Army Reserve force. These staff fall into three categories: reservists who have been selected to serve on extended active duty, civilian employees, and active Army personnel.

Based on a pre-September 11, 2001, analysis, the Army Reserve identified a requirement for about 38,000 full-time support personnel during peacetime, which equates to about 18.5 percent of the 205,000 members it is authorized by law. These personnel are needed to perform ongoing equipment maintenance, administrative, recruiting and retention, and training tasks. However, the Army Reserve is only authorized about 26,350 full-time support personnel, or about 68 percent of its full-time requirement and 12.8 percent of the authorized number of reservists. The Army Reserve's full-time staffing is the lowest proportion of all the reserve components. By comparison, in 2004, the Army National Guard was authorized full-time support equal to 15 percent of its end strength, and the Air Force Reserve was authorized full-time support equal to about 22 percent of its end strength. Moreover, the Army Reserve's authorized full-time support does not take into consideration recent increases in the pace of operations. The Army Reserve has not been authorized all of the full-time support staff it requires because, under the tiered resourcing planning strategy, it was assumed that Army Reserve units would not need to deploy quickly, and thus the risk associated with lowered unit readiness was acceptable.

While the Army Reserve has not been authorized the full-time personnel necessary to meet its requirements, the number of full-time personnel available for day-to-day activities is being further reduced because of the ongoing requirements for active duty and reserve personnel. First, some full-time civilian employees, called military technicians, must as a condition of employment be members of Army Reserve units. According to Army Reserve data, as of May 2005, about 1,100 (14 percent) of the Army Reserve's military technicians were deployed in support of current operations, in some instances resulting in a gap in support for day-to-day operations in nonmobilized units. In addition, in March 2005, the Army announced its decision to reassign 223 (about 88 percent) of the 254 active Army staff who perform critical training and readiness support positions in the Army Reserve because these soldiers are needed in the active component. In announcing the planned reduction, the Army noted that the planned decrease will reduce premobilization training; threaten the Army Reserve's ability to activate units at required levels of capability; and reduce or limit support for approval of training plans, oversight of readiness reports, and annual assessments of personnel, equipment, and training. The Army Reserve is in the process of determining ways to mitigate the loss of the active Army personnel.

The Army and the Army Reserve Have Initiatives to Improve Readiness and Deployment Predictability, but Full Implementation Depends on Detailed Coordination and Funding Decisions

The Army and Army Reserve have taken several steps to plan and implement a number of initiatives to address the readiness challenges described above and improve deployment predictability for soldiers, but they have not yet made decisions on the numbers and types of units the Army Reserve will need in the future and several key decisions about the Army Reserve's structure and funding have not yet been finalized. One of the Army Reserve's primary initiatives is to transition to a rotational force model, which would enable reservists to know in advance when they might be expected to deploy to overseas operations and would break the cycle of unanticipated and ad hoc transfers of personnel from nondeploying units to deploying units. While the Army Reserve plans to begin implementing its rotational force model with the return of currently deployed units, it is awaiting several Army decisions concerning the structure, number, and types of Army Reserve support units the Army will require for its new modular force and how the Army Reserve's rotational force model will be funded. The Army Reserve is also undertaking a number of other initiatives designed to make the most efficient and effective use of its personnel—including reducing its force structure to provide remaining units with all the personnel they are authorized, increasing full-time support, establishing a process for centrally managing soldiers who are ineligible for

deployment, and changing the command and control of some units—but these initiatives are not all linked by a detailed management plan. While the Army's Campaign Plan defines overall goals to improve readiness of Army units, including Army Reserve units, it does not describe the personnel, units, and equipment the Army Reserve will need under the Army's modular structure and rotational force generating model. Until the Army determines these future requirements for the Army Reserve and integrates the various initiatives under way in a detailed plan, the Army and Army Reserve will not be in a position to determine their needs, so the Secretary of Defense and the Congress will not have assurance that the current problems of degrading readiness and unpredictable deployments will be fully and efficiently addressed.

Implementation of the Army Reserve's Rotational Force Model Awaits Critical Funding and Structure Decisions

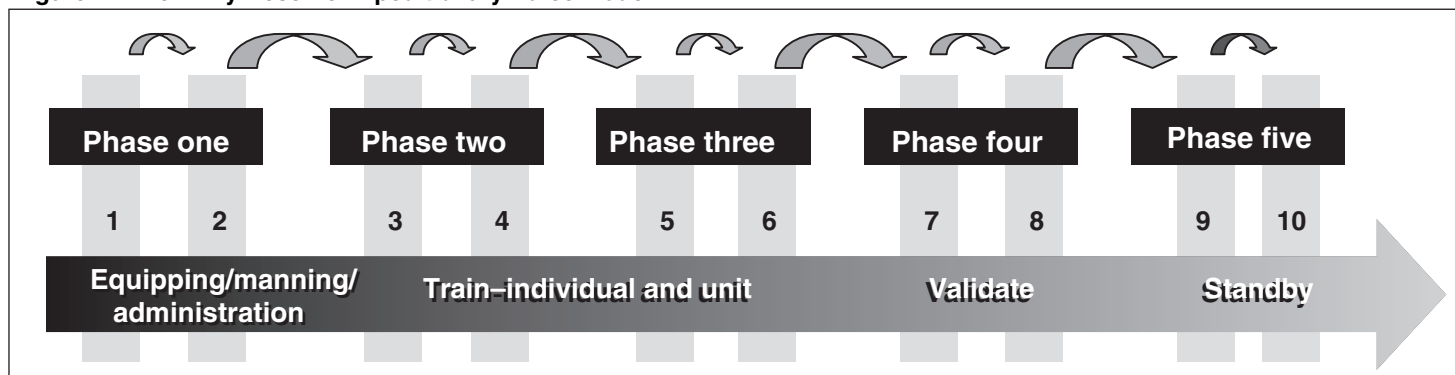
The initiative to transform the Army Reserve into a rotational force, within which units are provided a predictable cycle for conducting individual and unit training followed by potential mobilization, involves a major change in the way the Army planned to train and use Army Reserve forces in the past. The Army Reserve has completed significant planning on its rotational force model, and its plan appears to address the critical issue of providing forces continuously without undue stress on reservists. However, the Army Reserve is awaiting several key decisions by the Department of the Army before it can implement the model, and full implementation could take several years.

At present, Army Reserve units are assigned to missions based on war plans and, under tiered resourcing, are maintained at varying levels of readiness based on when they are expected to be needed to deploy in accordance with war plans. Units that are not expected to be needed early in existing war plans are not expected to be ready to deploy without significant time following the outbreak of a war to improve their readiness with additional personnel and equipment. However, current military operations associated with the Global War on Terrorism have called for units and personnel earlier and for longer periods than anticipated in previous war plans and have raised issues about the impact of unforeseen deployments of Army Reserve forces on reservists, their families, and their employers.

In July 2003, the Secretary of Defense issued a memorandum to the Army directing it to develop a plan that would enable the service to better predict when personnel and units might expect to be mobilized. The Secretary's objective was to limit a reservist's involuntary call-up to active duty to 1

year in every 6 years. The Army's 2004 Campaign Plan assigned responsibility to the Army Reserve for developing a method to meet this objective.¹³ When the plan was issued in April 2004, the Army Reserve had already begun developing a proposal for a new rotational force generation model based on cyclical readiness, called the Army Reserve Expeditionary Force model. As shown in figure 4, under the Army Reserve Expeditionary Force model, reserve forces would be divided into 10 groups called packages, each containing several units with the range of capabilities that might be needed to conduct military operations. Army Reserve units would move through the phases of the cycle and be ready to serve as a standby deployable force during the fifth year of the 5-year cycle.¹⁴

Figure 4: The Army Reserve Expeditionary Force Model



Source: GAO analysis of Army Reserve data.

The Army Reserve designed the Army Reserve Expeditionary Force model with the intention of keeping units and packages intact and on a predictable schedule. In addition, unlike the tiered resourcing strategy based on when units would be needed for combat operations under existing war plans, the plan assigns priority based on when units will be ready and available for deployment. It also reflects an assumption that in the future the United States will be less able to predict and plan for specific

¹³ In October 2004, the Army issued Change 1 to the Army Campaign Plan which assigned the Army Forces Command responsibility for implementing a rotational force for the total Army.

¹⁴ Army Reserve officials estimate that about 60 percent of Army Reserve forces could be available to meet demands—40 percent at any given time and an additional 20 percent by accelerating the process.

threats, so the services will have to maintain a certain portion of their active and reserve forces ready at all times to conduct a range of potential military operations should the need arise. The Army has included the rotational concept in the Army Campaign Plan and intends to implement it across the Army. We believe that the concept is a step toward balancing the need for a continuing supply of ready units with the need for more predictability of deployments, but plans are in the preliminary stages and implementation issues, such as training standards and funding needs, have yet to be decided.

Under the Army Reserve Expeditionary Force model, Army Reserve units would not be expected to have all the personnel and equipment they would need to complete their missions until they were in the later phases of the model. During the beginning phases of the cycle, units would begin to receive new or replacement equipment and additional personnel and begin other administrative, logistical, or personnel activities necessary to increase their level of readiness. During the next phases, individuals would receive training to develop the skills needed for their specific occupations, and units would train together on unit tasks. For example, truck drivers would be initially expected to improve their individual ability to drive a particular truck. After achieving a specific level of driving proficiency, they would train with the other drivers and learn how to drive in a truck convoy. Over the training period, units would have access to all the modern equipment they would need to deploy, so there would be no need for large-scale, unscheduled transfers of equipment to ready mobilizing units. At the end of the training phase, units would undergo a validation process to determine whether they would be capable of mobilizing in support of Army operations. Units in the final phase of the Army Reserve Expeditionary Force model would be trained, manned, and equipped to perform their missions, so the time needed to mobilize these units would be significantly reduced compared to current operations.

In addition to the improved ability to provide ready forces, the Army Reserve expects the Army Reserve Expeditionary Force model to improve the quality of life for its members by enabling soldiers, their families, and their employers to better predict when a reservist could be mobilized. The planned rotational model is intended to meet the Secretary of Defense's goal of limiting involuntary mobilizations, although under the model proposed by the Army Reserve, units could be mobilized once every 5 years rather than every 6 years, the Secretary's original goal. The Army Reserve's current force rotational planning model would enable it to inform

reservists of their deployment eligibility schedules several years ahead of a possible deployment so they could make family and career plans.

According to the Army Reserve Expeditionary Force plans, if requests for forces exceed those that are within their deployment time frame, the Army Reserve could accelerate training for forces nearing the final phases of the model. This would mean earlier deployment than anticipated for some forces. However, according to Army Reserve analysis, no historical deployments since World War II have required more forces than would be contained in 4 of the planned 10 Army Reserve Expeditionary Force packages.

While the Army agrees with the Army Reserve's concept of the rotational force model and intends to implement the concept for the active forces as well as Army Reserve and Army National Guard forces, Army and Army Reserve officials have not come to agreement on the specifics of how the Army Reserve model will be implemented. Key issues currently under discussion are the number of packages that should be created and the duration of the rotational cycle. Although the Army Reserve proposal would create 10 force packages and establish a rotational cycle of between 5 and 6 years, some Army officials advocate creating 12 force packages and a 6-year cycle that would comply with the Secretary of Defense's initial guidance. Army Reserve officials noted that the model could be adjusted to accommodate a deployment cycle of 6 years. However, the Army Reserve proposal advocates creating 10 packages rather than 12 packages because each package could contain a larger percentage of the force. Likewise, Army and Army Reserve officials have not agreed on a plan for how the Army Reserve would provide additional forces if the Army Reserve Expeditionary Force model cannot provide enough deployable forces to meet operational requirements. Army officials anticipate that final plans for the Army Reserve's rotational model will be approved in midsummer 2005 and will detail the rotational cycle and the number of expeditionary packages the Army Reserve will need to build. However, even if all the planning decisions were finalized in the near future and the Army Reserve could begin implementation immediately, full implementation will likely take several years to complete because the rotational concept is based on the sequential flow of units through the model, and the first units would not reach readiness until at least 2010.

While the Army Reserve intends to implement its Army Reserve Expeditionary Force model with troops returning in 2005 from military operations overseas, continued demands for units and individuals may

make it difficult for the Army Reserve to adhere to the model and avoid having to take deployment-eligible reservists out of their units' rotational cycles to meet immediate needs for personnel. Further, the Army and Army Reserve have not fully estimated the costs associated with the Army Reserve's rotational model and programmed funding to begin the process of resetting and reconstituting returning forces as they enter the rotational model. As of May 2005, Army Reserve planning officials were still in the process of reviewing what equipment, training, and personnel will be required for both the units rotating through the model and the support structure that will be required for those units once the model is implemented. Army Reserve officials explained that they cannot begin to develop funding requirements until the Army determines the units the Army Reserve will need. If funding requirements are not carefully estimated and included in the Army's budget, the model's eventual effectiveness in providing a more orderly and predictable process for supporting overseas operations may be diminished.

The Army Is Reorganizing Its Forces, but Plans Detailing the Numbers and Types of Army Reserve Support Units It Needs Are Not Completed

The Army has recognized that it needs to become more flexible and capable of achieving a wide range of missions. To this end, in fiscal year 2004, the Army began to reorganize its active duty combat forces from a force structure organized around divisions to one that is based on more flexible modular brigades. However, as we have previously reported, the design of the modular units is still evolving and not all the equipment required is fully known or funded.¹⁵ The Army has not completed planning for how active and Army Reserve component combat support and combat service support units will be organized to support the new modular brigade combat teams.

The Army is currently completing a review of its force structure—called the Total Army Analysis—to determine the number and type of units it needs to meet the goals of the National Defense Strategy. Previously conducted Total Army analyses did not include an assessment of the support forces that would be needed under the Army's modularity initiative. In 2004, the Army began another review to determine what active and reserve support units it will need to support its new multifunctional modular brigades. The Army plans to use the results of the analysis to compile a detailed list of the numbers and types of units the Army Reserve

¹⁵GAO-05-443T.

will need to provide in support of the modular combat forces. As of March 2005, the Army was still analyzing the results of the process and was continuing to assess the requirements for support forces. Until the results are released, the Army Reserve cannot identify the numbers and types of units that it will need to support the Army requirements in each of the rotational packages.

In addition, the Army and Army Reserve have not yet developed detailed estimates for the Army Reserve's reorganization into modular units. The Army Campaign Plan assumes that supplemental resources the Congress provides to the Army to fund the Global War on Terrorism will be available to pay some of the costs of the modular conversion for reserve component support units. However, until the Army completes all of its force structure designs for support brigades, the Army Reserve will not have a total picture of its personnel and equipment requirements and will not have all the information it needs to evaluate funding requests for modularity.

The Army and the Army Reserve Have Several Other Initiatives Currently Under Way to Improve Capabilities, but Stages of Implementation Vary

The Army and the Army Reserve have other initiatives under way for the purposes of improving readiness and capability. However, these initiatives are in varying stages of planning and implementation. While all the transformational initiatives seek to improve the Army Reserve's ability to provide ready forces, they have not been coordinated as part of a comprehensive plan that would establish goals for initiatives, coordinate their objectives and time frames, and set funding priorities. Moreover, the Army has not determined the personnel, units, and equipment the Army Reserve will need to transform to a modular, rotational force and effectively support Army operations in the future.

In July 2003, the Secretary of Defense directed the services to begin to rebalance the capabilities that reside in the active and reserve forces to better meet the continued high demand for personnel with certain skills in support of ongoing operations. Key objectives of this initiative are to improve unit readiness and increase services' ability to meet the requirements of continuous operations by eliminating units with low-demand skills and moving personnel into units with high-demand skills. It also aims to provide units with more of the required personnel by ensuring that all personnel assigned to units are eligible to deploy. When the initiative is fully implemented in 2009, the rebalancing will result in force structure changes affecting about 34,000 Army Reserve positions and 236 Army Reserve units. Although intended to increase the Army Reserve's readiness and capability, this rebalancing effort was begun before the Army

began its modular restructuring effort. The two initiatives—rebalancing and modular restructuring—have not been coordinated within a management framework that is needed in light of the potential impact of major organization changes. Senior Army Reserve leaders have raised concerns that because the initiatives are not well integrated, the Army Reserve may be eliminating some of the types of units that it will eventually need to supplement the modular support brigades.

To increase units' readiness by assigning only deployable personnel, the Army Reserve is also establishing a process to centrally manage soldiers who are not eligible for deployment because they are untrained, awaiting administrative discharge, pending medical evaluations for continued service, or in the process of voluntarily moving between units. Until this initiative is fully implemented some soldiers will remain assigned to units where they occupy positions, but because they are not eligible for mobilization, they do not contribute to unit readiness. By accounting for these soldiers centrally in a separate "Trainees, Transients, Holders, and Students" account, as exists in the active Army, the Army Reserve anticipates that it can relieve units of a major administrative responsibility and enhance overall unit readiness. The Army Reserve has begun implementing this initiative and estimated that at the end of June 2004 about 12.8 percent of its assigned strength met the requirements for assignment to one of the four categories. The Army Reserve expects the number of personnel in this account to eventually level off at about 10 percent of the number of soldiers it is authorized, or about 20,000 soldiers.

Recognizing the need for more full-time support staff, in fiscal year 2001, the Army started to implement an initiative to increase the number of full-time support positions for reservists on active duty and civilians by 4,551 positions by the end of fiscal year 2011. When complete, the planned increase would bring the number of full-time support staff for the Army Reserve to 28,806 personnel, about 14 percent of the Army Reserve's end strength. However, planned increases would not provide the Army Reserve's peacetime requirement for full-time support, even as the high pace of current operations has increased demands for the training, administrative, and maintenance skills full-time staff provide. Moreover, the Army Reserve will lose the full-time support of about 223 active duty Army soldiers because they are needed in the active component, which will offset some of the benefit of increases in reservist and civilian full-time support. The Army Reserve has not yet developed a management plan to offset these risks in the near term or address the increasing shortage of full-time support staff due to deployments.

Another initiative is designed to address the readiness problem that is created when personnel are transferred out of some units to provide capabilities to other units in the active or reserve component. The Army Reserve's Individual Augmentee initiative is designed to provide a pool of volunteer soldiers, trained in high-demand specialties, who are ready to mobilize quickly as individuals rather than units. According to the Army Reserve, it is currently working to implement this initiative and has established a goal of 3,000 to 9,000 Individual Augmentee positions by the end of 2007.

The Army Reserve is also in the process of changing the command and control of some of its units to better focus on soldier and unit readiness. For example, the Army Reserve plans to reduce the number of commands charged with readiness activities and establish a training command in order to clarify responsibilities and standardize training. In addition, the Army Reserve is implementing plans to transfer some installation and facility support activities to the Army so that Army Reserve readiness personnel can focus on training programs. Furthermore, the Army Reserve is in the process of establishing a consolidated medical command and a consolidated intelligence command to more effectively manage these specialized skills. While the Army Reserve expects these actions to support the goals of the Army Campaign Plan, the details of how that will be accomplished are not specified in that plan.

Conclusions

While the Army's acceptance of military risk in maintaining the Army Reserve in peacetime with fewer people and less equipment than it needed for its mission was an effective strategy for containing costs during the Cold War, the security environment has changed dramatically since the September 11, 2001, terrorist attacks, and that strategy is no longer viable. Threats are no longer as predictable, so the services will need to maintain more forces ready to deploy as needed. In addition, operations related to the Global War on Terrorism are expected to last a long time and require the continuing support of the Army Reserve. The Army and Army Reserve's previous tiered readiness policy has created the need for wholesale transfers of personnel among units to meet wartime requirements and degraded the Army Reserve's ability to continue to provide forces for ongoing operations. In particular, the Army Reserve is running out of personnel who are eligible to mobilize under current personnel policies and who have the grades and skills required for current operation. The current operations are not expected to end soon, and without change, the Army Reserve will not be able to provide the personnel and units needed for

future rotations of Operations Enduring Freedom and Iraqi Freedom, or other needs.

The Army's Campaign Plan sets out overall goals for improved readiness of Army units, including Army Reserve units, but it does not describe the personnel, units, and equipment the Army Reserve will need under the Army's modular structure and rotational force generating model. Without a clear indication of what the Army Reserve will look like in the future, the Army and Army Reserve cannot be sure that the changes they are undertaking in the short term will enable it to achieve the desired end state of a flexible and ready force and ensure that funding is targeted to priority activities. While the Army and Army Reserve have various initiatives under way to improve Army Reserve readiness over time, not all of these initiatives are being integrated and coordinated to ensure they most efficiently achieve overall goals. Lacking a mechanism that coordinates and synchronizes initiatives that are in various stages of implementation, the Army and Army Reserve cannot be sure that all of the separately developed initiatives work together in timing and scope to achieve readiness goals efficiently and set funding priorities for various activities. For example, without information on the types of units that the Army Reserve will need under modularity, the Army Reserve cannot be sure that its other rebalancing efforts are not eliminating the types of units that will be needed in the future when additional costs would be generated and delays incurred to re-create them.

The Army Reserve's key initiative of establishing a rotational force cannot be fully implemented until the Army finalizes decisions concerning how the Army Reserve will fit into the Army's planned transformation to a modular force and funding needs and sources have been determined. Until these decisions are finalized and an implementation plan is agreed upon that details how the Army Reserve can ready units and individuals to meet requirements on an ongoing basis, the Army Reserve will have to continue transfers from its dwindling levels of personnel and equipment.

Recommendations for Executive Action

We recommend that the Secretary of Defense direct the Secretary of the Army, in consultation with the Chief of Staff of the Army; the Chief, Army Reserve; and the Under Secretary of Defense for Personnel and Readiness, to define the end state of the units, personnel, skills, and equipment the Army Reserve will need to fit into the Army's modular force and develop a detailed plan to ensure that the ongoing diverse initiatives collectively support the desired outcome of improved readiness and predictable

deployments within current and expected resource levels. The plan should, at a minimum, include

- an assessment of the types and numbers of units that the Reserve needs in its force structure to support future Army and joint missions,
- a process for coordinating the implementation steps and time frames of the different initiatives,
- a method of assessing the progress and effectiveness of the initiatives,
- a reassessment of the Army Reserve's requirement for full-time staffing support given its new operational role, and
- identification of resources needed to implement each of the Army's and the Army Reserve's initiatives to improve the Army Reserve's readiness.

We recommend that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Chief of Staff of the Army; the Chief, Army Reserve; and the Under Secretary of Defense for Personnel and Readiness, to develop an implementation plan for a force rotation model for the Army Reserve that describes

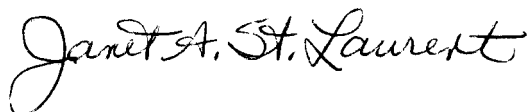
- the types and numbers of units that should be available for deployment during each year,
- the funding the Army Reserve will need to support its transition to a rotational force, and
- the readiness levels for each phase of the rotation, including a description of the associated levels of personnel and equipment and the strategy for providing them, and how readiness will be evaluated.

Agency Comments

The Assistant Secretary of Defense (Reserve Affairs) provided written comments on a draft of this report. The department agreed with our recommendations. The department's comments are reprinted in their entirety in appendix II. In addition, the department provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the Chairmen and Ranking Minority Members, House and Senate Committees on Armed Services, and other interested committees. We are also sending a copy to the Director of the Office of Management and Budget, the Secretary of the Army, the Chief of Staff of the Army, and the Chief, U.S. Army Reserve, and we will make copies available to others upon request. In addition, the report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you or your staff have questions, please contact me on (202) 512-4402 or by e-mail at stlaurentj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report are included in appendix III.



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

Scope and Methodology

To assess whether the Army Reserve has provided forces required by the combatant commanders since September 11, 2001, and the challenges it faces in sustaining near-term operations, we analyzed the Department of the Army's Manpower and Reserve *Employment of Reserve Component Forces & Effect of Usage* report data for fiscal years 1986 through 2003 and discussed the sources and uses of the information with officials from the Office of the Secretary of Defense for Reserve Affairs. We obtained information on personnel mobilized and remaining from the Army Reserve's Personnel Division. We analyzed data generated by the Total Army Personnel Data Base - Reserves and provided by the U.S. Army Reserve Command on the numbers of reservists that were mobilized for operations since September 11, 2001, and their military occupations and numbers of personnel that had not been mobilized. We obtained and analyzed data detailing the amounts, types, and costs of completed equipment transfers by the Army Reserve from September 13, 2001 through April 5, 2005, from the Reserve End Item Management System. We assessed the reliability of data from the Total Army Personnel Data Base - Reserves and the Reserve End Item Management System by 1) reviewing existing information about the data and the systems that produced them; 2) performing electronic testing of the relevant data elements; and 3) interviewing Army Reserve officials knowledgeable about the data. We determined that the data were sufficiently reliable for our purposes. We analyzed Department of Defense publications and reports information on equipment shortages, including the 2004, 2005, and 2006 National Guard and Reserve Equipment reports to analyze trends in the status of the equipment the Army Reserve has on hand. We obtained and analyzed data on the numbers and types of full-time staff assigned to Army Reserve units and the metrics used in identifying full-time staff requirements from the Office of the Chief, Army Reserve, Force Programs Office. We also discussed full-time support issues with readiness and training officials. To understand how current personnel and equipment policies affect the Army Reserves' capability to provide support for near-term operations, we gathered and reviewed copies of relevant documents, including presidential executive orders and the Army's personnel planning guidance.

To assess the extent to which the Army Reserve is planning and implementing initiatives designed to improve its readiness and provide predictability of deployment for its members, we reviewed and analyzed policy guidance; instructions; documents; and implementation plans related to Army and Army Reserve initiatives, including the Total Army Plan; the 2004 Army Campaign Plan with change 1; the 2003 and 2004 Army Transformation Roadmap; the Army's 2004 and 2005 posture statements;

the Army Reserve's 2005 posture statement; the Army's 2004 and 2005 modernization plans; the Army Reserve's expeditionary force planning documents; and other Army Reserve planning and budget documents. We also discussed the status of planning for the Army Reserve's conversion to a rotational force and a modular structure with Army and Army Reserve officials. To assess ongoing initiatives to improve readiness and force management, we reviewed status reports and discussed implementation challenges with Army Reserve officials managing the initiatives.

We conducted our review from April 2004 through July 2005 in accordance with generally accepted government auditing standards.

Comments from the Department of Defense



RESERVE AFFAIRS

ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, DC 20301-1500

JUN 22 2005

Ms. Janet A. St. Laurent
Director, Defense Capabilities and Management
U.S. Government Accountability Office
441 G Street NW
Washington, DC 20548

Dear Ms. St. Laurent:

This is the Department of Defense (DoD) response to the GAO draft report, 'Reserve FORCES: An Integrated Plan is Needed to Address Army Reserve Personnel and Equipment Shortages, dated May 25, 2005 (GAO Code 350505/GAO-05-660).

Should you have any questions reference this response please direct them to my point of contact, COL Charles Barham, 703-693-2217, charles.barham@osd.mil.

We appreciate the opportunity to comment on the draft report.

Sincerely,

T. F. Hall

Enclosure:
As stated



**GAO DRAFT REPORT - DATED MAY 25, 2005
GAO CODE 350505/GAO-05-660**

**“RESERVE FORCES: An Integrated Plan Is Needed to Address
Army Reserve Personnel and Equipment Shortages”**

**DEPARTMENT OF DEFENSE COMMENTS
TO THE RECOMMENDATIONS**

RECOMMENDATION 1: The GAO recommended that the Secretary of the Defense direct the Secretary of the Army, in consultation with the Chief of Staff of the Army, the Chief of the Army Reserve, and the Under Secretary of Defense for Personnel and Readiness to define the end state of the units, personnel, skills, and equipment the Army Reserve will need to fit into the Army’s modular force and develop a detailed management plan to ensure that the ongoing diverse initiatives collectively support the desired outcome of improved readiness and predictable deployment. The plan should include:

- an assessment of the types and numbers of units that the Reserve needs in its force structure to support future Army and joint missions;
- a process for coordinating the implementation steps and time frames of the different initiatives;
- a method of assessing the progress and effectiveness of the initiatives;
- a reassessment of the Army Reserve’s requirement for full time staffing support given its new operational role; and
- identification of resources needed to implement each of the Army’s and Army Reserve’s initiatives to improve the Army Reserve’s readiness. (Page 36/GAO Draft Report)

DOD RESPONSE: DoD concurs with the recommendation as written.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense direct the Secretary of the Army, in conjunction with the Chief of Staff of the Army, the Chief of the Army Reserve, and the Under Secretary of Defense for Personnel and Readiness, to develop an implementation plan for a force rotation model for the Army Reserve that describes:

- the types and numbers of units that should be available for deployment during each year;
- the funding the Army Reserve will need to support its transition to a rotational force; and
- the readiness levels for each phase of the rotation, including a description of the associated levels of personnel and equipment and the strategy for providing them and how readiness will be evaluated. (Page 36 and 37/GAO Draft Report)

DOD RESPONSE: DoD concurs with the recommendation as written.

GAO Contact and Staff Acknowledgments

GAO Contact

Janet St. Laurent, (202) 512-4402

Acknowledgements

In addition to the contact named above, the following individuals also made major contributions to the report: Margaret Morgan, Timothy A. Burke, Alissa Czyz, Ronald La Due Lake, Kenneth Patton, Rebecca Medina, and Eileen Peguero.

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