STAYING RELEVANT IN AN ERA OF REDUCED RESOURCES

BY

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This paper will explore ways to sustain the ARNG as an Operational Reserve in an era of declining resources. The ARNG is already an operational reserve. It is a reserve component that is resourced to such a level and led in such a manner as to allow it to be operationally employed without incurring undue risk. The requirement for the ARNG to be operational is likely to continue throughout the period of enduring conflict between violent Islamists and the West. The resources used to support the ARNG’s readiness are likely to decline. The ARNG should have a strategy to sustain readiness with fewer resources. This paper will explore some conceptual refinements that will help the ARNG better focus declining resources in order to sustain readiness. This paper will define Operational Reserve, examine the program and budget along with some underlying assumptions the ARNG uses to develop its resource requirements, and offer some changes to the assumptions that will help focus resources while assuming little risk.
USAWC STRATEGY RESEARCH PROJECT

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STAYING RELEVANT IN AN ERA OF REDUCED RESOURCES

We’re going to go through a period of time of contracting resources...We’re also going to be involved in an era of persistent conflict...So how do you balance it out—an era of persistent conflict and beginning an era of dwindling resources?¹

—GEN Craig R. McKinley
Chief, National Guard Bureau

Introduction

The global economic downturn will force a reduction in the Department of Defense budget. The U.S. military, however, will stay globally engaged. The Department of Defense will experience budget cuts while sustaining global engagements ranging from security cooperation exercises to humanitarian relief to war.² The Army will require the participation of its reserve components to sustain the required global engagement. Therefore, the ARNG will remain an operational force in an era of reduced defense budgets. The challenge the ARNG will face over the next several years will be to select strategies to prepare the ARNG for operational employment in an era of reduced resources. Every budget reduction carries with it some degree of operational risk. The ARNG should select strategies that mitigate risk where possible, and accept the lowest possible risk to mission and soldier welfare when necessary. The greatest risk of all would be to ignore these hard decisions. Such a course of action constitutes a failure to plan. Such a course of action would result in hasty and poorly coordinated decisions, and ultimately shift the burden of risk to the soldiers sent into harm’s way. The ARNG must plan to sustain itself as an operational reserve in an era of declining resources.
This paper will begin by defining operational force, and the strategy to achieve that status with the Army National Guard. This paper will then discuss assumptions about the future of the ARNG budget between FY 2011 and FY 2017, as well as the anticipated operating environment and subsequent demand on Army National Guard forces. Finally, this paper will discuss strategies that the ARNG could adopt to sustain an operational capability in an era of reduced resources.

Department of Defense Definition and Strategy for an Operational Reserve Component

The Secretary of Defense clearly states that an operational reserve component is significant to the continued military success of U.S. forces. The 2010 Quadrennial Defense Review states, “Prevailing in today’s wars requires a Reserve Component that can serve in an operational capacity.” The Department of Defense Directive 1200.17, Managing the Reserve Components as an Operational Force, delivered a broad definition of an Operational Reserve Component:

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

This definition identifies an Operational Reserve as a reserve component that participates in the full range of missions for that service, achieved by reserve component units and individuals rotating through a recurring cycle. Further details are left to the individual services to develop, as their various needs require.
While the DoD has left the specific operational reserve strategies to the various services, one policy has had a significant impact on Army reserve components sustaining an operational capability. Since 2007, DoD policy has been to restrict reserve component mobilizations to a maximum of 12 months per mobilization. This policy is intended to ensure reserve component units can sustain readiness over an extended period of recurring mobilizations. Because the Army was the only service to habitually deploy reserve component for 12 months, this policy affected the Army’s ability to conduct post mobilization training and conduct a full deployment, all within a 12 month restriction.

Department of the Army Definition and Strategy for an Operational Reserve Component

The U.S. Army has so far failed to produce an Army wide definition of an Operational Reserve. The closest it has come is the language in Army Initiative 4 (Transforming the Reserve Components into an Operational Force), which states “Reserve units that are part and parcel of the operational force…are fully integrated into the deployment cycle.” In other words, reserve component units are, by virtue of being deployed, operational. Army Initiative 4 study, released September 2009, has become the basis for subsequent documents establishing the plan to fully operationalize the Army Reserve Components by Fiscal Year 2019.

The Army strategy is based on a cyclical readiness process that produces trained and ready units on a predictable schedule. This is called the Army Force Generation model, or ARFORGEN. ARFORGEN is both a process and a model. Resource requirements, as well as readiness expectations, are driven by a unit’s place in the ARFORGEN cycle. The Army’s ARFORGEN model meets the letter and intent of DoD
Directive 1200.17. The ARFORGEN model abandons the previous “assigned tier” readiness system and replaces it with a rotating, cyclical system that includes the total force. The goal for sustained rotational readiness calls for Regular Army units to be available to deploy one year out of every three, and Reserve Component units to be available for deployment one year out of every six. These ARFORGEN goals can be shortened when the operational demand exceeds the force available on a 1:3/1:6 timeline. Regardless of the specific amount of time available for any particular unit, all units in the ARFORGEN cycle move through three force pools as each unit builds readiness, receives resources, and changes focus throughout the ARFORGEN cycle. Figure 1, below, depicts the shifting focus as units progress through the ARFORGEN cycle.

![ARFORGEN Force Pools](image)

**Figure 1: ARFORGEN Force Pools**

The Army strategy to build capability through the ARFORGEN cycle divides the force into three sequential force pools; Reset, Train/Ready, and Available. The reset force pool is designed to both recover a unit from a deployment, as well as lay the ground work for the same unit to begin preparing for its next deployment. In the Reset
phase units conduct post deployment transfers and key billet changes, new equipment fielding, and focus on individual level training. The next phase in the ARFORGEN cycle is the Train/Ready phase. During the Train/Ready phase units focus on collective training, while still continuing essential personnel and equipment fielding. The third and final phase is the 12 month long available year, in which units maintain collective proficiency while available for deployment. Upon completion of the available year, or return from deployment, units re-enter the Reset phase. The Army has further developed its ARFORGEN graphic by overlaying readiness and availability expectations, as depicted in Figure 2.

Figure 2 ARFORGEN Readiness Model
Figure 2, above, is the Army’s graphical depiction of both AC and RC units moving through the ARFORGEN cycle. The arrows labeled Deployment Expeditionary Forces, or DEF, represent units identified for a specific mission. Note these units are deployed during the available year. The green arrow represents units preparing for deployment, but not yet assigned to a specific mission. These are called Contingency Expeditionary Forces (CEF). As missions, or Requests For Forces, are received, CEF units become DEF units. Regular Army and reserve component units move through the same force pools, albeit on different timelines. This model as shown is useful for synchronizing all the Army components on a common availability construct. However, this model does not have the user level detail to drive resource requirements and training goals. Each component was left the freedom to design their own, more detailed, execution models.

ARNG Definition and Strategy for an Operational Reserve Component

The acting Director of the ARNG, MG Carpenter, provided the ARNG definition of an operational reserve to the Army G3, LTG Thurman, in 2009.

A reserve of operational capabilities organized and resourced in a recurrent predictable cycle to support Army requirements, in peace and war; an Operational Reserve force is fully manned, equipped, and trained to provide ready units across the full spectrum of operations.10

This definition includes the rotational readiness of the DoD definition. It also explicitly includes language to allow access to the ARNG in peace as well as war, accommodating the Army’s desire to access the ARNG for theater engagement missions. The second part of the ARNG definition departs from the Army definition by requiring all ARNG units to be fully manned, trained, and equipped throughout the cycle. This is to ensure that states have their full resources available for state missions at all
times. This clause reflects the ARNG fear of the Regular Army shifting resources during the ARFORGEN cycle to such a scale that ARNG units will be unable to fulfill their state missions during portions of the ARFORGEN cycle. The ARNG is a dual missioned force, and ARNG leaders have a responsibility to ensure they can accomplish both their federal and state missions. Federally, the ARNG has the mission of providing trained and ready units in response to a federal mobilization. The ARNG also has the mission of providing military support for civil missions to the governors of the various states.\textsuperscript{11} The capabilities needed by the ARNG to accomplish the various state missions do not directly correlate to the warfighting capabilities needed by ARNG units to accomplish their federal mission. However, the demand for units overseas did create, for a time, concern by some governors that the ARNG did not always have enough capability under state control to accomplish state missions. In July 2005 the Chief of the National Guard Bureau, LTG Blum, committed to the National Governors Association that the National Guard would strive to ensure that no more than 50\% of any state national guard would be deployed and unavailable to the state governor at any given time.\textsuperscript{12} In a further development of that line of thought, in 2009 MG Carpenter couched the ARNG definition of an operational reserve to ensure that the minimum non-deployed 50\% of a states force structure would remain fully capable. This philosophy results in the ARNG's focus on fully equipped units throughout the ARFORGEN cycle.

The ARNG developed a detailed ARFORGEN training model. This model focuses unit training throughout the cycle, as well as serves as the basis for resources throughout the ARFOREN cycle. The ARNG ARFORGEN training and resourcing model is depicted in Figure 3, below.
Figure 3 ARNG ARFORGEN Training Model

This graphic depicts the training focus as ARNG units rotate through the three force pools over a six year period. Across the top are depictions of the expectations of
training proficiency through the ARFORGEN cycle. Across the bottom are training events, derived from the Combined Arms Training Strategy (CATS), recommended to achieve the expected training proficiency. The training strategy culminates in units achieving company level proficiency in year 5 of the ARFORGEN cycle. The selection of this goal lies with the current mobilization limitations directed by the Secretary of Defense.

In January 2007, concerned about the reserve components’ ability to sustain readiness over recurring mobilizations, Secretary Gates issued a policy limiting reserve component mobilizations to 12 months.\textsuperscript{14} The Secretary of Defense’ decision to limit reserve component mobilizations to one year forced the Army to decide between reducing “Boots On the Ground” (BOG) time for RC units, or pushing all required training into the pre-mobilization period. The Army chose a middle road, reducing BOG for reserve component units to 9.5 months, with 2 months for post mobilization training, and half a month lost to transit and Transfer of Authority overlap. Using the Combined Arms Training Strategy, the ARNG and FORSCOM developed a post mobilization template that dictated the post mobilization training time required for RC units, based on their training proficiency upon mobilization. Units mobilized at the squad level of proficiency required 150 days of post mobilization training; units mobilized at the platoon level of proficiency required 90 days of post mobilization training time; units mobilized at the company level of proficiency required 60 days of post mobilization training time.\textsuperscript{15} Based on these calculations, ARNG units are expected to report to mobilization site at company level of proficiency.
The training events on the bottom half of the ARFORGEN model depict the training recommended by the CATS to achieve the required training proficiency. Years 4 and 5 of the model actually require more training time than the traditional reserve component annual commitment. In those years, additional training days are required and funded, as depicted at the top of the model. Year five culminates in a Combat Training Center like exercise, which provides the capstone event to achieve company level proficiency.

The cost to fund the extra training days, and the tank and wheeled vehicle OPTEMPO miles to fund the CATS derived training events, comes to an additional $481 million dollars per year. This is over and above the cost of the pre-ARFORGEN platoon proficiency training model. This cost is ultimately driven by the Army’s desire to maximize BOG conflicting with Secretary of Defense’ desire to limit mobilization time.

**Prolonged Demand for an Operational Reserve**

The Army will require ARNG forces to participate in the operational force for the foreseeable future. Not only will overseas contingency operations will continue to demand ARNG forces, but the various combatant commanders want authority to require ARNG forces to execute their theater engagement plans and support to theater engagement plans. The most comprehensive recent study on the role of reserve forces, the Commission of the National Guard and Reserves, came to this conclusion in its final report.

Given the threats that the United States faces at home and abroad, the looming fiscal challenges the nation confronts, the projected demand for forces, the unique capabilities resident in the reserve components, and their cost effectiveness, the Commission sees no reasonable alternative to an increased use of and reliance on the reserve components. This conclusion is not dependent on the wars in Afghanistan and Iraq....
The Army’s long term strategy to continuously provide adequate forces to sustain both overseas contingency operations and global engagement requires forces generated as depicted in figure 4 below.

This chart shows the current “surge” demand for forces on the left pyramid, with the projected sustained demand for forces in the right pyramid. The Army reserve component contribution is represented in the lighter colored breakout on the right side of each pyramid. The immediate goal for reserve component Boots On the Ground (BOG) to dwell ratio is one year mobilized to four years not mobilized. The eventual steady state BOG:Dwell goal for Army reserve components is one year mobilized to every five years not mobilized. Given this strategy, the ARNG can plan to provide, on an annual basis and for a sustained period of time, one division HQ, four brigade combat teams, and share with the USAR a portion of the 41,000 soldiers in enabling capabilities.
The Army has further developed this strategy to determine, based on projected demand and balanced with acceptable risk, which capabilities are projected for a DEF, and which capabilities are projected for a CEF. The CEF units offer both strategic and operational flexibility, as theater commanders can request those capabilities if needed, or they could be used for other emerging contingencies. If not used for any contingency operation, CEF units are available for theater engagement missions as required. Figure 5 depicts the refinement into “CEF bands” of the sustained available force packages.

Figure 5 Force Package Construct with CEF Bands

Given this construct, the ARNG can plan on one brigade combat team, and an unspecified share of the 5,000 soldiers in enabling capabilities to be resourced and
trained as a DEF, each year. The balance of ARNG forces in the force package
construct are divided amongst various CEF bands.

Declining Resources

The recession and federal deficit will result in reduced budgets for the
Department of Defense. The Secretary of Defense has publicly acknowledged this, and
begun processes to prepare for reduced budgets. The Chairman of the Joint Chiefs of
Staff also publicly acknowledged an era of reduced resources; “The global financial
crisis is going to have an effect on us in the military…and the department (DoD) will
have to start tightening our belt.”23 The ARNG can expect to provide a share of the cost
savings, while still providing trained and ready forces over a sustained period of time.

The Army is likely to examine the cost of building an operational capability in the
ARNG as part of the Army’s overall cost saving measures. The single biggest initiative
in the ARNG, in terms of money, is the cost of building an operational capability. In
addition, it should be noted that funding to transition the Army reserve components to
an operational force did not begin until 2008, and still has not been funded to minimum
critical requirements. However, the Army reserve components have been part of the
operational force since at least 2001, and to a lesser degree, since 1995. It is
reasonable to assume that, in an era of reduced resourcing, the U.S. Army will consider
the reserve component operational force cost as an area to examine for accepting risk.
The Army currently has a binary concept of an operational force; the reserve component
is either operational or strategic. The Army may move to more of a sliding scale
concept, where the reserve component is resourced to a readiness level based on short
term needs. The level of desired readiness constantly adjusts as operational forecasts
adjust. The Army estimates it will cost $24-28 billion dollars, over the Future years Defense Program (FYDP), to transform the Army reserve components to an operational force by 2017. From 2001 to 2008 the ARNG training strategy was resourced to produce units at the platoon level of proficiency, prior to mobilization. The costs associated with bringing units to the company level of proficiency are reflected in the transition to an operational force costs. The table below details these cost estimates, which are program year costs in addition to the current program for Army reserve components.

<table>
<thead>
<tr>
<th>Table 2: Cost Estimates to Transition the Reserve Components to an Operational Force</th>
<th>Dollars in millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost category</td>
<td>2008 Army cost estimate.</td>
</tr>
<tr>
<td>Pre- and postmobilization validation and training support</td>
<td>0 to 481</td>
</tr>
<tr>
<td>Installation support</td>
<td>0 to 144</td>
</tr>
<tr>
<td>Predeployment training equipment, new equipment training, second-destination transportation</td>
<td>4</td>
</tr>
<tr>
<td>Recruiting and retention</td>
<td>563</td>
</tr>
<tr>
<td>Medical readiness</td>
<td>147</td>
</tr>
<tr>
<td>Unit validation tracking system</td>
<td>5</td>
</tr>
<tr>
<td>Additional days for generating force</td>
<td>6</td>
</tr>
<tr>
<td>Defense health program for full-time support (100% of requirement)</td>
<td>142</td>
</tr>
<tr>
<td>Full-time support (100% of requirement)</td>
<td>1,996</td>
</tr>
<tr>
<td>Army Reserve homeland defense pilot program (i.e., ready response reserve unit pilot program)</td>
<td>9</td>
</tr>
<tr>
<td>Information technology / secure internet / bandwidth</td>
<td>89</td>
</tr>
<tr>
<td>Premobilization training</td>
<td>349</td>
</tr>
<tr>
<td>Duty military occupational specialty qualification and schoolhouse support</td>
<td>42</td>
</tr>
<tr>
<td>Temporary full-time support</td>
<td>122</td>
</tr>
<tr>
<td>Increase annual training and inactive duty for training</td>
<td>560</td>
</tr>
<tr>
<td>Providing Army community services to reserve components (includes Yellow Ribbon)</td>
<td>31</td>
</tr>
<tr>
<td><strong>Annual total</strong></td>
<td><strong>$4,065 to $4,689</strong></td>
</tr>
<tr>
<td><strong>Total over 6 years</strong></td>
<td><strong>$24,388 to $28,136</strong></td>
</tr>
</tbody>
</table>

These costs were still being studied by the Army at the time of the analysis.

Figure 6 Army RC Operational Force Cost
The ARNG should consider examining the cost of transitioning to an operational force for possible cost savings. By thinking ahead of the Army’s budget decisions the ARNG can influence the eventual decision about where and how to reduce costs, and strategies to mitigate the risk that must be part of reduced resourcing. Failure to plan for reduced resources ultimately shifts the burden of risk to tactical unit commanders and the soldiers they lead; a course of action that is unacceptable.

**Strategies to Consider**

The Army should consider training ARNG CEF units to platoon proficiency during pre-mobilization, instead of company proficiency. This will require a 90 day post mobilization training period for CEF units, if they are mobilized for a contingency operation. Since the base budget already includes resourcing for platoon proficiency, almost all the training costs, per Figure 6 above, will be eliminated. Only the DEF units, the single brigade combat team and the 5,000 soldiers (shared with the USAR) providing enabling capabilities, will still need the costs associated with building company level proficiency. There will be a small degree of strategic risk incurred, as it will take 30 days longer to prepare CEF units for emerging contingencies. To enable the use of CEF units as required, the Army should consider requesting relief from the 12 month mobilization cap for CEF units, or plan to achieve eight months of BOG with CEF units. Either course of action has acceptable risk. Since a CEF unit is a contingency force, it is not planned for recurring mobilization; it is just prepared for mobilization if required. Therefore, it is not necessary to protect recurring access with the 12 month mobilization cap. If the 12 month mobilization cap will not be lifted, then a CEF could still respond to a contingency. The deployed unit will either resolve the contingency or give the Army
eight months to plan a strategy to meet the new recurring requirement (which could include elevating future CEFs to DEF status, thereby achieving company proficiency and staying with the 12 month mobilization cap). CEF units used for theater engagements will be employed for extended training periods, possibly up to 60 days. Therefore, their OPTEMO will still be below that required to protect recurring access.

Cost savings with this strategy include the majority of the training budget designed to produce units at company level proficiency, minus the one brigade combat team and 5,000 soldiers in enabling capabilities planned for DEF units. The lines from the Army cost estimate (figure 6) that directly relate to company level proficiency include Pre- and postmobilization training and validation support, Premobilization training, and Increase annual training and inactive duty training. Together these lines include $1.39 billion annually, or $8.34 billion over the FYDP. While estimates of the specific cost savings are dangerous without access to the underlying calculations in the Army’s overall cost estimate, it is safe to assume that this strategy would yield significant cost savings. This course of action entails a strategic risk by increasing the amount of time contingency forces will need to respond to a contingency.

The ARNG should consider institutionalizing horizontal equipping solutions as part of a strategy to reduce equipping costs. Horizontal equipping is the practice of transferring equipping amongst units, so that the units in the upper end of the ARFORGEN cycle are equipped at the expense of units at the lower end of the ARFORGEN cycle. The ARNG currently practices horizontal equipping on an ad hoc, not an institutionalized basis. The Army programmed a $37 billion dollar equipping plan to bring the Army National Guard from its current level of 65% equipping to 90%
equipped by 2019.26 The will greatly reduce, but not eliminate, the need to practice horizontal equipping. In a resource constrained environment, it may be the least worse choice to reduce or extend the equipment buy in order to preserve other resources more vital to readiness. The ARNG can refine the minimum necessary equipping level by calculating the equipping level necessary to enable state directed civil support missions, along with appropriate equipping to enable ARFORGEN driven training and availability.

ARNG units must maintain the capability to perform state directed civil support missions throughout the ARFORGEN cycle. However, ARNG units do not need to be fully equipped to maintain the requisite civil support capability. Army units are equipped in accordance with their MTOE. An MTOE is developed to organize and equip a unit to perform its core mission or function. As FM 3-28, Civil Support Operations, states, “Although not the primary purpose for which the Army is organized, trained, and equipped, civil support are a vital aspect of the Army’s service to the nation.”27 Therefore, equipping standards as defined by a unit MTOE do not directly correlate to civil support capability. An acceptable level of equipping for civil support missions can be determined by past performance. The ARNG currently provides acceptable civil support while equipped to 65% of its MTOE requirement.

ARFORGEN driven training and availability equipping requirements rise as the echelon of collective training rises through the ARFORGEN cycle (refer to figure 3). Units achieve Individual, Crew, and Squad (I/C/S) proficiency in ARFORGEN years 1-3. The historic 65% equipping level is sufficient to achieve this, as past performance demonstrates. Units achieve platoon proficiency in year four, followed by company
proficiency in year five. Even if training goals are adjusted downward, for CEF units, as a cost savings measure, CEF units will still need to maintain platoon proficiency in year five. Therefore, to enable platoon level training proficiency, which includes company level exercises to fully train subordinate platoons, years four and five require near 100% equipping for both CEF and DEF units. Year six, the available year, requires 100% equipping. Since roughly half of the ARNG units are in ARFORGEN years 1-3, and the other half are in ARFORGEN years 4-6, an acceptable equipping level may be calculated by the average of the years, or 83%. Reducing the FYDP target from 90% to 83% yields a rough estimate $27 billion over the FYDP. This will allow for fully capable units in ARFORGEN years 4-6, and civil support capable and I/C/S trained units in ARFORGEN years 1-3.

Reducing the equipping program for the ARNG entails both operational and political risk. The ARNG is underequipped, and a large amount of ARNG equipment is legacy equipment.\textsuperscript{28} Therefore, any reduction in equipment procurement carries with it the risk of reducing the interoperability of the ARNG with the rest of DoD, as well as the tactical risk of equipping soldiers with older, less effective systems. The equipping level of the ARNG was politicized by Secretary Rumsfeld’s famous comment, “You go to war with the Army you have – not the Army you may want....” Therefore, full equipping for the ARNG should still be the long term goal. Given the potential resource shortfalls, it may be prudent to accept, in the short term, minimum sufficient equipping early in the ARFORGEN cycle in order to produce operationally capable units at the end of the ARFORGEN cycle.
The ARNG can garner efficiencies from its FTM manning strategy. The Army cost estimate to transition the reserve components to an operational force include $2 billion a year to fund 100% of the required FTM manning, or $12 billion over the course of the FYDP. In 2011 the ARNG is funded at 70% of its AGR requirement and 68% of its military technician requirement. The ARNG compensates for this rate of resourcing by resourcing Full Time Equivalent (FTE) soldiers to units after they have been alerted. FTE soldiers are in a temporary form of full time support, such as Active Duty for Operational Support or Temporary Technicians. In a resource constrained environment, the ARNG could consider extending both the current resourcing level and mitigation technique. This keeps full time manning at an acceptable level of risk.

The Army does not actually know the full time manning (FTM) requirement for an operational force. The most current FTM manpower studies were published in 1999, prior to the ARNG becoming an Operational Force. Therefore, the scientifically developed requirement for FTM levels for an operational force is an unknown. However, one can postulate that proof is in successful performance. The ARNG has provided trained and ready units while manning the career FTM force at 70% of the 1999 requirement, and augmenting the FTM force with a variable amount of FTE. The ultimate goal should be to reevaluate the FTM requirement, and then resource the FTM force to 100% of the requirement. An austerity strategy is necessary to sustain capability during the global financial crisis.

Maintaining the 70% FTM force, while augmenting sourced units, is an acceptable level of risk in the near term, based on past success. Cutting the FTM force without an understanding of FTM requirements for an Operational Force entails
accepting an unknown level of military risk, and is therefore an unacceptable strategy. Since funding the FTM program to 100% of the current requirement will cost roughly $2 billion a year (see Figure 6), funding the FTM requirement at 70% will save roughly $600 million a year. Since funding the additional 30% FTEs would be based on specific wartime requirements, this cost can be pushed out of the base budget and into Overseas Contingency Operations funding. This “pay as you go” strategy will not save money if demand remains at or beyond sustainable capacity. However, as demand falls, as indicated in figures 4 and 5, costs will fall with it.

**Conclusion**

The ARNG is likely to be faced with the problem of sustaining an operational force capability with a much smaller budget. Budget reductions during wartime present leadership choices that range from bad to least bad. The ARNG leadership will not get the luxury of a “good” choice. The ARNG strategy to navigate this operational environment should consider where it can assume risk to maintain an operational force capability. It is under these conditions that the ARNG leadership may consider the “least bad” recommendations that follow.

The ARNG leadership could consider accepting risk in three areas. The ARNG could assume risk in reduced readiness for CEF units, requiring 90 days of postmobilization training instead of the current 60 training period. The course of action carries a strategic risk, as it increases the time required to respond to any contingency. The ARNG could assume risk by reducing, but still continuing, the equipment procurement planned for 2008-2017. This course of action carries both an operational and political risk. Operationally, if the equipment modernization is reduced, ARNG units
will have less, or different, capability than like type Regular Army units. Oversight mechanisms will need to ensure that ARNG units are at least interoperable with the Regular Army. Since ARNG equipment modernization became a politicized issue during Secretary Rumsfeld’s tenure, any reduction or deferment of the published plan has the potential to become politicized again. Finally, the ARNG leadership could consider delaying the AGR ramp to 100% of the requirement. The ARNG could sustain its current FTM strategy of a 70% AGR and 68% of military technician authorizations, rounded up by FTE as units approach mobilization.

These cost savings may carry hidden long term costs, and bring additional risks that range from the strategic to the tactical. Therefore, this paper merely serves as the springboard for additional thought and study. What is certain is that our soldiers and our nation deserve leadership that does not shy from hard choices. The current economic environment cannot fail to affect public budgets. The nature of our current wars requires long term commitments from the U.S. military. The only sure path to success lies in facing difficult choices with courage and leadership.

Endnotes

1 GEN Craig R, McKinley, address to the National Guard Association of the United States, Nashville, TN, September 11, 2009.


6 Dr. Dallas Owens, email to author and several other RC students, Subject: FW: AC/RC Community of Interest Update, November 2, 2010.


15 Mr. Dan Golden, Collective Training Manager, ARNG, interview by author, 8 December 2010.


19 In this context, “surge” means a rotation rate faster than the desired 1:3 AC and 1:5 RC sustainable, or steady state, goals. It is not to be confused with the “Surge” strategy employed in Iraq and Afghanistan. These concepts do have a direct relation, as increased deployments as part of a theater strategy do accelerate the OPTEMPO on the force.

21 Assistant Secretary of the Army for Manpower and Reserve Affairs, Thomas Lamont, speech to the AUSA, 26 Oct 2010.


25 Ibid.


