Transforming the Army's Reserve Components into an Operational Force

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Executive Summary

This report identifies the major policy implications for transitioning the Army's Reserve Components into an operational force as well as the associated opportunities such a transformation will provide Army policy makers for achieving the most efficient use of the Total Force.

The war-time experiences of the past decade validate the need to institutionalize the policies, procedures and legislation conducive to achieving the most efficient utilization of the Total Force, through the transitioning of DoD Reserve Components into an operational force.

The implementation of the policy recommendations herein and supporting programming decisions in the FY12-17 POM will facilitate the Secretary of the Army's compliance with DoDD 1200.17 and transition the Army's RC force from a strategic to operational reserve force during the FY 12-17 time-period.

The supporting legislative proposals identified herein acknowledge a need for Congress to provide additional resources and authorities to optimize the use of the RC as an operational force in order to achieve the most efficient use of the Nation's Army.

Introduction

This report identifies prospective Army policy and legislative proposals for the Secretary of the Army to consider in support of DoD Directive 1200.17, "*Managing the Reserve Components as an Operational Force*". The report is designed to identify the major policy implications for transitioning the Army's Reserve Components into an operational force as well as the associated opportunities such a transformation will provide Army policy makers for achieving the most efficient use of the Total Force.

Since 2007 various HQDA initiatives have evaluated the potential impacts of training, equipping and employing the Army's Reserve Components as an operational force. These HQDA initiatives resulted in the publication of Annex I (Transitioning the Army's RC into an Operational Force) within the revised Army Campaign Plan (ACP) in August 2009.

The ACP indentifies the ASA (M&RA) as the lead agent for the development of policies and legislative proposals for the transition of the Army's Reserve Components into an Operational Force. Upon the Chief of Staff's approval of the revised ACP in August 2009, the Office of the ASA (M&RA) initiated an effort to identify prospective Army policy and legislative proposals for the Secretary of the Army to consider related to the transformation of the Army's Reserve Components into an Operational Force.

A primary focus of this report is the identification of legislative proposals for inclusion in the Army's FY 2012-2013 Unified Legislative Budget (ULB) cycles. A secondary objective of this report is to inform the Under Secretary of the Army of the major RC policy issues for the Secretary of the Army to consider during the development of the Army's FY 2012-2017 Program Objective Memorandum (POM).

The report identifies four major "desired outcomes" related to transforming and managing the Reserve Components as an operational force:

- Efficient delivery of medically ready and trained Soldiers to RC units
- Incentives programs to sustain family and employer support for the Guard and Reserve
- Policies for utilization and integration of the Total Force
- Investments in RC unit management programs and collective training

Why Transform the Management of the Army's Reserve Components

The last major reform of the Reserve Components took place after the Korean War, for which the nation was poorly prepared. The Vietnam War was the last conflict fought with a draft and without a large reserve mobilization. It was followed by the Total Force concept and a significant shift in the mid-1970s to an all volunteer force. However, the Reserve Components remained a strategic force to be used only for extraordinary contingencies, with the assumption that they would have the benefit of lengthy mobilization periods. Since employing the reserves in Desert Shield and Desert Storm, DoD has increased the operational tempo of the Reserve Components to sustain global commitments. The contribution of the National Guard and Reserves' to our nation's defense efforts has risen to almost five times the level it was before 9/11; the Army National Guard and Army Reserve workload has increased more than seven times.[1]

In January 2008, after releasing two interim reports, the Commission on the National Guard and Reserves submitted its final report to Congress. The Commission concluded, "The reliance (on the Reserve Components) should grow, even after the demands for forces associated with current operations are reduced". The report noted that "Their service in the operational force will be required in peacetime, and they will continue to provide a cost-effective means of ensuring that strategic requirements to meet a large wartime threat are also available… Employing the Reserves in this fashion has proven necessary and effective and they have been relied on in every major military operation since Operation Desert Storm, yet the structural foundations of Reserve Component organization have been changed little to facilitate this employment".[2]

In October 2008, in recognition of this increased reliance on the Reserve Components to support the nation's defense, the Secretary of Defense published a directive for management of the Reserve Components. The Secretary of Defense now requires the Secretaries of the Military Departments to "manage" their respective RCs as an operational force to meet U.S. military requirements across the full spectrum of conflict, as identified by the President and the Secretary of Defense.[3]

The Secretary of Defense's directive further explains what is meant by the term "RC as an operational force":

> *The RCs provide operational capabilities and strategic depth to meet U.S. defense requirements across the full spectrum of conflict. In their respective operational*

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[1] Commission on the National Guard and Reserves "Transforming the National Guard and Reserves into a 21st-Century Operational Force," Final Report Executive Summary, January 31, 2008, p. 9-10.
[2] Ibid.
[3] DoD Directive 1200.17 "Managing the Reserve Components as an Operational Force," October 29, 2008, p. 5-7.

roles, RCs participate in a full range of missions according to their Services force generation plans. Units and individuals participate in missions in an established cyclic or periodic manner that provides predictability for the combatant commands, the Services, Service members, their families, and employers. In their strategic roles, RC units and individuals train or are available for missions in accordance with the national defense strategy. As such, the RCs provide strategic depth and are available to transition to operational roles as needed". [4]

Thus the primary rationale for transforming the Army's Reserve Components is to ensure the Army is complying with the Secretary of Defense's policy for managing the Reserve Components as an operational force. Policies, legislative proposals and programming decisions are required to ensure the Army can comply with the Secretary of Defense's guidance to achieve an Operational Reserve Force for full spectrum conflict.

In addition, transforming the Reserve Components into an operational force in the near-term (FY12-14) will provide a means for RC forces to provide proportional support to the Army's Force Supply model of a Corps Headquarters, five Division Headquarters (4 AC, 1 RC), 20 Brigade Combat Teams (15 AC, 5 RC), and 90K enablers (41K AC, 49K RC) to support combatant command requirements through 2014 time period. It is important to note, programming decisions are required in the near term to ensure RC forces are sufficiently ready to support the Army's force generation plans. Without sufficient resources in unit management, collective training and medical/dental readiness, the RC will not be ready to support the planned 1/5/20/90 force supply construct.

As the Army's Reserve Components continue to transition from a strategic reserve to an operational force over the remainder of the program, the Army will require recurrent, assured and predictable access to the RC to meet operational requirements as requirements increase for Army forces to conduct overseas engagement activities over the remaining years of the program period (FY15-17). During this period RC forces will be mobilized and employed in full spectrum operations at rates proportional to AC forces within force utilization goals of 1:3 (AC) and 1:5 (RC), FY 15-17. Investments in RC unit management, collective training and medical/dental readiness are required to achieve required readiness levels in accordance with these ARFORGEN goals. Moreover, these investments are required within the base funding to ensure the RC achieves a level of institutional transformation that cannot be achieved through the heretofore year-by-year allocation of resources from overseas contingency operations funds.

Finally, transforming the Reserve Components into an operational force provides an opportunity for the Army to provide the most cost effective Total Force and mitigate any decline in resources by investing now in the most cost efficient portion of the Army's Total Force. The Reserve Components provide nearly 36% of the total military end

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[4] Ibid, p. 8.

strength for 7.8 percent of the base budget in FY 2010.[5] Specific to the Army, the ARNG and USAR account for 51% of the Army's military end strength for 16% of the base budget.[6] When comparing the cost per Soldier, they relative value of the RC is even greater. A 2008 comparison of AC/RC manpower by HQDA G-8 identified the total costs per Soldier in manpower, training, equipping, organization costs and operating costs at ~135K (AC) compared ~36K (ARNG) and ~35K (USAR). Thus making targeted investments to improve RC readiness, given the relative value is a reasoned investment for the Army's Total Force. Moreover, such investments in the near term (POM 2012-2017) will position the Army to better manage the risks of declining resources for the Army, should such a reduction be required in the next two to five years. However, delays in these investment decisions reduce the Army's flexibility to consider strategic alternatives to a larger active force structure model in the long-term. As the Army considers the potential effect of declining resources in the long-term or future requirements in equipment recapitalization or modernization, an Operational Reserve affords the Army the ability to better manage the risk of declining budgets in the future.

In the future, National Guard and Reserve service members will perform missions vital to U.S. national interests at home and abroad as part of a flexible, accessible, cost effective operational force that retains a necessary strategic ability to surge.[7] In support of this vision, the Army should codify the transformation of the Reserve Components into an operational force, through the development of relevant policies, legislative / budget proposals and targeted investments within the Army's program during the FY12-13 timeframe.

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[5] The Army Budget Fiscal Year 2010: "An Analysis," 2009, p. 46.
[6] Army G-8, PROBE Database, January 2010.
[7] Commission on the National Guard and Reserves "Commission Vision for the Total Operational Force," Final Report Executive Summary, January 31, 2008, p. 81-82.

Desired Outcomes for Codifying the Operational Reserve

The RC has served the nation well and it is time to institutionalize the transformation of these forces from a strategic reserve to an operational force. Despite progress, the RC's remain under- resourced for the demands of sustaining an Operational Reserve force. Transforming to an Operational Reserve will require the Army to develop new policies and make targeted investments in support of the following desired outcomes.

1. Efficient Delivery of Medically Ready and Trained Soldiers to RC Units

First, the Army must develop a means for improving readiness levels within the Reserve Components, specifically significantly improving levels of individual medical and training readiness. As the Army moves to institutionalize the Operational Reserve our first and greatest challenge is to effectively and efficiently deliver medically ready and trained Soldiers to RC units. The effects of unready Soldiers within RC units cripple our ability to efficiently deliver trained and ready units. Currently, to bring units up to strength and to allow them to function as an operational reserve requires the RC to cross level personnel into the mobilizing units – as a result this depletes donor units in a cascade of un-readiness across the RC.

The primary sources of un-readiness in the Reserve Component are (1) the lack of management tools for ensuring only Soldiers which are duty Military Occupational Skill Qualified (MOSQ) are assigned to RC units and (2) the lack of resources to ensure members of the RC are medically ready in sufficient time to deploy with their units. To address these challenges the Army should adapt a universal TTHS policy in order to disaggregate non-ready personnel from the operating force and develop mechanisms to increase medical and dental readiness across the RC.

2. Incentive Programs to Sustain Family and Employer Support for the Guard and Reserve

Second, we must sustain family and employer support for Reserve Component personnel. Efforts by DoD to transform the Reserve Components into an operational force require DoD to consider new incentive programs to sustain family and employer support for the RC beyond the current recognition programs. In addition to pay and incentives for Reserve Component membership, family and employer support for the Guard and Reserve are essential elements for a healthy Reserve Component. The Army has made tremendous steps forward in providing first class care to families of RC members during periods of deployment and reintegrating our returning RC Soldiers following deployment. However, the longer-term effect of increased utilization of the Reserve Components on family and employer support is cause for concern. There is anecdotal evidence of declining private sector support for the Guard and Reserves. In

addition, returning RC Soldiers have encountered a rapidly changing private sector job market with benefits packages (especially health care) are in shorter supply. Given this changing market place, RC members increasingly risk losing private sector funded health-care benefits due to their increased utilization. Thus, the lack of a health care benefit for RC Soldiers and their families is an issue DoD should consider as it develops policies for an operational reserve force. To address these challenges the Army should consider options for expanding health care coverage to RC members and potentially their families.

3. Policies for Utilization and Integration of the Total Force

The Department of Defense requires the Army to utilize its active and reserve forces as an integrated force with prescribed goals for frequency of deployments and duration of involuntary activations of the Reserve Components. Integrating the three components as a Total Army requires the Army to balance capabilities between Active and Reserve Components; activate reserve forces in the most efficient manner, and utilize and integrate the Total Army within a common deployment timeframe. In order to maximize the use of the RC, the Army should streamline processes for activating the Reserve Components, versus the current mobilization processes. To integrate the Total Force, the Army must consider options for achieving a common or "Total Army" Boots on the Ground (BOG) policy for current operations. Routinely, the reserve forces are given independent tasks of active forces or asked to serve only in a supporting or augmentation role. To achieve the Secretary of Defense's goals for utilization of the Total Force, the Army must continually evaluate and optimally balance military capabilities between the Active and Reserve Components. The Army's processes for force structure allocation should continually assess the requirements for Army capabilities within the Secretary of Defense's goals for utilization and integration of the Total Force.

4. Investments in RC Unit Management Programs and Collective Training

The final category of change needed to adapt the institutional Army to support its Operational Reserve is investment. Transitioning to an Operational Reserve will require policy decisions on additional resources for the two Reserve Components within the base budget, including additional training resources and Full Time Support. The Army has made great strides in overcoming the historical under equipping of the Reserve Components. However, the current shift from strategic reserve to an operational reserve force requires the assurance that RC units are trained, manned and structured like their active army counter parts to provide the required land forces to meet military requirements at home and abroad. In addition to providing resources to optimize ARNG and USAR TTHS systems and medical readiness, the Army should work with Congress to provide additional training resources and manpower to manage the RC as an operational force.

Additional training man-days are needed to support the Army Training Strategy. In addition, the Army which has the least full time manning of all the reserve components should increase Full Time Manning for the Guard and Reserve in order to ensure adequate manning for various functions (organizing, manning, training and equipping) required for managing the Reserve Components as an operational force. These investments are necessary to increase the Army's capacity to administer our formations and manage unit readiness within an Operational Reserve force.

Topic 1: Total Army Training, Transient, Holding and School (TTHS) Policy

The Army has three different authorizations, philosophies and statutory obligations for managing Soldiers who are not yet trained or are not currently ready and available. The ARNG and USAR each manage their Trainees, Transients, Holdees, and Student accounts differently from the AC. Each of the components requires a TTHS account to allow them to optimize the management of their force. The AC is authorized approximately 71K Soldiers (~13% of AC end-strength) within a TTHS account, allowing the AC to segregate non-deployable Soldiers from AC units. In contrast the relative small size of the ARNG (~2.5%) and USAR (2%) TTHS accounts are not sufficient to make full use of a TTHS mechanism.

A "universal" TTHS policy is needed to ensure the most effective and efficient management of individual Soldier readiness across the Total Force. Moreover, the universal policy should require all components to utilize a common set of (personnel accounting) rules for each of the TTHS categories and be appropriately sized to each components end strength objective.

Soldiers awaiting initial entry training in the RC occupy positions within units, but are non-deployable. This requires the ARNG and USAR to cross-level other Soldiers from other units, typically within the same State (ARNG) or region command (USAR), as replacements during the mobilization process. This process of involuntary cross-leveling ,or soliciting for volunteers , yields a set of cascading effects across the ARNG and USAR resulting in additional cross-leveling and degradation of unit readiness for later deploying units.

The ARNG currently uses only the "Trainee" category of TTHS. The ARNG estimates that the 8K of end strength allotted to a Trainee account is sufficient in so far as training seat allocations and annual non-prior service accession missions remains constant. However, the ARNG did not include requirements for transients, medical/dental or other holding personnel within its TTHS account. The current size of the ARNG TTHS account (8K) is not sufficient to utilize all ARNG units as an operational force. However, a larger ARNG TTHS account, without additional end strength, would require the ARNG to reduce operational force structure.

Army Reserve Soldiers awaiting initial entry training occupy positions within units, but are non-deployable. Similar to the ARNG, this situation requires the USAR to cross-level other Soldiers as replacements, typically from within the same geographic region. This process of involuntary cross-leveling or soliciting for volunteers yields a set of cascading effects across the USAR resulting in additional cross-leveling and degradation of unit readiness for later deploying USAR units.

The USAR currently uses only the "Holding" portion of TTHS. Holding personnel include Soldiers with a P3 or P4 in their PULHES that require Medical Evaluation Board (MEB), a Physical Evaluation Board (PEB), or a non-duty related PEB. Soldiers are transferred to a Regional Support Command (RSC). Actual medical holding personnel comprise approximately 1.2K. The Trainee portion is not utilized. The USAR has elected to maintain force structure and utilize the "reset-train" portion of the ARFORGEN cycle to send Soldiers to Initial Entry Training (IET) and schools and cross-level Soldiers into units as they approach the ready and available for mobilization cycles. AGR Soldiers are not accounted by the USAR and are centrally managed by Human Resources Command (HRC).

Potential Courses of Action (COA)

COA 1: Each component continues to execute their respective TTHS accounts differently, but use the AC definition for each TTHS category. ASA (M&RA) develop a concise set of TTHS definitions and processes to account for Soldiers not available for duty.

COA 2: Each component is required to use the AC definition for each TTHS category, however, each component is allowed to size and use of the TTHS mechanism as required.

COA 3: Each component will increase a TTHS within end strength by reducing operational force structure.

COA 4: ASA (M&RA) develop a ULB proposal requesting additional funded end strength for the USAR and ARNG for an optimal TTHS capability for the RC. Each additional RC Soldier would additionally cost ~36K, at current percentage levels ~$470M total. [8]

Recommendation: ASA (M&RA) develop a FY13 Unified Legislative Budget (ULB) proposal by May 2010 to request the Congress provide additional funded manpower for increasing ARNG and USAR end strength by FY 13 in order to optimize the RC utilization of TTHS. In the interim, the Army will utilize the same rules for allocation of manpower across all Army components and evaluate an ARNG TTHS pilot program during FY11.

[8] HQDA G-8 estimate, January 2010.

Topic 2: Medical and Dental Readiness Management Policies and Programs

- Options to Improve Reserve Component Medical Readiness

As of 1 March, the medical readiness of the Army National Guard (ARNG) and US Army Reserve (USAR) stands at 52%; below the DoD minimum medical standard (75%) and well below the goal (100%) prescribed in Department of Defense Instruction (DoDI) 6025.19. Dental Readiness is one of the eight Medical Readiness [metrics or elements] categories that comprise Fully Medically Ready (FMR). The DoD Dental Readiness standard (95%) is prescribed in DoD Health Affairs (HA) Policy 06-001. The remaining seven Medical Readiness FMR categories are: DNA, HIV, Immunizations, Periodic Health Assessment (PHA), Percent Not Pregnant, Medically Non-Deployable (MND) and Limited Duty Profile (LDP). Existing Medical Evaluation Programs and the newly established Army Selected Reserve Dental Readiness System (ASDRS), which provides Dental Evaluations and Dental Treatment for Dentally Non-Deployable conditions, cover five of the eight FMR categories (DNA, Dental, HIV, Immunizations and PHA) but are funded at only 77.6% of the FY 10-15 Critical Requirement. The RC has enhanced Medical Readiness through these programs. For example, ASDRS initiated in FY 09 with limited funding has produced a 10% improvement in RC Dental Readiness thus far. There is no Medical Treatment Program to address MND and LDP non-Line of Duty deployment limiting conditions and there are 51,000 RC MND and LDP Soldiers.

The ASA (M&RA) identified the following requirements for enhancing RC medical readiness in the near-term (FY 12-17 POM):

- Enforce Medical and Dental Readiness IAW DoD standards and AR 40-501 by increasing command emphasis on existing Medical Evaluation Programs and ASDRS.

- Implement and fully fund the CNGR34 Select Pre-Deployment Medical Treatment Program (SPMTP) Pilot which; RC funding required:

ARNG	NGPA: $500K	OMNG: $1.13M
USAR	RPA: $315K	OMAR: $636.3K

- Recognize and fund the existing Medical Evaluation Programs and ASDRS to achieve the DoD established minimum standard for Medical and Dental Readiness during POM 12-17.

- The Army screen and assess the RC MND/LDP population to identify those with minor medical issues and conditions that can be remediated, making these Soldiers deployable, and implement a Medical Treatment Program to treat them.

- Increase RC FTS (clinical and non-clinical) sufficiently to provide effective Medical Case Management (e.g. recent ARNG effort which placed 68W assets at Brigade Combat Team and Battalion levels).

Funding the Medical Evaluation Programs and ASDRS to achieve the DoD standard and implementing a Medical Treatment Program to selectively treat MND/LDP Soldiers with conditions that can be remediated will improve RC Medical Readiness. Funding required to achieve DoD medical readiness standards during POM12-17 ranges from an additional $220M in FY12 to $320M in FY17 for a total of $1.5B throughout the POM. The ability to routinely assess and selectively treat Medical Non-Deployable personnel, with conditions that can be remediated, is essential for an Operational Reserve. Implementation of the CNGR34 Select Pre-Deployment Medical Treatment Program Pilot, which enables the RC to treat select MND/LDP Soldiers a year prior to mobilization, will produce sampling data which may be used to refine estimates of the percent MND/LDP Soldiers that can be treated / returned to duty and the costs associated with their treatment.

APPN	Source	FY12	FY13	FY14	FY15	FY16	FY17	Total
OMNG	DoD Standard Requirement	301,691	306,570	318,028	329,924	341,973	354,640	1,952,827
	BESPOM1217 BF2.0 (Current) Funding	131,918	138,034	130,528	119,464	121,496	123,561	765,001
	Delta	(169,773)	(168,536)	(187,500)	(210,460)	(220,477)	(231,079)	(1,187,826)
OMAR	DoD Standard Requirement	187,356	195,225	203,137	210,655	218,666	227,417	1,242,457
	BESPOM1217 BF2.0 (Current) Funding	136,539	159,824	142,972	133,663	135,935	138,245	847,178
	Delta	(50,817)	(35,401)	(60,165)	(76,992)	(82,731)	(89,172)	(395,279)
Total	DoD Standard Requirement	489,047	501,796	521,166	540,580	560,639	582,057	3,195,285
	BESPOM1217 BF2.0 (Current) Funding	268,457	297,858	273,500	253,127	257,431	261,806	1,612,179
	Delta	(220,590)	(203,938)	(247,666)	(287,453)	(303,208)	(320,251)	(1,583,106)
*Cost estimate to achieve DoD Standard. Does not account for potential mobilization offset or feasiblity of achieving standard.								

Recommendation: ASA (M&RA), in conjunction with ASA (FM&C), provide the G-8 a cost/benefit analysis that supports development of technical guidance for increased funding of Medical Readiness Programs and ASDRS identified above in the FY 12-17 POM. In addition to the enhancements identified above, the Army should revise Army Regulation 40-501, paragraph 9-3, which currently states "maintenance of health and fitness is an individual Soldier's responsibility." The Army should not impose standards of Medical Readiness as a "condition of employment" without affording the members of an Operational RC a means to treat correctable Medical Readiness conditions that limit their service. Access to Medical Readiness treatment does not equate to FMR; although it is certainly a contributing factor. Finally, aggressively use the newly established ASDRS to achieve the DoD Dental Readiness standard (95%) in support of the overall DoD Medical Readiness minimum standard (75%).

- Linking a Potential Health Insurance Benefit for Reserve Component Service Members to Their Service Obligation

Currently, RC members could incur cost to sustain Medical Readiness as a "condition of employment". The Active Component has no cost or Service Obligation tied to

Medical benefits. Creating a link between offering the Health Insurance benefit and Service Obligation for the RC would foster further disparity among the components, undermining efforts in support of an Operational Reserve. Currently, RC Members who are not eligible for Federal Employee Health Benefits (FEHB) may enroll in TRICARE Reserve Select (TRS). The cost to DoD for each Member enrolled in TRS is $120.00/month ($1,440.00/year). The Member's cost share is $49.62/month. In addition, the Service Member is responsible for co-pays and related costs incurred up to the Catastrophic Cap ($1,000.00/year). There are approximately 500,000 RC Soldiers eligible for TRS and 11,039 enrolled in the Member Plan. If all RC Soldiers were to register for TRS, the cost to the government program would be approximately $720M per year. [9]

The Department of Defense should consider providing RC Members TRICARE Prime or TRICARE Prime Remote at no cost as a benefit of membership. Extending medical benefits to RC members would afford them a benefit commensurate with their AC counterparts. TRS has associated premiums, co-pays and other costs which must be borne by the RC Member and does not adequately address the challenges associated with providing healthcare for the geo-dispersed RC population.

The Reserve Components are an equitable contributor in overseas contingency operations and offer a significant return on investment when compared to sustaining equivalent Active Duty structure. Affording RC members parity in Health Benefits with their AC counterparts by providing RC members with access to TRICARE Prime or TRICARE Prime Remote would negate the need for many existing selective treatment programs, offsetting the cost of implementation. In addition, providing RC members with a health insurance benefit would likely enhance RC recruiting and retention, producing residual savings that would also offset the cost. As an insurance option, the estimated cost to provide TRICARE Prime or TRICARE Prime Remote would be ~$1B.This is only ~$280M more than if every RC Soldier were to register for TRS. In addition, we already incur a significant portion of this cost by selectively treating RC members (i.e. LODs) outside the scope of a comprehensive insurance program.

While there remains concern over the potential cost and risks associated with providing all RC Members TRICARE Prime or TRICARE Prime Remote, the current national debate on health care necessitates the Army to review the current benefit packages (including health care) for an operational reserve force, in coordination with the Office of the Secretary of Defense. Any associated risks are the same as those we now assume for AC Soldiers.

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[9] HQDA G-8 estimate, January 2010.

Recommendation: ASA (M&RA), in coordination with USD (P&R) conduct a cost benefit analysis and develop a potential policy position for the Secretary of the Army to consider during the FY 2013 Unified Legislative Budget (ULB) cycle.

- Movement of Medically Non-deployable Reserve Component (RC) Soldiers Out of the Operating Force and Into the Generating Force

The Army must develop and resource mechanisms to routinely identify screen and assess RC Medical Non-Deployable personnel within the RC in order to increase RC unit readiness. Distinguishing between Operating and Generating Forces in the RC is often difficult and manning levels typically require the RC to "reach back" to fill deploying units. As such, transferring Medical Non-deployable personnel to RC "generating force like" units merely postpones the problem.

ASA (M&RA) identified 16,000 "Medical Holding" in Army National Guard and Reserve Training, Transient, Holding and Student (TTHS) "like" accounts.[10] There are, however, 51,000 RC Medical Non-Deployable (MND) and Limited Duty Profiles (LDP) reflected in MEDPROS. The G1/DAIG Inspection of the Medical Deployment Process Tiger Team recently recommended "worldwide deploy-ability" as the heavily weighted criteria in determining fitness for duty. Applying this standard will increase the number of RC Medical Non-Deployable personnel and potentially widen the gap between those identified in TTHS and those reflected in MEDPROS.

Recommendation: The ASA (M&RA) develop an Army policy to move Non-Deployable personnel out of RC Operating Forces and into non-deploying or a TTHS "like" structure to more accurately account for and better manage them. Placing Non-Deployable personnel in a TTHS account will provide the RC an ability to better manage Medical and Administrative Non-Deployable personnel and their movement through the determination process, while vacating critical positions for fill by deployable personnel.

- Extending Health Care Benefits to Reserve Component Family Members

As DoD considers the full implications of transforming the Reserve Components into an Operational Force in an era of persistent conflict, the Army should consider recommending providing the benefit of medical coverage to RC Soldiers and their family members. This benefit would have the effect of providing an incentive for Soldiers to enter (recruiting) or remain in the service (retention) in order to retain medical coverage for their family members. Medical coverage for RC Soldiers is currently not provided outside of a clearly defined period of mobilization. The estimated cost of providing medical coverage to Army RC Soldiers and their family members would be ~$2.9B a

[10] Information provided by the ARNG and USAR to DASA (MHA), December 2009.

year, which includes an estimated ~$1.0B a year it would cost to provide insurance for just RC Soldiers. [11]

Providing medical coverage to RC Soldiers and their family members would provide an excellent recruiting / retention benefit for the RC, provide a continuum of care for personnel transferring from the AC to the RC (i.e. continuum of service); however, the cost may not be worth the investment in the near-term (FY12-13). Moreover, DoD should consider the potential second order effects of the current health care reform legislation being developed in Congress. For example, how might a potential federal law mandating the purchase of health insurance effect retention rates, if RC members risk losing their employer provided health care?

Recommendation: The ASA (M&RA) initiate a study of RC health benefits to support the transformation of the RC into an operational force in time for the FY14 Program Review cycle. The study should include all Services and be informed by any potential Health Care Reform legislation passed in 2010-2012 time frame.

[11] HQDA G-8 estimate, January 2010.

Topic 3: Policies for Utilization and Integration of the Total Force

- Secretary of the Army Policy for the Utilization of the Total Force

The utilization of the Army's Total Force necessitates the development of a Secretary of the Army-level policy for the most efficient utilization and integration of the Total Army. Various Secretary of Defense policies require the Secretaries of the Military Departments to utilize their active and reserve forces as an integrated force and within prescribed goals for frequency of deployments and duration of involuntary activations of the Reserve Components. Integrating the Army's three components as a Total Force requires the Army to balance capabilities between Active Component (AC) and the Reserve Components (RC); utilize reserve forces in the most efficient manner, and employ the Total Force using a common set of principles.

To achieve the Secretary of Defense's goals for utilization of the Total Force, the Army must continually evaluate and optimally balance capabilities between the AC and RC, to achieve rotational capacity of 1:2 (AC) and 1:5 (RC) by type of military capability.

To facilitate the integration of AC/RC forces in support of Army operations, the Army should utilize a common period of time for employment. Army force generation plans should ensure AC/RC forces are employed as integrated force packages to the maximum extent possible, and within the same time period of utilization.

To maximize the employment of RC forces in support of Army operations, the Army should streamline the activation and pre-deployment readiness validation procedures in order to achieve an operational environment in which Army units train and are employed as integrated force packages. Procedures and authorities for validating pre-deployment readiness should be the same for AC/RC units and personnel.

- Unified Legislative Budget Proposal for an Operational Reserve

To optimize the use of an operational RC for support to generating and operating force requirements, the Army should develop a FY12 Unified Legislative Budget (ULB) proposal for the proportional use of the Operational Reserve. A limited Secretary of Defense-level authority (e.g. <30K for up to 180 days) is needed in order to involuntarily activate members of RC units to support generating force and operational requirements (e.g. Theater Security Cooperation), short of a Presidential invocation of other title 10 USC authorities.

Recommendation: The ASA (M&RA) develop Army directive titled "Utilization of the Total Force," for the Secretary of the Army to consider. In addition, ASA (M&RA) develop a FY 2012 ULB for an "Operational Reserve Activation" authority.

Topic 4: Investments in Full-Time Manning of the Reserve Components

Adequate full-time support is essential for reserve component unit readiness, training, administration, logistics, family assistance and maintenance. The Commission on the National Guard and Reserve found that effective performance of such functions correlates directly to a unit's readiness to deploy.[12] The Army's full-time support has not been sufficient to create or maintain required readiness levels. The Army with largest reserves has 12.89% of its RC end strength as full-time support; the Air Force has 25.29% of its reserve components as full-time manning.[13]

Since the Global War on Terrorism/Overseas Contingency Operations began in 2001, the RCs of the Army have maintained a tremendous operational tempo (OPTEMPO). This high OPTEMPO has required an increased level of full time manning in order to prepare individuals and units for deployment. Since 2001 the RC's have been able to meet the operational needs of the Army through the use of Active Duty Operational Support – Reserve Components (ADOS-RC) Soldiers and other full time equivalent (FTE) manning, such a temporarily hired military technicians, to bridge full-time manning shortfalls.

The full-time manning levels of the RC's were established by a 1999 study and revalidated in 2005. However, the manpower authorization levels established by that study are currently funded at 70% of validated requirements. The difference between Strategic Force authorizations versus the realities of what is required has been made up through the use of ADOS – RC and other FTE's. Funding for this temporary manpower is dependent upon supplemental funding. While this system has allowed the RC's to meet all missions to date, in an era of persistent conflict the Army must not be dependent on temporary funding in order to achieve its mission.

Increasing the level of RC full-time manning remains an issue with the House and Senate Armed Service Committees. The FY 2009 House Armed Services Committee Report, 110-652 directed the Army to review its requirements for reserve component full-time manning. Additionally, it required the projected five-year implementation plan to increase full-time manning to the required levels. The ASA (M&RA) provided an interim response to the House and Senate Armed Service Committees in April 2009, noting the Army staff is conducting a study. Recently, the Army provided a revised response, which informs the Committees of Army efforts to finalize the analysis and develop courses of action, in concert with the Army National Guard and Army Reserve, to present to the Senior Leaders of the Army. In light of these events, the Secretary of the Army should consider options for increasing full-time manning in the RC at the beginning of the FY12-17 POM in order to inform a final Army response to the House

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[12] Commission on the Guard and Reserve Recommendation #35
[13] DEC 2009 DMDC A1 Report

and Senate Armed Services Committees before testifying on the FY 2011 Army Budget (March 2010). There are four viable courses of action.

First, the Army can continue the current practice of funding the identified requirements at 70% and make up the difference through the use of ADOS-RC and other FTE personnel using Overseas Contingency Operations (OCO) (supplemental) funding. This process is currently meeting the operational needs of the Army but is subject to Congress continuing to provide supplemental funding for operations.

Second, the Army can continue to fund the identified requirements at 70% but program the required ADOS-RC funding in the base budget to ensure the RC's can continue to hire manpower to meet their operational needs. Historically since the start of current operations the amount of ADOS-RC funding spent by the RC's annually is ~$1.5B. [14]

The third option is for the Army to fund the FTS requirements identified in 1999 (and revalidated in 2005) at or near 100% of validated requirements. This will cost an additional ~$3.1B annually by FY 2017. [15] Historically, increases in FTS funding have been built into a five year ramp. This option will eliminate the Army's dependence on OCO funding, but because budgeting is zero sum, will come at the expense of some other program.

The fourth option is for the Army to direct the assignment of active component personnel to reserve component units to fill FTS shortages. This will reduce the RC's cost for full-time manning but will cause the Army to make difficult decisions regarding where to accept risk in the assignment of AC Soldiers.

Recommendation: The ASA (M&RA), in coordination with G-1, G-8, ARNG and USAR, develop a plan for increasing FTS to 100% of the validated (2005) requirement by FY 2018. The plan should be briefed to the Secretary of the Army as a special topic prior to submission of the Army's program to OSD. Lastly, ASA (M&RA) will lead the development of a study to revalidate the Army's FTS requirements in time for the FY 16-21 POM.

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[14] HQDA G-8 estimate, January 2010.
[15] HQDA G-8 estimate, January 2010.

Topic 5: Equipping the Reserve Components

The Army's Equipping Strategy establishes how the Army will acquire and distribute equipment in a resource constrained environment. Based on the Army Force Generation (ARFORGEN) cycle, it adapts to the persistent conflict, growth, modernization and recapitalization. The Army Equipping Strategy offers a necessary realignment of equipping priorities with ARFORGEN and offers a reasonable means of equipping the reserve.

The goal of the Army Equipping Strategy is to ensure Soldiers have the right equipment amounts, types, at the correct modernization level to meet their mission requirements and supports DODD 1200.17. Execution and affordability are two areas that have been identified that need improvement in order to ensure a true Operational Reserve can be achieved and maintained for enduring requirements.

Based on assumptions that underwrite the equipping plan, current and projected demand, and current fiscal profile, fielding of the ARNG Brigade Combat Teams programmed items is scheduled to be completed by 2015 in accordance with the Secretary of Defense's guidance. Modular conversion of Army Reserve Multi-function Support Brigades, Functional Support Brigades, Special Functional Support Brigades, Civil Affairs Brigades and Psychological Operations Brigades is underway; however complete fielding for Support Brigades is not expected until 2019.

The Army supports DoDD 1225.6 business rules that outline Component dependent practices for transferring equipment in OIF and OEF. One of the major issues is maintaining equipment transparency of all RC equipment left in Theater to sustain the war effort as well as relieve the strain on lines of communication. The strict adherence to 1225.6 business rules is critical for the RC to maintain a ready status for the Army's Homeland Defense and Defense Support to Civil Authorities (HLD/DSCA) missions, and effectively support the train-mobilize-deploy construct.

This strategy incurs risk in the ability to respond to Army HLD/DSCA and adequately support generating force requirements. Further refinement of both strategy and policy is required to totally employ the RCs as an operational force. DoDD 1200.17 and DODD 1225.6 have had a positive effect upon the Army's Equipping Strategy in a resource constrained environment. The Army's strategy is in compliance with the directive and offers a necessary realignment of equipping priorities within ARFORGEN

Recommendation: ASA (M&RA), in coordination with ASA (ALT) and G-8, continue to adjust the Army's Equipping Strategy to ensure the RC is sufficiently equipped to support HLD/DSCA missions. Further refinement of both strategy and policy is required to employ the RCs as an operational force.

Topic 6: Investments in Collective Training of the Reserve Components

Reserve Component units execute a company-level collective training program before mobilization, culminating with realistic, multi-echelon, combined arms training exercise within a contemporary operational environment during their Annual Training, near the end of the Train/Ready phase of the ARFORGEN construct. In addition, RC battalion and larger units conduct leader training for their battle staff that culminates with a command post exercise at the level organized. The goal is for RC companies and battle staffs to achieve training readiness level of T2 during the train/ready period.

To support this strategy and ARFORGEN requirements, the RC requires sufficient training man-days. The current number of training days has not changed significantly since the reserve reform act of 1952. The training strategy drives the number of training days and represents a fundamental component of their base training program to achieve the required readiness levels of an Operational Reserve. To achieve the desired readiness levels requires additional training days for ARNG/USAR units – for train/ready year 2 a total of 48.5/45 days and for train/ready year 3 a total of 67.5/62 days.

Training facilities and ranges are key enablers in support of the Reserve Component training strategy and vital to achieving an Operational Reserve. Training facilities consist of adequate billets, training lanes, training support structures (e.g. combat live fire ranges, IED lanes, urban training areas), and training centers that meet the guidance to provide, as prescribed by FM 7-0, a "training environment as close to the anticipated operational environment as possible. A combination of live, virtual, constructive, and gaming training enablers represent the key ingredients in making the training environment approximate an actual operational environment…" are required to support RC readiness.

Recommendation: ASA (M&RA), in coordination with ASA (FM&C), G1, G3 and G8 develop a strategy to support additional Annual Training and Inactive Duty for Training under the ARFORGEN construct (cost to support additional training is ~ $900M/yr in the 12-17 POM. [16]

[16] Cost formula (T/R 2 Force Pool [78K] x AT rate x 6 days) + (T/R 3 Force Pool x AT rate x 6 (Additional Days)) + (T/R 3 Force Pool x UTA rate x 7).