Defense Report from AUSA's Institute of Land Warfare

Equipping the Reserve Component For Mission Success at Home and Abroad

Our ultimate goal is for the reserve components (RC) to be a ready force, equipped and supported with facilities, ranges and simulators to succeed in fulfilling their domestic and overseas missions. We are striving to ensure the RC has the right equipment, available in the right quantities, at the right time and at the right place.

Honorable Dennis M. McCarthy
Assistant Secretary of Defense for Reserve Affairs
National Guard and Reserve Equipment Report for Fiscal Year 2012, February 2011[1]

Introduction

Over the past decade the Army National Guard and the Army Reserve have fought side by side with the Army's active component (AC) in support of overseas contingency operations. Operations Enduring Freedom (OEF), Iraqi Freedom (OIF) and New Dawn have required significant numbers of Soldiers and equipment to combat evolving threats. To meet operational demands, the Army has deployed reserve component (RC) Soldiers and equipment at its highest levels since World War II. These operations of the past decade triggered a paradigm shift that transitioned the RC from a strategic reserve to an operational reserve. For the first time, RC units were manned, equipped, trained and deployed in a deliberately planned and programmed manner alongside their AC counterparts.

Despite the cooperation on the battlefield, changing conditions and preexisting equipment shortages compelled the Army to order redeploying units to leave equipment in theater for distribution to follow-on units. The pace of operations and inadequate automation systems resulted in poor accounting practices. Equipment left behind by RC units was routinely not documented in accordance with Department of Defense Directive 1225.6, "Equipping the Reserve Forces." As a result, more than 85,000 pieces of RC equipment, valued at approximately $5.9 billion, was not appropriately documented, creating shortages in motor pools and storerooms. This practice introduced unforeseen risks in the RC's ability to respond to Defense Support of Civil Authorities (DSCA) requirements. The RC required equipment on which to train to ensure units were prepared for DSCA operational deployments. Hurricane Katrina illustrated that the volume of equipment transfers from the RC had an impact on the ability of the National Guard to respond to DSCA events. It was also apparent that the automation systems in place at the onset of OEF and OIF were unable to maintain total asset visibility. These systems were ill-suited for tracing funding and equipment from programming to appropriation to procurement and the final delivery of equipment to units. With these issues in mind, the Army (active and reserve components) set out to develop transparent and traceable equipping processes. The results are dramatic: More than 60,000 items of RC equipment have either been returned to units or ordered, and aggregate equipment-on-hand levels are proportional across all components, with projections to be more than 90 percent by the end of Fiscal Year (FY) 2012.

[1] http://www.ng.mil/ll/Reports/NGRER%202012.pdf

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History

In November 1992, the Department of Defense issued DoDD 1225.6 to address the transfer of equipment from the RC to the AC. By the end of 2004, this guidance was no longer in concert with the growing and changing needs of the Army's Total Force concept. In April 2005, the directive was revised to reflect updated "policies and responsibilities for procuring and distributing items of new and combat-serviceable equipment to the RCs of the Armed Forces." The revised directive stated:

> The reserve components of each military department shall be equipped to accomplish all assigned missions and shall have an equipment procurement and distribution program that is responsive to the combatant commanders' mission requirements and sustainable on those joint and other missions, including homeland defense. The DoD's goal is to fill the mission equipment requirements of the RCs in accordance with the Total Force Policy.[2]

The policy also requires a proposed equipment payback plan for equipment transferred from the RC.

With renewed emphasis on the importance of replacing RC equipment used in support of the war effort, the Army's active and reserve components worked diligently to document transfers of equipment and identify replacement plans through Memorandums of Agreement (MOAs) among Headquarters, Department of the Army (HQDA), Army Materiel Command (AMC) and the RC. A 1225.6 "checkbook," created and maintained by HQDA G-8 (Office of the Deputy Chief of Staff for Programs), details the types and amounts of equipment transferred from the RC. Additional support was provided to reset equipment considered critical to the war effort and to Homeland Defense (HLD)/DSCA. In August 2005, MOAs were signed for transferred equipment such as Chinook aircraft, high-mobility multipurpose wheeled vehicles (HMMWVs), weapons, computer systems, howitzers, Bradley Fighting Vehicles and other equipment needed to support Army Prepositioned Stocks. The MOAs provided specific equipment payback plans to the RC, as required by DoDD 1225.6.

In 2008 a General Officer Steering Committee (GOSC) with representation from the active and reserve components established a benchmark for equipment transferred from the reserve component in support of the war effort. The GOSC agreed that 85,000 pieces of equipment, discrepancies from 2003–2008, were owed to the reserve component. Further, all parties agreed that no new submissions or changes would be submitted for the 2003–2008 timeframe.

In an effort to streamline the process, all DoDD 1225.6 Army stakeholders were informed about the procedures required to transfer RC equipment. An Integrated Process Team (IPT), consisting of representatives from the active and reserve components and Army Materiel Command, was established to document, monitor and track all DoDD 1225.6 actions through reconciliation.

The IPT also analyzed the Equipment On Hand (EOH) levels for the RC Modified Table of Organization and Equipment (MTOE). Equipment that is obsolete (i.e., items with no modern replacement) are identified and removed from the checkbook. The RC also received additional Operation and Maintenance, Army (OMA) funding for items that can be requisitioned through the Army's standard supply system.

The most recent efforts of the IPT culminated in an MOA detailing the reconciliation efforts and payback plans for all equipment transferred between 2003 and 2008. All items within this timeframe are accounted for and payback plans have been agreed upon by all stakeholders.

Path to Success

The Army continues to make progress on improving procurement transparency. The Fiscal Year (FY) 2008 National Defense Authorization Act (NDAA) recognized the need for transparency and traceability. Section 1826 of the FY 2008 NDAA mandated that the Chief, National Guard Bureau (CNGB) certify that the National Guard receives the equipment from the funds allocated to that organization. (Note: Prior to FY 2003, the Army did not track procurement funding sources at the component level.) A team with expertise in process documentation, the Planning, Programming, Budgeting, and Execution System (PPBES) and the acquisition cycle documented all of the steps in the procurement process from budget submission through equipment delivery to the unit, identifying several areas for improvement in transparency.

DoD's 2009 Transparency Implementation Plan (IP) directed the services to modify annual budget exhibits to provide component-level funding and quantities and to provide a quarterly Equipment Delivery Report (EDR) to senior leadership in the Office of the Secretary of Defense (OSD). Although not specifically stated in the approved IP, the Army was allowed to exempt any Budget Line Item Number of less than $25 million from the two specific tasks directed by the IP. The Army was told to attain full transparency, as directed by the IP, by 2012.

The Office of the Assistant Secretary of Defense for Reserve Affairs (OASD-RA) is rewriting DoDD 1225.6 as an instruction. In late 2011 the current directive will be replaced by the OASD-RA draft DoD instruction. Evolving the directive to an instruction enables a comprehensive document that includes procedures and definitions absent

[2] http://www.dtic.mil/whs/directives/corres/pdf/122506p.pdf

from the current directive. Additionally, the instruction will highlight requirements for transparency in procurement and distribution of RC equipment, the expectation for distribution of equipment from reset and reconstitution and criteria for equipment payback plans.

Preparing for Future Success

Over the past year, the Army expanded its collection of procurement data and produced quarterly EDRs. The transparency and traceability reports recorded the delivery of more than 60,000 major end items of equipment to the Army National Guard and the Army Reserve for FY 2009 and FY 2010 procurement-funded programs. As data collection processes and reporting continue to evolve, the Army National Guard and the Army Reserve remain full partners in all phases of development. Additionally, the Army has improved the Congressional Budget Justification document review process to ensure synchronization of component-level funding and equipment quantities. Component-level funding allocations were transparent and collaboratively reviewed to ensure the identification and explanation of significant allocation adjustments during the Program Objective Memorandum 2012–16 development and the FY 2010 Mid-Year Reviews. In collaboration with the Army National Guard and the Army Reserve, the Army has been tracking selected equipment from planning to procurement and ultimately to unit delivery. Army Transparency is positioned for full congressional compliance by the end of FY 2011, with data collection on 101 programs.

Conclusion

The Army continues to improve the EOH and modernization levels for both the Army National Guard and the Army Reserve. The Army views this as critical for employment of the RC as an operational reserve. The Army Equipping Strategy established equipping aim points for units as they progress through the Army Force Generation (ARFORGEN) process. These goals apply equally to all components—active, Army National Guard and Army Reserve. The Army is currently evaluating and implementing recommendations from the *Independent Panel Review of Reserve Component Employment in an Era of Persistent Conflict* study commissioned by the Secretary of the Army and the Chief of Staff, Army in May 2010.

Equipping Soldiers going into harm's way with the most capable systems possible is nonnegotiable. This strategy applies to RC units as well as AC units and is designed to modernize the Army National Guard and the Army Reserve in parity with the AC. At the end of March 2009, the aggregate Army EOH was 78 percent: 80 percent for the AC, 77 percent for the Army National Guard and 80 percent for the Army Reserve. Based on procurement plans developed in collaboration with the Army National Guard and the Army Reserve, the aggregate Army EOH is projected to be 92 percent by the end of October 2012: 93 percent for the AC, 92 percent for the Army National Guard and 90 percent for the Army Reserve.

Over the next year, the Army will continue expanding the collection of data for all procurement programs (less ammunition) involving the planning of component-level funding and meeting criteria set forth in the OSD implementation guidance.

The Army is committed to ensuring all of its equipping processes are transparent and traceable. To that end, the Army established IPTs to address internal processes related to DoDD 1225.6, CNGR 42 and 43 and procurement transparency and traceability. The Army will mark a significant milestone with the signing of an MOA by the G-8, AMC, the Army National Guard and the Army Reserve in the very near future. This MOA will capture DoDD 1225.6 actions and payback plans for approximately 85,000 pieces of equipment worth approximately $5.9 billion. **The Army views this as a milestone rather than a final destination and will continue to work with the RC to ensure transparency is resident in all of its equipping processes.**

Key Points

- Operations Enduring Freedom and Iraqi Freedom mark the first time reserve component units were manned, equipped, trained and deployed in a deliberately planned and programmed manner alongside their active component counterparts.
- The efforts of the Army (active and reserve components) to develop transparent and traceable equipping processes have produced dramatic results: More than 60,000 items of reserve component equipment have either been returned to units or ordered, and aggregate equipment-on-hand levels are proportional across all components, with projections to be more than 90 percent by the end of Fiscal Year 2012.
- The Army continues to improve the equipment-on-hand and modernization levels for both the Army National Guard and the Army Reserve. The Army views this as critical for employment of the reserve component as an operational reserve.
- Equipping Soldiers going into harm's way with the most capable systems possible is nonnegotiable. This strategy applies to RC units as well as AC units and is designed to modernize the Army National Guard and the Army Reserve in parity with the AC.
- In the very near future, the Army will mark a significant milestone with the signing by HQDA, Army Materiel Command, the Army National Guard and the Army Reserve of a memorandum of agreement that will capture DoDD 1225.6 actions and payback plans for some 85,000 pieces of equipment worth approximately $5.9 billion.

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