

September 2006

# FORCE STRUCTURE

## Army Needs to Provide DOD and Congress More Visibility Regarding Modular Force Capabilities and Implementation Plans





Highlights of [GAO-06-745](#), a report to congressional committees

## Why GAO Did This Study

The Army considers its modular force transformation its most extensive restructuring since World War II. Restructuring units from a division-based force to a modular brigade-based force will require an investment of over \$52 billion, including \$41 billion for equipment, from fiscal year 2005 through fiscal year 2011, according to the Army.

Because of broad congressional interest in this initiative, GAO prepared this report under the Comptroller General's authority and assessed (1) the Army's progress and plans for equipping modular combat brigades, (2) progress made and challenges to managing personnel requirements of the modular force, and (3) the extent to which the Army has developed an approach for assessing the results of its modular conversions and the need for further changes to designs or implementation plans.

## What GAO Recommends

GAO recommends that the Army develop and submit to Congress information about its modular force equipping strategy, personnel initiatives, and plans for assessing implementation progress. DOD generally agreed with three recommendations but disagreed to develop and provide to Congress risk assessments and evaluation plans. GAO added a matter for congressional consideration because it believes these actions are needed to improve accountability and transparency.

[www.gao.gov/cgi-bin/getrpt?GAO-06-745](http://www.gao.gov/cgi-bin/getrpt?GAO-06-745).

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

## FORCE STRUCTURE

# Army Needs to Provide DOD and Congress More Visibility Regarding Modular Force Capabilities and Implementation Plans

## What GAO Found

The Army is making progress in creating active and National Guard modular combat brigades while fully engaged in ongoing operations, but it is not meeting its equipping goals for active brigades and has not completed development of an equipping strategy for its new force rotation model. This raises uncertainty about the levels to which the modular brigades will be equipped both in the near and longer term as well as the ultimate equipping cost. The Army plans to employ a force rotation model in which units nearing deployment would receive required levels of equipment while nondeploying units would be maintained at lower readiness levels. However, because the Army has not completed key details of the equipping strategy—such as defining the specific equipping requirements for units in various phases of its force rotation model—it is unclear what level of equipment units will have, how this strategy may affect the Army's equipment funding plans, and how well units with low priority for equipment will be able to respond to unforeseen crises.

While the Army has several initiatives under way to meet its modular force personnel requirements in the active component, it faces challenges in achieving its modular restructuring without permanently increasing its active component end strength above 482,400, as specified by the 2006 Quadrennial Defense Review. The Army plans to increase its active combat force but doing so without permanently increasing its overall active end strength will require the Army to eliminate or realign many positions in its noncombat force. The Army has made some progress in reducing military personnel in noncombat positions by converting some to civilian positions and pursuing other initiatives, but Army officials believe future initiatives may be difficult to achieve and could lead to difficult trade-offs. Without information on the progress of these initiatives and what risks exist if the Army's goals are not met, Congress and the Secretary of Defense lack the information they need to understand challenges and risks.

Finally, the Army does not have a comprehensive and transparent approach to measure progress against its modularity objectives, assess the need for further changes to modular designs, and monitor implementation plans. While GAO and DOD have identified the importance of establishing objectives that can be translated into measurable metrics that in turn provide accountability for results, the Army has not established outcome-related metrics linked to most of its modularity objectives. Further, although the Army is analyzing lessons learned from Iraq and training events, the Army does not have a long-term comprehensive plan for further analysis and testing of its modular combat brigade designs and fielded capabilities. Without performance metrics and a comprehensive testing plan, neither the Secretary of Defense nor Congress will have full visibility into how the modular force is currently organized, staffed, and equipped. As a result, decision makers lack sufficient information to assess the capabilities, cost, and risks of the Army's modular force implementation plans.

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Washington, DC 20548

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### Congressional Committees

In 2004, the Army began its modular force transformation to restructure itself from a division-based force to a modular brigade-based force—an undertaking it considers the most extensive reorganization of its force since World War II. This initiative, according to Army estimates, will require a significant investment exceeding \$52 billion through fiscal year 2011, at a time when the Army is fully engaged in a high pace of operations and is facing many other demands for funding such as the Future Combat System program, now expected to cost over \$160 billion.<sup>1</sup> The foundation of the modular force is the creation of standardized modular combat brigades in both the active component and National Guard. The new modular brigades are designed to be stand-alone, self-sufficient units that are more rapidly deployable and better able to conduct joint and expeditionary operations than their larger division-based predecessors. The Army plans to achieve its modular restructuring without permanently increasing its active component end strength above 482,400, in accordance with a Department of Defense (DOD) decision reached during the 2006 Quadrennial Defense Review (QDR). It plans to achieve this primarily by eliminating some noncombat positions in which military personnel currently serve, and transferring these positions to its operational combat forces.<sup>2</sup> The February 2006 QDR also specified that the Army would create 70 modular combat brigades in its active component and National Guard. This represents a 7-brigade reduction from the Army's original plan of having 77 modular combat brigades. However, according to Army officials, resources from the 7 brigades that were part of the original plan will be used to increase support units in the reserve component, and DOD officials believe that 70 brigades will be sufficient to execute the defense strategy.

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<sup>1</sup> The Future Combat System (FCS) is a family of weapons and other systems including manned and unmanned ground vehicles, air vehicles, sensors, and munitions linked by an information network. The FCS cost estimate is in then-year dollars as of January 2006.

<sup>2</sup> Army personnel assigned to noncombat positions provide management, administrative, training, and other support. Operational combat forces include personnel assigned to the Army's combat, combat support, and combat service support units.

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Because of the cost and magnitude of the Army's transformation plans, and broad congressional interest, we have initiated a body of work on both the force structure and cost implications of the Army's transformation to a modular force under the Comptroller General's statutory authority. We presented our preliminary observations on the Army's plan in a March 2005 hearing before the Subcommittee on Tactical Air and Land Forces, House Committee on Armed Services.<sup>3</sup> In our September 2005 report on the cost of the modular force conversion, we reported that the Army's \$48 billion total modular force conversion cost estimate was evolving and included uncertainties that may drive costs higher. We recommended that the Army clarify its definition of modular force costs including equipment costs, which constituted \$41 billion of the \$48 billion estimate.<sup>4</sup> In our April 2006 testimony before the Subcommittee on Tactical Air and Land Forces, House Committee on Armed Services, we observed that the Army's cost estimate through fiscal year 2011 had increased from the earlier \$48 billion estimate to \$52.5 billion, and that the Army faces significant challenges in executing its modularity plans to fully achieve planned capabilities within this current estimate and the time frames it has established for the modular conversion.<sup>5</sup> This report focuses on the Army's plans for implementing the modular force initiatives, with an emphasis on active combat brigades, since the Army has already begun to restructure its active divisions to the new brigade-based designs.

We are sending this report to you because of your oversight responsibilities on defense matters. Specifically for this report we assessed (1) the Army's progress and plans for equipping modular combat brigades, (2) progress made and challenges to managing personnel requirements of the modular force, and (3) the extent to which the Army has developed an approach for assessing the results of the modular conversions and for further adjusting designs or implementation plans.

To assess the Army's progress and plans for equipping active component modular combat brigades, we analyzed Department of Army data on selected equipment that the Army identified as essential for achieving the

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<sup>3</sup> GAO, *Force Structure: Preliminary Observations on Army Plans to Implement and Fund Modular Forces*, [GAO-05-443T](#) (Washington, D.C.: Mar. 16, 2005).

<sup>4</sup> GAO, *Force Structure: Actions Needed to Improve Estimates and Oversight of Costs for Transforming Army to a Modular Force*, [GAO-05-926](#) (Washington, D.C.: Sep. 29, 2005).

<sup>5</sup> GAO, *Force Structure: Capabilities and Cost of Army Modular Force Remain Uncertain*, [GAO-06-548T](#) (Washington, D.C.: Apr. 4, 2006).

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modular combat brigades' intended capabilities. For these selected items, we analyzed the Army's active component equipment requirements obtained from the Department of the Army Office of the Deputy Chief of Staff for Operations and Training for each of the three brigade variants— heavy, light, and Stryker. We compared the equipment requirements of the brigades to data we obtained from officials from the Department of the Army Deputy Chief of Staff G-8<sup>6</sup> on the levels of equipment expected to be on hand in 2007 and discussed plans for meeting key equipment requirements with these officials. We also reviewed unit readiness reports from those brigades that had completed or were in the process of completing their modular conversion as of February 2006. In addition, we visited the first three Army divisions undergoing modular conversions to obtain information on the plans for organizing, staffing, and equipping the modular brigades. To assess progress made and challenges to managing personnel requirements of the modular force, we reviewed documents and discussed the implications of force structure requirements with officials from the Department of Army Offices of the Deputy Chiefs of Staff for Personnel, Intelligence, and Operations and Training, and the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs. We also reviewed the 2006 *Quadrennial Defense Review* (QDR) Report. Finally, to assess the extent to which the Army has developed an approach for assessing the results of the modular conversions and for further adjusting designs or implementation plans, we examined key Army planning documents and discussed objectives, performance metrics, and testing plans with officials in the Department of the Army Office of the Deputy Chief of Staff for Operations and Training, and the Training and Doctrine Command. Also, we met with a panel of retired senior Army general officers at the Association of the U.S. Army Institute of Land Warfare. In addition, we relied on our past reports assessing organizations undertaking significant reorganizations. We conducted our work from September 2004 through March 2006 in accordance with generally accepted government auditing standards and determined that the data used were sufficiently reliable for our objectives. The scope and methodology used in our review are described in further detail in appendix I.

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<sup>6</sup> This office is responsible for programming, materiel integration, and management of Department of the Army studies and analyses.

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## Results in Brief

While the Army is well under way in creating active component modular combat brigades, it is not meeting its equipping goals for these brigades and has not yet completed its equipping strategy, which raises considerable uncertainty about the levels to which the modular brigades will be equipped both in the near and longer term and the ultimate equipment cost. The Army established equipping goals in its Campaign Plan in which converting units are expected to receive most of the major equipment items required by the new modular design within specified time frames. However, although the Army is procuring billions of dollars of new equipment required by its new modular design, units undergoing their modular conversions are not meeting these equipping goals due to several factors, including the challenges of undertaking such an extensive restructuring while managing equipment requirements for ongoing operations. In addition, brigades will initially lack planned quantities of items such as communications and surveillance systems necessary to provide the enhanced intelligence, situational awareness, and network capabilities that are essential for creating smaller, more flexible and mobile combat brigades. Moreover, the Army will likely face even greater challenges fully equipping 28 planned National Guard modular combat brigades since National Guard units have historically been underequipped and have transferred large quantities of equipment to deploying units. To mitigate equipment shortages, the Army is developing a force rotation model that will provide varying levels of equipment to brigades depending on how close they are to deployment. However, this strategy is not yet complete because key details have not been decided, including the types and quantities of equipment for brigades in each of the various phases of the model. Until the Army completes the development of its equipping strategy, it will not be possible to determine which units will be equipped, or how this strategy may affect the Army's equipment funding plans. It is also unclear how well units with low priority for equipment will be able to respond to unforeseen crises.

While the Army has several initiatives under way to manage its modular force personnel requirements, it faces significant challenges achieving its modular restructuring without permanently increasing its active component end strength above 482,400, as specified by DOD's 2006 QDR report. The Army plans to increase the size of its modular combat force from 315,000 to 355,000, but doing so without permanently increasing its active component end strength is an ambitious undertaking that will require the Army to eliminate many positions in its noncombat force. Effective strategic workforce planning includes the development of strategies to monitor and evaluate progress towards achieving goals. However, the Army has not provided DOD or Congress with detailed

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information on the status of its various personnel initiatives and progress towards meeting its modular force personnel goals. We found some of the Army's personnel realignment and reduction initiatives may not meet the Army's initial goals or expectations. For example during fiscal year 2005, the Army converted approximately 8,000 military positions to civilian-staffed positions within the Army's noncombat force. However, Army officials believe additional conversions to achieve the 19,000 planned reductions in the noncombat force will be significantly more challenging to achieve. Also, the Army expected that the 2005 Base Realignment and Closure decisions would free up approximately 2,000 to 3,000 positions in the noncombat force, but it is revisiting this assumption based upon updated manpower levels at the commands and installations approved for closure or consolidation. As a result, it is not clear to what extent the Army will be able to meet its modular force requirements within its end-strength goal and what risks exist if these goals are not met. Furthermore, without information on the status and progress of these personnel initiatives, the Secretary of Defense and Congress lack the visibility necessary to assess the challenges and effectively address problems when they arise.

While the Army has established overall objectives and time frames for modularity, it lacks a long-term comprehensive and transparent approach to effectively measure progress against stated modularity objectives, assess the need for further changes to its modular unit designs, and monitor implementation plans. GAO and DOD have identified the importance of establishing objectives that can be translated into measurable metrics, which in turn provide accountability for results. The Army has identified objectives and a timeline for modularity, but metrics for assessing the Army's progress on modularity-specific, quantifiable goals are extremely limited. Moreover, in 2004, the Army's Training and Doctrine Command (TRADOC) conducted a wide-ranging baseline analysis of the modular design using measures of combat effectiveness against simulated threats; however, the Army does not have a long-term plan to conduct a similar analysis so that it can compare the performance of actual modular units with the TRADOC-validated design. Army officials maintain that ongoing assessments such as observations of training events provide sufficient validation that the modularity concept works in practice. However, while these assessments are useful, they do not provide a comprehensive evaluation of the modular design as a whole. In November 2005, we reported that methodically testing, exercising, and evaluating new doctrines and concepts are important and established practices throughout the military, and that particularly large and complex initiatives may require long-term testing and evaluation guided by study

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plans.<sup>7</sup> Without performance metrics and a comprehensive testing plan, neither the Army nor Congress will be able to assess the capabilities of and risks associated with the modular force as it is organized, staffed, and equipped.

We are recommending that the Secretary of Defense direct the Secretary of the Army to develop and provide Congress with detailed information about the modular force equipping strategy, the status of its various personnel initiatives, and plans for developing an approach for measuring and assessing implementation progress. In commenting on a draft of this report, DOD fully or partially agreed with our recommendations to develop and provide information on its equipping strategy and personnel initiatives and to develop expanded performance metrics for assessing progress. However, DOD disagreed with our recommendations to develop and provide assessments of the risk associated with its equipping strategy and plans for staffing its modular operational combat force. It also disagreed with our recommendation to develop a testing plan for further assessing modular unit designs. DOD stated that it is assessing equipment risk and is continuing to evaluate all aspects of modular units' performance on a continuous basis. However, while Army officials are managing risk in allocating currently available equipment to Army units based on scheduled overseas deployments, the Army had not yet completed its equipping strategy for its new force rotation model at the time of our review and therefore had not conducted and documented a formal risk assessment of its equipping plans for implementing the new model. In addition, although the Army is conducting further evaluation of its modular forces through training exercises and modular unit deployments to Iraq and Afghanistan, it has not developed a plan to further test modular unit designs under a range of operational scenarios, such as major offensive combat operations. Moreover, it is not clear how and to what extent the Army is integrating lessons learned from training exercises and deployments into periodic evaluations to assess the need for further changes to the designs. Because of the significance, cost, scope, and potential for risk associated with the Army's modularity initiative along with the lack of transparency regarding these risks, we continue to believe our recommendations that the Army develop and provide Congress with additional plans and risk assessments are needed. Therefore, to

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<sup>7</sup> GAO, *Military Readiness: Navy's Fleet Response Plan Would Benefit from a Comprehensive Management Approach and Rigorous Testing*, [GAO-06-84](#) (Washington, D.C.: Nov. 22, 2005).

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facilitate greater transparency and improve accountability for results, we have included a matter for congressional consideration that Congress require the Secretary of Defense to submit more specific and complete information regarding the modular force equipping strategy, the status of its various personnel initiatives, risks associated with its plans, and efforts to measure and assess its progress in implementing modularity.

DOD's comments are in appendix II and our evaluation of its comments is on page 28.

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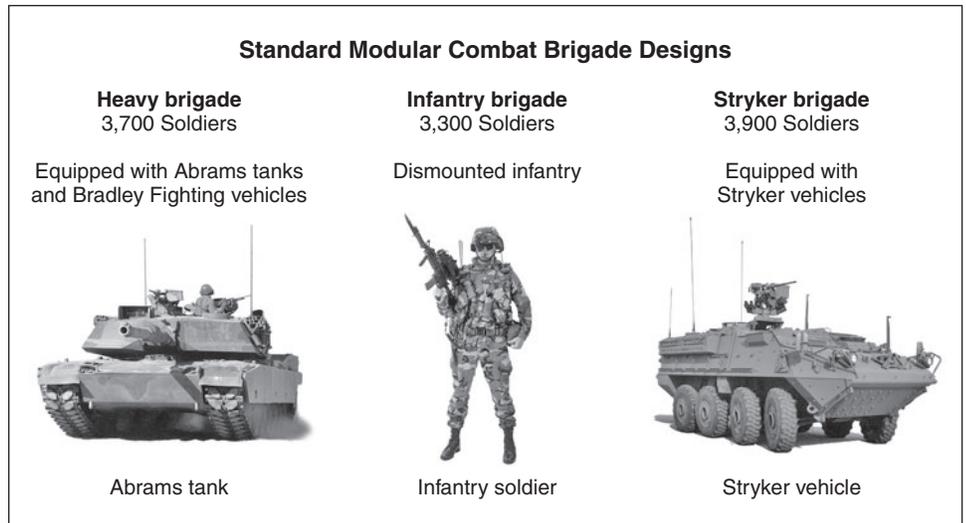
## Background

The Army's conversion to a modular force encompasses the Army's total force—active Army, Army National Guard, and Army Reserve—and directly affects not only the Army's combat units, but related command and support organizations. A key to the Army's new modular force design is embedding within combat brigades reconnaissance, logistics, and other support units that previously made up parts of division-level and higher-level command and support organizations, allowing the brigades to operate independently. Restructuring these units is a major undertaking because it requires more than just the movement of personnel or equipment from one unit to another. The Army's new modular units are designed, equipped, and staffed differently than the units they replace; therefore, successful implementation of this initiative will require changes such as new equipment and a different mix of skills and occupational specialties among Army personnel. By 2011, the Army plans to have reconfigured its total force—to include active and reserve components and headquarters, combat, and support units—into the modular design. The foundation of the modular force is the creation of modular brigade combat teams—combat maneuver brigades that will have a common organizational design and are intended to increase the rotational pool of ready units. Modular combat brigades (depicted in fig. 1) will have one of three standard designs—heavy brigade, infantry brigade, or Stryker brigade.<sup>8</sup>

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<sup>8</sup> The Army began the formation of Stryker brigades in 2002 and completed the formation of the first two Stryker brigades in fiscal year 2003.

**Figure 1: Standard Heavy, Infantry, and Stryker Combat Brigades**



Sources: GAO analysis of Army data; National War College, National War College, and U.S. Army (images left to right).

Until it revised its plans in early 2006, the Army had planned to have a total of 77 active component and National Guard modular combat brigades by expanding the Army’s existing 33 combat brigades in the active component into 43 modular combat brigades by 2007, and by creating 34 modular combat brigades in the National Guard by 2010 from existing brigades and divisions that have historically been equipped well below requirements. To rebalance joint ground force capabilities, the 2006 QDR determined the Army should have a total of 70 modular combat brigades—42 active brigades and 28 National Guard brigades. Table 1 shows the Army’s planned numbers of heavy, infantry, and Stryker combat brigades in the active component and National Guard.

**Table 1: Planned Numbers of Modular Combat Brigades in the Active Component and National Guard as of March 2006**

Modular combat brigades	Active component	National Guard	Total
Heavy	19	6	25
Infantry	17	21	38
Stryker	6	1	7
<b>Total</b>	<b>42</b>	<b>28</b>	<b>70</b>

Source: U.S. Army.

At the time of this report, the Army was in the process of revising its modular combat brigade schedule to convert its active component combat brigades by fiscal year 2010 instead of 2007 as previously planned, and convert National Guard combat brigades by fiscal year 2008 instead of 2010. Table 2 shows the Army's schedule that reflects these changes as of March 2006.

**Table 2: Army Schedule for Creating Active Component and National Guard Modular Combat Brigades as of March 2006**

	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	Total
Active component combat brigades	2	11	8	14	3	2	1	1	42
National Guard combat brigades	—	—	7	7	7	7	—	—	28
<b>Total</b>	<b>2</b>	<b>11</b>	<b>15</b>	<b>21</b>	<b>10</b>	<b>9</b>	<b>1</b>	<b>1</b>	<b>70</b>

Source: GAO analysis of Army data.

According to the Army, this larger pool of available combat units will enable it to generate both active and reserve component forces in a rotational manner. To do this, the Army is developing plans for a force rotation model in which units will rotate through a structured progression of increased unit readiness over time. Units will progress through three phases of operational readiness cycles, culminating in full mission readiness and availability to deploy. For example, the Army plans for active service members to be at home for 2 years following each deployment of up to 1 year.

The Army's objective is for the new modular combat brigades, which will include about 3,000 to 4,000 personnel, to have at least the same combat capability as a brigade under the current division-based force, which range from 3,000 to 5,000 personnel. Since there will be more combat brigades in the force, the Army believes its overall combat capability will be increased as a result of the restructuring, providing added value to combatant commanders. Although somewhat smaller in size, the new modular combat brigades are expected to be as capable as the Army's existing brigades because they will have different equipment, such as advanced communications and surveillance equipment, and a different mix of personnel and support assets. The Army's organizational designs for the modular brigades have been tested by its Training and Doctrine Command's Analysis Center against a variety of scenarios, and the Army has found the new designs to be as capable as the existing division-based brigades in modeling and simulations.

The Army's cost estimate for modularity through fiscal year 2011 is \$52.5 billion as of April 2006. Of this \$52.5 billion estimate, \$41 billion, or 78 percent, is planned to be spent on equipment for active and reserve units, with the remaining \$11.5 billion allocated to military construction, facilities, sustainment, and training (see table 3). In addition, Army leaders have recently stated they may seek additional funds after 2011 to procure more equipment for modular restructuring.

**Table 3: Modular Force Cost Estimates for the Entire Army by Function**

Dollars in billions									
	2005	2006	2007	2008	2009	2010	2011	Total	Percentage
Equipping	\$4.7	\$5.8	\$5.4	\$5.9	\$6.5	\$6.7	\$6.0	\$41.0	78
Military construction/ facilities	0.3	0.0	0.5	0.5	1.5	1.5	1.5	5.8	11
Sustainment and training	0.0	0.7	0.7	1.2	1.1	1.0	1.0	5.7	11
<b>Total</b>	<b>\$5.0</b>	<b>\$6.5</b>	<b>\$6.6</b>	<b>\$7.6</b>	<b>\$9.1</b>	<b>\$9.2</b>	<b>\$8.5</b>	<b>\$52.5</b>	<b>100</b>

Source: GAO analysis of Army data.

## Army Is Well Under Way in Its Modular Combat Brigade Conversions, but Its Ability to Meet Near- and Long-Term Equipping Goals Is Unclear

The Army has made progress in creating active component modular combat brigades, but it is not meeting its equipping goals for these brigades and has yet to complete the development of its rotational equipping strategy, which raises concerns about the extent to which brigades will be equipped in the near and longer term. Moreover, brigades will initially lack planned levels of key equipment, including items that provide enhanced intelligence, situational awareness, and network capabilities needed to help the Army achieve its objective of creating combat brigades that are able to operate on their own as part of a more mobile, rapidly deployable, joint, expeditionary force. In addition, because of existing equipment shortages, the Army National Guard will likely face even greater challenges providing the same types of equipment for its 28 planned modular combat brigades. To mitigate equipment shortages, the Army has developed a strategy to provide required levels of equipment to deploying active component and National Guard units, while allocating lesser levels of remaining equipment to other nondeploying units. However, the Army has not yet completed key details of this strategy, including determining the levels of equipment it needs to support this strategy, assessing the operational risk of not fully equipping all units, or providing to Congress information about these plans so it can assess the Army's current and long-term equipment requirements and funding plans.

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## Army Faces Difficulty Meeting Its Goals for Equipping Active Modular Combat Brigades

The Army faces challenges meeting its equipping goals for its active modular combat brigades both in the near and longer term. As of February 2006, the Army had converted 19 modular combat brigades in the active force.<sup>9</sup> According to the Army Campaign Plan, which established time frames and goals for the modular force conversions, each of these units is expected to have on hand at least 90 percent of its required major equipment items within 180 days after its new equipment requirements become effective.<sup>10</sup> We reviewed data from several active brigades that had reached the effective date for their new equipment requirements by February 2006, and found that all of these brigades reported significant shortages of equipment 180 days after the effective date of their new equipment requirements, falling well below the equipment goals the Army established in its Campaign Plan. Additionally, the Army is having difficulty providing equipment to units undergoing their modular conversion in time for training prior to operational deployments, and deploying units often do not receive some of their equipment until after their arrival in theater. At the time of our visits, officials from three Army divisions undergoing modular conversion expressed concern over the lack of key equipment needed for training prior to deployment.

The Army already faced equipment shortages before it began its modular force transformation and is wearing out significant quantities of equipment in Iraq, which could complicate plans for fully equipping new modular units. By creating modular combat brigades with standardized designs and equipment requirements, the Army believed that it could utilize more of its total force, thereby increasing the pool of available and ready forces to meet the demands of sustained rotations and better respond to an expected state of continuous operations. Also, by comparably equipping all of these units across the active component and National Guard, the Army further believes it will be able to discontinue its practice of allocating limited resources, including equipment, based on a system of

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<sup>9</sup> This number does not include the formation of two Stryker brigades in fiscal year 2003.

<sup>10</sup> The Army defines this in its Campaign Plan as the effective date on which the new modular organizational designs' equipment requirements formally apply to converting brigades. The Army calls this a Modified Table of Organization and Equipment, which documents the specific types and amounts of equipment Army units are authorized to have.

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tiered readiness,<sup>11</sup> which resulted in lower priority units in both active and reserve components having significantly lower levels of equipment and readiness than the higher priority units. However, because of the need to establish a larger pool of available forces to meet the current high pace of operational commitments, the Army's modular combat brigade conversion schedule is outpacing the planned acquisition or funding for some equipment requirements. The Army has acknowledged that funding does not match its modular conversion schedule and that some units will face equipment shortages in the early years of transformation. According to Army officials, the Army may continue to seek funding to better equip its modular forces beyond 2011.

For example, according to Army officials, funds programmed for the Army's tactical wheeled vehicle modernization strategy will not meet all of its requirements for light, medium, and heavy tactical vehicles and trucks through fiscal year 2011. In 2007, when 38 of 42 planned active component brigades are expected to complete their modular conversions, the Army expects to have only about 62 percent of the heavy trucks it needs to meet its requirements for these brigades.<sup>12</sup> New higher requirements for trucks for the modular brigades added to an existing shortage of trucks in the Army's inventory. In addition, battle damage and losses along with higher-than-normal wear and tear on Army vehicles from current operations in Iraq and Afghanistan are contributing to this shortfall. While the Army plans to eventually fill these shortages through a combination of new procurement and modernization of its existing truck fleet, Army officials told us that the higher requirement for trucks is currently unaffordable within its near-term budget authority. Until the Army is able to meet its modular combat brigade design requirement for trucks, these brigades will not have their envisioned capability to conduct their own logistical support operations if necessary without requiring the augmentation of external combat and combat-service support forces.

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<sup>11</sup> Under this model, which the Army calls its tiered readiness system, high-priority or first-to-deploy units in the active component received much higher levels of resources than lower priority or later-deploying active and reserve component units. While some units maintained high levels of readiness, a large part of both the active and reserve components were in a low state of readiness, with the expectation that there would be sufficient time to add the required resources prior to deployment.

<sup>12</sup> At the time of this report, the Army was in the process of revising its equipment requirements based on the planned reduction in the number of modular combat brigades from 43 to 42 in the active component.

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## Equipment Shortages Include Key Items the Army Identified as Essential for Achieving Modular Force Capabilities

Active modular combat brigades will initially lack required numbers of some of the key equipment that Army force design analyses determined essential for achieving their planned capabilities. Two primary objectives underlying the Army's modular force designs and concepts are to (1) create more combat forces within the Army's current end strength that are as lethal as the division-based brigades they are replacing and (2) organize, staff, and equip these units to be more responsive, rapidly deployable, and better able to operate on their own compared to division-based brigades. Army force designers identified a number of key organizational, personnel, and equipment enablers they determined must be present for the modular combat brigades to be as lethal as the division-based brigades they are replacing. They include key battle command systems that are intended to provide modular combat brigades the latest command and control technology for improved situational awareness; advanced digital communications systems to provide secure high-speed communications links at the brigade level; and advanced sensors to provide modular combat brigades with their own intelligence-gathering, reconnaissance, and target-acquisition capabilities.

We reviewed equipping plans for several command and control, communications, and reconnaissance systems to determine the Army's timelines for providing active modular combat brigades some of the key equipment they need to achieve their planned capabilities and function as designed. According to Army officials responsible for managing the distribution and fielding of equipment, the Army will not have all of this equipment on hand to meet the new modular force design requirements by 2007, when 38 of 42 active component modular combat brigades are to complete their modular conversions. These shortfalls are due to a range of reasons, but primarily because the modular conversion schedule is outpacing the planned acquisition or funding. For example,

- The Army does not expect to meet until at least 2012 its modular combat brigade requirements for Long-Range Advanced Scout Surveillance Systems, an advanced visual sensor that provides long-range surveillance capability to detect, recognize, and identify distant targets.
- The Army decided that it cannot meet design requirements within its current budget for Force XXI Battle Command Brigade and Below (FBCB2), a battle command component that provides real-time situational awareness information through identification and tracking of friendly forces to control battlefield maneuvers and operations. Moreover, because it has been in full production for less than 2 years, FBCB2 production has not kept pace with the new higher modular force FBCB2 requirements. As

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a result, the Army plans to provide active heavy and infantry brigades with less than half of their design requirement for FBCB2 through at least 2007.

- The Army plans to meet only 85 percent of its requirements across the force for Single Channel Ground and Airborne Radio Systems, a command and control network radio system that provides voice and data communications capability in support of command and control operations, due to a funding decision.
- The Army's design requirement for Shadow tactical unmanned aerial vehicle systems was to have one system composed of seven air vehicles per modular combat brigade, but because the Army lacks adequate numbers of air vehicle operators and maintainers, it decided to field the Shadow systems with four air vehicles instead.
- The Army's schedule for the acquisition of Joint Network Node—a key communications system that provides secure high-speed computer network connection for data transmission down to the battalion level—could be delayed. According to Army officials, DOD recently decided to require the Army to have Joint Network Node undergo developmental and operational testing prior to further acquisition, which could delay equipping modular combat brigades.

The systems discussed above are key to achieving the benefits Army officials expect to achieve with a modular force. For example, the Army decided to structure its new modular combat brigades with two maneuver battalions each instead of three battalions each, even though Army analysis showed that brigades with three maneuver battalions have several advantages and the Army's former division-based brigades have three battalions. The Army's decision to approve a brigade design with two maneuver battalions was made largely because of affordability concerns. However, the Army determined that brigades with two maneuver battalions could be as effective in combat as its division-based brigades provided they have the right mix of maneuver companies and enablers such as the systems discussed above. Until the Army is able to provide modular units with required quantities of these enablers, it is not clear whether the new brigades are as capable as the division-based brigades they are replacing.

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## National Guard Faces Significant Equipping Challenges

In addition to the challenges the Army faces in providing active component modular combat brigades the equipment necessary for meeting expected capabilities, the Army will face greater challenges meeting its equipping requirements for its 28 planned National Guard combat brigades. The Army's modular force concept is intended to transform the National Guard from a strategic standby force to a force that is to be

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organized, staffed, and equipped comparable to active units for involvement in the full range of overseas operations. As such, National Guard combat units will enter into the Army's new force rotational model in which, according to the Army's plans, Guard units would be available for deployment 1 year out of 6 years. However, Guard units have previously been equipped at less than wartime readiness levels (often at 65 to 75 percent of requirements) under the assumption that there would be sufficient time for Guard forces to obtain additional equipment prior to deployment. Moreover, as of July 2005, the Army National Guard had transferred more than 101,000 pieces of equipment from nondeploying units to support Guard units' deployments overseas. As we noted in our 2005 report on National Guard equipment readiness,<sup>13</sup> National Guard Bureau officials estimated that the Guard's nondeployed units had only about 34 percent of their essential warfighting equipment as of July 2005 and had exhausted inventories of 220 critical items. Although the Army says it will invest \$21 billion into equipping and modernizing the Guard through 2011, Guard units will start their modular conversions with less and much older equipment than most active units. This will add to the challenge the Army faces in achieving its plans and timelines for equipping Guard units at comparable levels to active units and fully meeting the equipping needs across both components. Moreover, the Army National Guard believes that even after the Army's planned investment, the Army National Guard will have to accept risk in certain equipment, such as tactical wheeled vehicles, aircraft, and force protection equipment.

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### To Mitigate Equipment Shortages, Army Plans to Rotate Equipment among Units Based on Their Movement through Training, Readiness, and Deployment Phases

Because the Army realized that it would not have enough equipment in the near term to simultaneously equip modular combat brigades at 100 percent of their requirements, the Army is developing a new equipping strategy as part of its force rotation model; however, this strategy is not yet completed because the Army has not finalized equipping requirements for this new strategy or assessed the operational risk of not fully equipping all units. Under the force rotation model, the Army plans to provide increasing amounts of equipment to units as they move through training phases and near readiness for potential deployment so they would be ready to respond quickly if needed with fully equipped forces. The Army believes that over time, equipping units in a rotational manner will enable it to

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<sup>13</sup> GAO, *Reserve Forces: Plans Needed to Improve Army National Guard Equipment Readiness and Better Integrate Guard into Army Force Transformation Initiatives*, [GAO-06-111](#) (Washington, D.C.: Oct. 4, 2005).

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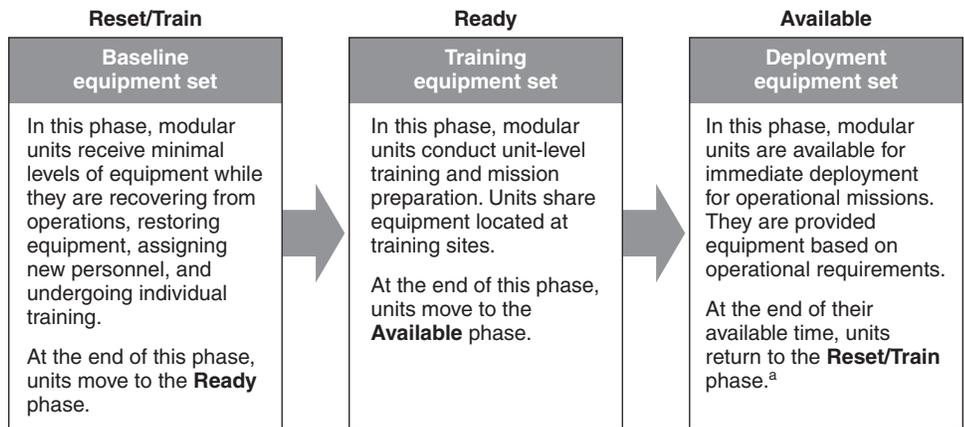
better allocate available equipment and help manage risk associated with specific equipment shortages.

Under this strategy, brigades will have three types of equipment sets—a baseline set, a training set, and a deployment set. The baseline set would vary by unit type and assigned mission and the equipment it includes could be significantly reduced from amounts the modular brigades are designed to have. Training sets would include more of the equipment units will need to be ready for deployment, but units would share the equipment that would be located at training sites throughout the country. The deployment set would include all equipment needed for deployment, including theater-specific equipment, high-priority items provided through operational needs statements, and equipment from Army prepositioned stock. With this rotational equipping approach, the Army believes it can have up to 14 active combat brigades and up to 5 Army National Guard combat brigades equipped and mission ready at any given time.

While the Army has developed a general proposal to equip both active and Army National Guard units within the force rotation model, it has not yet fully developed specific equipment requirements, including the types and quantities of items, required in each phase of the model. As of March 2006, the Army was still developing proposals for what would be included in the three equipment sets as well as the specific equipping requirements for units. Figure 2 shows the Army's three-phase force rotation model.

**Figure 2: Army's Force Rotation Model**

**Force rotation and equipping phases**



Source: GAO analysis of Army data.

<sup>a</sup>The Army's force rotation model proposes that active component units in the Available phase will be available for deployment 1 year in every 3 years, and reserve component units will be available for deployment 1 year in every 6 years.

The Reset/Train phase will include modular units that redeploy from long-term operations and are unable to sustain ready or available capability levels. The Ready phase will include those modular units that have been assessed as ready at designated capability levels, may be mobilized if required, and can be equipped if necessary to meet operational surge requirements. The Available phase will include those modular units that have been assessed as available at designated capability levels to conduct missions. In this last phase, active units are available for immediate deployment and reserve component units are available for mobilization, training, and validation for deployment. However, this strategy is not yet complete because the Army has not yet defined specific equipping requirements for units as they progress through the force rotation model. Therefore, it is difficult to assess the risk associated with decreasing nondeploying units' readiness to perform other missions or the ability of units in the Reset/Train and Ready phases of the force rotation model to respond to an unforeseen conflict or crisis, if required.

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## Army Faces Challenges in Managing Active Component Personnel Requirements for Its New Modular Force Structure

The Army has made some progress toward meeting modular personnel requirements in the active component, but faces significant challenges in achieving its modular restructuring without permanently increasing its active component end strength above 482,400, as specified by the QDR. The Army plans to increase the size of its modular combat force but doing so without permanently increasing its overall end strength is an ambitious undertaking that will require the Army to eliminate or realign many positions in its noncombat force. While the Army is moving forward with its personnel reduction and realignment plans through a variety of initiatives, it is not clear to what extent the Army will be able to meet its overall end-strength goals and what risks to meeting modular force personnel requirements exist if these goals are not met. We have found that strategic workforce planning is one of the tools that can help agencies develop strategies for effectively implementing challenging initiatives. Effective strategic workforce planning includes the development of strategies to monitor and evaluate progress towards achieving goals. Without information on the status and progress of its personnel initiatives, Congress and the Secretary of Defense lack the data necessary to identify challenges, monitor progress, and effectively address problems when they arise.

The Army accounts for its congressionally authorized active component personnel end strength in three broad categories—the operational combat force, the institutional noncombat force, and personnel who are temporarily unavailable for assignment. The operational combat force consists of personnel who are assigned to deployable combat, combat support, and combat service support units; these include modular combat brigades and their supporting units such as logistics, medical, and administrative units. The Army’s institutional noncombat force consists of personnel assigned to support and training command and headquarters units, which primarily provide management, administrative, training, and other support, and typically are not deployed for combat operations. This includes personnel assigned to the Department of the Army headquarters and major commands such as the Training and Doctrine Command. In addition, the Army separately accounts for personnel who are temporarily unavailable for their official duties, including personnel who are in transit between assignments, are temporarily not available for assignment because of sickness or injury, or are students undergoing training away from their units. The Army refers to these personnel as transients, transfers, holdees, and students.

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The Army plans to reduce its current temporary end-strength authorization of 512,400<sup>14</sup> to 482,400 by 2011 in order to help fund the Army's priority programs. Simultaneously, the Army plans to increase the number of soldiers in its operational combat force from its previous level of approximately 315,000 to 355,000 in order to meet the increased personnel requirements of its new larger modular force structure. The Army plans to utilize several initiatives to reduce and realign the Army with the aim of meeting these planned personnel levels. For example, the Army has converted some noncombat military positions into civilian positions, thereby freeing up soldiers to fill modular combat brigades' requirements. During fiscal year 2005, the Army converted approximately 8,000 military positions to civilian-staffed positions within the Army's noncombat force. However, Army officials believe additional conversions to achieve the 19,000 planned reductions in the noncombat force will be significantly more challenging to achieve. In addition to its success with the military-to-civilian conversions, the Army has been given statutory authority to reduce active personnel support to the National Guard and reserve by 1,500.<sup>15</sup> However, the Army must still eliminate additional positions, including reducing transients, transfers, holdees, and student personnel utilizing these and other initiatives, so it can reduce its overall end strength while filling requirements for modular units. As shown in table 4, the Army's goal is to reduce overall active component end strength from the current temporary authorization level while increasing the size of its operational combat force.

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<sup>14</sup> The National Defense Authorization Act for Fiscal Year 2006, Pub. L. No. 109-163, § 401 (2006), sets the end-strength level for the Army at 512,400, but stipulates costs of active duty personnel of the Army for that fiscal year in excess of 482,400 shall be paid out of funds authorized to be appropriated for that fiscal year for a contingent emergency reserve fund or as an emergency supplemental appropriation.

<sup>15</sup> The Ronald W. Reagan National Defense Authorization Act for Fiscal Year 2005, Pub. L. No. 108-375, § 515 (2004) reduces the minimum number of active component advisors required to be assigned to units of the selected reserve from 5,000 to 3,500.

**Table 4: Army's End-strength Authorization History and Modular Force Goal**

	End-strength authorizations (in thousands)		
	Fiscal year 2000	Current (temporary)	Modular force goal
Operational combat force	315.0	355.0	355.0
Noncombat force	102.0	94.0	75.0
Other (transients, transfers, holdees, students)	63.0	63.4	52.4
<b>Total</b>	<b>480.0</b>	<b>512.4</b>	<b>482.4</b>

Source: GAO analysis of Army data.

Note: End-strength authorizations account for the maximum numbers of positions available in which to assign personnel, but do not account for the numbers of personnel actually assigned to those positions.

While the Army is attempting to reduce end strength in its noncombat force and realign positions to the combat force via several initiatives, it may have difficulty meeting its expectations for some initiatives. For example, the Army expected that the Base Realignment and Closure (BRAC) decisions of 2005 could free up approximately 2,000 to 3,000 positions in its noncombat force, but the Army is revisiting this assumption based upon updated manpower levels at the commands and installations approved for closure and consolidation. Army officials believe they will be able to realign some positions from BRAC, but it is not clear whether the reductions will free up 2,000 to 3,000 military personnel that can be reassigned to modular combat units. In the same vein, Army officials expected to see reductions of several hundred base support staff resulting from restationing forces currently overseas back to garrisons within the United States. However, Army officials are still attempting to determine if the actual savings will meet the original assumptions. As a result, it is not clear to what extent the Army will be able to meet its overall end-strength goals and what risks exist if these goals are not met.

Furthermore, the Army will face challenges in meeting its new modular force requirements for military intelligence specialists. The Army's new modular force structure significantly increases requirements for military intelligence specialists. In late 2005, Army intelligence officials told us that the modular force would require approximately 8,400 additional active component intelligence specialist positions, but the Army planned to fill only about 57 percent of these positions by 2013, in part because of efforts to reduce overall end strength. In May 2006, Army officials told us that the Army had completed its most recent Total Army Analysis (for fiscal years 2008–2013), which balances Army requirements within a projected end-

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strength authorization of 482,400. Accordingly, the Army revised its earlier estimate of intelligence specialist position requirements and determined that its increased active component requirement for intelligence specialists was only 5,600 and that it planned to fill all of these positions by 2013.<sup>16</sup> However, Army officials acknowledge that meeting modular force requirements for intelligence specialists is a significant challenge because it will take a number of years to recruit and train intelligence soldiers.

According to Army intelligence officials, intelligence capability has improved over that of the previous force; however, any shortfalls in filling intelligence requirements would further stress intelligence specialists with a high pace of deployments. Since intelligence is considered a key enabler of the modular design—a component of the new design’s improved situational awareness—it is unclear to what extent any shortages in planned intelligence capacity will affect the overall capability of modular combat brigades. Without continued, significant progress in meeting personnel requirements, the Army may need to accept increased risk in its ability to conduct operations and support its combat forces or it may need to seek support for an end-strength increase from DOD and Congress.

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## Army Has Overall Objectives and Time Frames for Modularity, but Lacks a Long-Term Comprehensive Approach to Assess Progress and Monitor Implementation

While the Army has established overall objectives and time frames for modularity, it lacks a long-term comprehensive and transparent approach to effectively measure its progress against stated modularity objectives, assess the need for further changes to its modular unit designs, and monitor implementation plans. A comprehensive approach includes performance measures and a plan to test changes to the design of the modular combat brigades. The Army has not developed a comprehensive approach because senior leadership has focused attention on developing broad guidance and unit conversion plans for modularity while focusing less attention on developing ways to measure results. Without such an approach, neither the Secretary of Defense nor Congress will have full visibility into the capabilities of the modular force and the Army’s implementation plans.

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<sup>16</sup> Army officials also told us that some of the earlier 8,400 intelligence specialist positions have been reclassified as aviation specialist positions.

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## Army Lacks Performance Metrics to Measure the Results of Modularity

While the Army has identified objectives for modularity, it has not developed modular-specific quantifiable goals or performance metrics to measure its progress. GAO and DOD, among others, have identified the importance of establishing objectives that can be translated into measurable, results-oriented metrics, which in turn provide accountability for results. In a 2003 report we found that the adoption of a results-oriented framework that clearly establishes performance goals and measures progress toward those goals was a key practice for implementing a successful transformation.<sup>17</sup> DOD has also recognized the need to develop or refine metrics so it can measure efforts to implement the defense strategy and provide useful information to senior leadership.

The Army considers the Army Campaign Plan to be a key document guiding the modular restructuring. The plan provides broad guidelines for modularity and other program tasks across the entire Army. However, modularity-related metrics within the plan are limited to a schedule for creating modular units and an associated metric of achieving unit readiness goals for equipment, training, and personnel by certain dates after unit creation. Moreover, a 2005 assessment by the Office of Management and Budget identified the total number of brigades created as the only metric the Army had developed for measuring the success of its modularity initiative. Another key planning document, the 2005 Army Strategic Planning Guidance, identified several major expected advantages of modularity, including an increase in the combat power of the active component force by at least 30 percent, an increase in the rotational pool of ready units by at least 50 percent, the creation of a deployable joint-capable headquarters, the development of a force design upon which the future network-centric developments can be readily applied, and reduced stress on the force through a more predictable deployment cycle. However, these goals have not translated into outcome-related metrics that are reported to provide decision makers a clear status of the modular restructuring as a whole. Army officials stated that unit-creation schedules and readiness levels are the best available metrics for assessing modularity progress because modularity is a reorganization encompassing hundreds of individual procurement programs that would be difficult to collectively assess in a modularity context. However, we believe that results-oriented performance measures with specific, objective indicators used to measure

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<sup>17</sup> GAO, *Results-Oriented Cultures: Implementation Steps to Assist Mergers and Organizational Transformations*, GAO-03-669 (Washington, D.C.: July 2, 2003).

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progress toward achieving goals are essential for restructuring organizations.

A major Air Force transformation initiative may provide insights on how the Army could develop performance metrics for a widespread transformation of a military force. In 1998, the Air Force adopted the Expeditionary Aerospace Force Concept as a way to help manage its deployments and commitments to theater commanders and reduce the deployment burden on its people. Like the Army's modular restructuring, the Air Force's restructuring was fundamental to the force, and according to the Air Force, represented the largest transformation of its processes since before the Cold War. In our 2000 report,<sup>18</sup> we found that the Air Force expected to achieve important benefits from the Expeditionary Concept, but had yet to establish specific quantifiable goals for those benefits, which included increasing the level of deployment predictability for individual service members. We recommended that the Air Force develop specific quantifiable goals based on the Expeditionary Concept's broad objectives, and establish needed metrics to measure progress toward these goals. In a January 2001 report to Congress on the Expeditionary Aerospace Force Implementation, the Air Force identified 13 metrics to measure progress in six performance areas. For example, to better balance deployment taskings in order to provide relief to heavily tasked units, the Air Force developed 4 metrics, including one that measures active duty personnel available to meet Expeditionary Force requirements. The Air Force described each metric and assigned either a quantitative goal (such as a percentage) or a trend goal indicating the desired direction the metric should be moving over time. These results were briefed regularly to the Air Force Chief of Staff. The Army's transformation is more extensive than the Air Force's in that the Air Force did not change traditional command and organizational structures under its Expeditionary Concept, while the Army modular force has made extensive changes to these structures, and the Air Force did not plan for nearly the same implementation costs as the Army. Nonetheless, we believe some of the goals and challenges faced by the Air Force that we reported in August 2000 may have relevance to the Army today.

While we recognize the complexity of the Army's modular restructuring, without clear definitions of metrics, and periodic communication of

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<sup>18</sup> GAO, *Force Structure: Air Force Expeditionary Concept Offers Benefits but Effects Should Be Assessed*, GAO/NSIAD-00-201 (Washington, D.C.: Aug. 15, 2000).

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performance against these metrics, the Secretary of Defense and Congress will have difficulty assessing the impact of refinements and enhancements to the modular design—such as DOD’s recent decision to reduce the number of modular combat and support brigades reported in the QDR, as well as any changes in resources available to meet modular design requirements.

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### Army Lacks a Plan for Comprehensively Evaluating Modular Designs

Since 2004, when the Army approved the original designs for its modular brigades, it has made some refinements to those designs but does not have a comprehensive plan for evaluating the effect of these design changes or the need for additional design changes as the Army gets more operational experience using modular brigades and integrating command and control headquarters, combat support units, and combat brigades. In fiscal year 2004, TRADOC’s Analysis Center concluded that the modular combat brigade designs would be more capable than division-based units based on an integrated and iterative analysis employing computer-assisted exercises, subject matter experts, and senior observers. This analysis culminated in the approval of modular brigade-based designs for the Army. The assessment employed performance metrics such as mission accomplishment, units’ organic lethality, and survivability, and compared the performance of variations on modular unit designs against the existing division-based designs. The report emphasized that the Chief of Staff of the Army had asked for “good enough” prototype designs that could be quickly implemented, and the modular organizations assessed were not the end of the development effort.

Since these initial design assessments, the Army has been assessing implementation and making further adjustments in designs and implementation plans through a number of venues, to include

- unit readiness reporting on personnel, equipment, and training;
- modular force coordination cells to assist units in the conversion process;
- modular force observation teams to collect lessons during training; and
- collection and analysis teams to assess units’ effectiveness during deployment.

Based on data collected and analyzed through these processes, TRADOC has approved some design change recommendations and has not approved others. For example, TRADOC analyzed a Department of the Army proposal to reduce the number of Long-Range Advanced Scout Surveillance Systems, but recommended retaining the higher number in the existing design in part because of decreases in units’ assessed lethality and survivability with the reduced number of surveillance systems.

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Army officials maintain that ongoing assessments described above provide sufficient validation that the modularity concept works in practice. However, these assessments do not provide a comprehensive evaluation of the modular designs. Further, the Army does not plan to conduct a similar overarching analysis to assess the modular force capabilities to perform operations across the full spectrum of potential conflict. In November 2005, we reported that methodically testing, exercising, and evaluating new doctrines and concepts is an important and established practice throughout the military, and that particularly large and complex issues may require long-term testing and evaluation that is guided by study plans.<sup>19</sup> We believe the evolving nature of the design highlights the importance of planning for broad-based evaluations of the modular force to ensure the Army is achieving the capabilities it intended, and to provide an opportunity to make course corrections if needed. For example, one controversial element of the design was the decision to include two maneuver battalions instead of three in the modular combat brigades. TRADOC's 2004 analysis noted that the modular combat brigade designs with the two maneuver battalion organization did not perform as well as the three maneuver battalion design, and cited this as one of the most significant areas of risk in the modular combat brigade design. Nonetheless, because of the significant additional cost of adding a third combat battalion the Army decided on a two-battalion design for the modular combat brigades that included key enabling equipment such as communications, and surveillance and reconnaissance capabilities. Some defense experts, including a current division commander and several retired Army generals, have expressed concerns about this aspect of the modular design. In addition, some of these experts have expressed concerns about whether the current designs have been sufficiently tested and whether they provide the best mix of capabilities to conduct full-spectrum operations. In addition, the Army has recently completed designs for support units and headquarters units. Once the Army gets more operational experience with the new modular units, it may find it needs to make further adjustments to its designs. Without a comprehensive testing plan, neither the Army nor congressional decision makers will be able to sufficiently assess the capabilities of the modular combat brigades as they are being organized, staffed, and equipped.

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<sup>19</sup> [GAO-06-84](#).

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## Conclusions

The fast pace, broad scope, and cost of the Army's effort to transform into a modular force present considerable challenges for the Army, and for Congress as well in effectively overseeing a force restructuring of this magnitude. The Army leadership has dedicated considerable attention, energy, and time to achieving its modularity goals under tight time frames. However, the lack of clarity in equipment and personnel plans raises considerable uncertainty as to whether the Army can meet its goals within acceptable risk levels. For example, until the Army defines and communicates equipment requirements for all modular units and assesses the risk associated with its plan to not equip brigades with all of their intended capabilities, it will remain unclear the extent to which its new modular combat brigades will be able to operate as stand-alone, self-sufficient units—a main goal of the Army's modular transformation. With respect to personnel, the Army's goal to increase its operational force while not permanently increasing its current end strength will require it to make the most efficient use of its personnel. Until the Army communicates the status of its various ongoing personnel initiatives, the Army's ability to meet personnel requirements of its new modular force will also remain unclear. Finally, until the Army develops a long-term comprehensive approach for measuring progress and a plan for evaluating changes, it remains uncertain how the Army will determine whether it is achieving its goal of creating a more rapidly deployable, joint, expeditionary force. Without such an approach, and clearly defined and communicated plans, the Secretary of Defense and Congress will not have the information needed to weigh competing funding priorities and monitor the Army's progress in its over \$52 billion effort to transform its force.

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## Recommendations for Executive Actions

We recommend that the Secretary of Defense direct the Secretary of the Army to take the following actions.

First, in order for decision makers to better assess the Army's strategy for equipping modular combat brigades, we recommend the Army develop and provide the Secretary of Defense and Congress with

- details about the Army's equipping strategy, to include the types and quantities of equipment active component and National Guard modular units would receive in each phase of the force rotation model, and how these amounts compare to design requirements for modular units; and
- an assessment of the operational risk associated with this equipping strategy.

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Second, in order for decision makers to have the visibility needed to assess the Army's ability to meet the personnel requirements for its new modular operational forces while simultaneously managing the risk to its noncombat forces, we recommend that the Army develop and provide the Secretary of Defense and Congress with

- a report on the status of its personnel initiatives, including executable milestones for realigning and reducing its noncombat forces; and
- an assessment of how the Army will fully staff its modular operational combat force while managing the risk to its noncombat supporting force structure.

Third, to improve information available for decision makers on progress of the Army's modular force implementation plans, we recommend that the Army develop and provide the Secretary of Defense and Congress with a comprehensive plan for assessing the Army's progress toward achieving the benefits of modularity to include

- specific, quantifiable performance metrics to measure progress toward meeting the goals and objectives established in the Army Campaign Plan; and
- plans and milestones for conducting further evaluation of modular unit designs that discuss the extent to which unit designs provide sufficient capabilities needed to execute National Defense Strategy and 2006 QDR objectives for addressing a wider range of both traditional and irregular security challenges.

Finally, the Secretary of the Army should provide a testing plan as part of its Army Campaign Plan that includes milestones for conducting comprehensive assessments of the modular force as it is being implemented so that decision makers—both inside and outside the Army—can assess the implications of changes to the Army force structure in terms of the goals of modular restructuring. The results of these assessments should be provided to Congress as part of the Army's justification for its annual budget through fiscal year 2011.

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## Matter for Congressional Consideration

Given the significant cost and far-reaching magnitude of the Army's plans for creating modular forces, Congress should consider requiring the Secretary of Defense to provide the information outlined in our recommendations including;

- details about the Army's equipping strategy and an assessment of the operational risk associated with this equipping strategy;
- the status of the Army's personnel initiatives and an assessment of how the Army will fully staff its modular operational combat force and manage the risk to its noncombat force structure; and
- the Army's plan for assessing its progress toward achieving the benefits of modularity, plans and milestones for conducting further evaluation of modular unit designs, and a testing plan for conducting comprehensive assessments of the modular force as it is being implemented.

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## Agency Comments and Our Evaluation

In written comments on a draft of this report provided by the Army on behalf of DOD, the department noted that the report adequately reflects the challenges associated with transforming the Army to modular force designs while at war, but stated that the report fails to recognize ongoing efforts and accomplishments to date. (DOD's comments are reprinted in app. II). DOD also stated that citing the views of unnamed sources regarding the modular combat brigade design does not contribute to an accurate, balanced assessment of the Army's progress. DOD agreed or partially agreed with our recommendations to develop and provide information on its equipping strategy and personnel initiatives and to develop expanded performance metrics for assessing progress. However, DOD disagreed with three recommendations regarding the need for risk assessments and a testing plan to further assess designs for modular units. As discussed below, because of the significance, cost, scope, and potential for risk associated with the Army's modularity initiative, we continue to believe that more transparency of the Army's plans and risk assessments is needed in light of the limited amount of information the Army has provided to Congress. Therefore, we have included a matter for congressional consideration to require the Secretary of Defense to provide more detailed plans and assessments of modularity risks. Our specific comments follow.

First, we strongly disagree with DOD's assertion that GAO used anonymous and unverifiable sources which detracted from an accurate and balanced assessment of the Army's progress in implementing modularity. Our analysis of the Army's progress and potential for risk in implementing modular units is primarily based on our independent and

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thorough analysis of Army plans, reports, briefings, and readiness assessments, which we used to compare the Army's goals for modularity against its actual plans for equipping and staffing modular units. We sought views on modular unit designs to supplement our analysis from a diverse group of knowledgeable people both inside and outside the Army and DOD, including Army headquarters officials, division and brigade commanders, Army officials who played key roles in developing and assessing modular unit designs, and retired generals and defense experts who have studied and written about Army transformation. Our long-standing policy is not to include the names of individuals from whom we obtained information but to use information and evidence from appropriate and relevant sources and provide balance in our report. We integrated evidence and information from all sources to reach conclusions and formulate the recommendations included in this report. Our report recognizes the Army's progress in implementing modular units while fully engaged in ongoing operations but also identifies and provides transparency regarding a number of risks inherent in the Army's plans so that Congress will have better information with which to make decisions on funding and oversight. The discussion we present highlighting the concerns of some current and retired senior Army officers and defense experts regarding certain aspects of modular designs is used to illustrate the need for further evaluation of modular units as they move from concept to reality—an approach consistent with DOD policy and best practice in transforming defense capabilities.

DOD also stated that the report inaccurately (1) asserts that Shadow tactical unmanned aerial vehicle systems will be fielded with fewer air vehicles due to a shortage of operators and maintainers, and (2) depicts the growth of Army Intelligence positions. We disagree with DOD's assessment. As our report clearly points out, based on documentation obtained from the Army, the Army's approved modular combat brigade design was for seven air vehicles per Shadow system, which would provide 24-hour per day aerial surveillance, but the Army opted to field Shadow systems with four air vehicles instead, primarily because it lacks adequate numbers of air vehicle operators and maintainers. Although the Army believes that Shadow systems with four air vehicles are adequate at this time, we believe it is important to provide transparency by presenting information which shows that modular combat brigades will not have all of the capabilities intended by the original modular combat brigade designs (i.e., brigade-level 24-hour per day surveillance operations) without Shadow systems composed of seven air vehicles.

With regard to the number of intelligence positions, our report accurately notes that the Army decided to increase its intelligence positions by 5,600

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in the active force. However, we also note that this was a revision of an earlier higher estimate of 8,400 positions projected by Army intelligence officials. Therefore, we do not agree with the department's comment that the report inaccurately depicts the growth of Army intelligence positions, nor do we agree with its characterization that the report inappropriately focuses on the Army's manning challenges. We believe that it is important for the Secretary of Defense and Congress to have a clear and transparent picture of the personnel challenges the Army faces in order to fully achieve the goals of modular restructuring and make informed decisions on resources and authorized end strength.

DOD agreed with our recommendation that the Army develop and provide the Secretary of Defense and Congress with details about the Army's equipping strategy. DOD commented that the Army recently completed development of the equipping strategy for modular forces and that the Army has conducted equipping conferences to ensure that soldiers have the best equipment available as they train and deploy. We requested a copy of the Army's recently completed equipping strategy but did not receive a copy prior to publication and therefore have not been able to assess how and to what extent it meets the intent of our recommendation. Moreover, DOD did not indicate what, if any, actions it planned to take to provide Congress with specific details about the Army's equipping strategy, as we recommended. Therefore, we have highlighted the need for more complete information on the Army's equipping strategy in a matter for congressional consideration.

DOD disagreed with our recommendation that the Army develop and provide the Secretary of Defense and Congress with an assessment of the risk associated with the Army's rotational equipping strategy and said in its comments that this action is already occurring on a regular basis. Although the Army is considering risk in managing existing equipment, at the time of our review the Army had not finished developing its equipping strategy for its new rotational force model. Therefore, we continue to believe that the Army needs to document and provide risk assessments to Congress based on its newly completed equipping strategy. This is particularly important given other Army priorities such as the Future Combat System and near-term equipping needs for Iraq that will compete for funding and may cause changes to the Army's current equipping strategy for modular units.

DOD partially concurred with our recommendation that the Army develop and provide the Secretary of Defense and Congress with a report on the status of its personnel initiatives. However, DOD commented that adding

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another report on this issue would be duplicative and irrelevant and said this action is already occurring on a regular basis. However, while Army documents present an overview of how the Army is allocating military personnel to operational and nonoperational positions, they do not provide specific information on the Army's progress in implementing personnel initiatives. Moreover, the department's comments did not address whether the Army plans to provide additional information to Congress. We continue to believe that such information is needed by Congress to inform their decisions on Army personnel levels.

DOD disagreed with our recommendation that the Army develop and provide the Secretary of Defense and Congress with a risk assessment of how the Army will fully staff its modular operational combat force while managing the risk to its noncombat supporting force structure. DOD commented that the Army provided the Office of the Secretary of Defense with a plan for reshaping the Army, including increasing the active operating force and downsizing overall active end strength by fiscal year 2011, based on several assumptions. However, this document, which Army officials provided to us, does not highlight potential risks in executing the Army's plan. Moreover, DOD's comments did not address the intent of our recommendation that the Army improve transparency by providing Congress with additional information on its plans and assessment of risk.

DOD partially agreed with our recommendation that the Army develop and provide the Secretary of Defense and Congress with a comprehensive plan for assessing the Army's progress toward achieving modularity goals and said the Army will explore the development of expanded performance metrics. However, DOD stated that plans and milestones for measuring progress are unwarranted as such evaluations occur continuously. We commend DOD for agreeing to develop expanded performance metrics. However, because of the cost and magnitude of the Army's transformation plans, we continue to believe that developing and disseminating a comprehensive and formal evaluation plan are critical for providing transparency and accountability for results. As discussed in the report, the Army is collecting some data on the performance of modular units that attend training events and deploy overseas, but lacks a long-term comprehensive and transparent approach for integrating the results of these assessments to measure overall progress.

Finally, DOD disagreed with our recommendation that the Secretary of Defense direct the Secretary of the Army to provide a testing plan that includes milestones for assessing modular unit designs as they are being

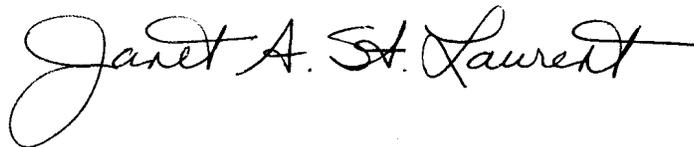
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implemented. DOD said the Army thoroughly evaluated modular force designs and continues to evaluate all facets of modular force performance both in training and combat operations. Nevertheless, we believe that the Army needs a more transparent, long-term, and comprehensive plan for evaluating the modular designs. The Army is still early in its implementation of modular support brigades and higher echelon command and control and support units and further evaluation of these designs based on actual experience may demonstrate that design refinements are needed. Furthermore, although the Army has gained some useful operational experience with modular combat units, this experience has been limited to stability operations and irregular warfare, rather than major combat operations or other operations across the full spectrum of potential conflict. To facilitate further assessment of unit designs, we have included this issue in our matter for congressional consideration.

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We are sending copies of this report to the Secretary of Defense, the Undersecretary of Defense (Comptroller), and the Secretary of the Army. We will also make copies available to others upon request. In addition, this report will be available at no charge on the GAO Web site at <http://www.gao.gov>.

If you have any questions about this report, please contact me at (202) 512-4402. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. Major contributors to this report are listed in appendix III.



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

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*List of Committees*

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

The Honorable Ted Stevens  
Chairman  
The Honorable Daniel K. Inouye  
Ranking Minority Member  
Subcommittee on Defense  
Committee on Appropriations  
United States Senate

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

The Honorable C. W. Bill Young  
Chairman  
The Honorable John P. Murtha  
Ranking Minority Member  
Subcommittee on Defense  
Committee on Appropriations  
House of Representatives

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# Appendix I: Scope and Methodology

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To conduct our work for this engagement, we analyzed data, obtained and reviewed documentation, and interviewed officials from Headquarters, Department of Army; U.S. Army Training and Doctrine Command, U.S. Army Forces Command; and the U.S. Army Center for Army Analysis. We supplemented this information with visits to the first three Army divisions undergoing modular conversions—the 3rd and 4th Infantry Divisions and the 101st Airborne Division—to gain an understanding of the Army’s modular force implementation plans and progress in organizing, staffing, and equipping active modular combat brigades.

To determine the Army’s modular force organizational design requirements and supporting analysis, we analyzed Department of the Army guidance for creating modular forces, and briefings and other documents on the Army’s modular force design and analytical process from the Training and Doctrine Command’s Analysis Center. To determine the Army’s progress and plans for equipping active component modular combat brigades, we analyzed Department of Army data on selected equipment that Army analysis identified as essential for achieving the modular combat brigades’ intended capabilities. For these selected items, we calculated the Army’s equipment requirements for active component modular combat brigades by multiplying equipment requirements obtained from the Department of the Army Office of the Deputy Chief of Staff for Operations and Training (G-3) for each of the three brigade variants—heavy, light, and Stryker—by the planned number of brigades in each variant. We then compared the sum of equipment requirements in the active component to data we obtained from officials from the Department of the Army G-8 on the expected on-hand levels of equipment and assessed the reliability of the data by discussing the results with knowledgeable officials. We determined that the data used were sufficiently reliable for our objectives. We also reviewed unit readiness reports from those brigades that had completed or were in the process of completing their modular conversion as of February 2006. For our assessment of Army National Guard equipping challenges, we relied on past GAO reports and testimony.

To determine the progress made and challenges to managing personnel requirements of the modular force, we reviewed documents and discussed the implications of force structure requirements with officials from the Department of Army Offices of the Deputy Chiefs of Staff for Personnel (G1) and Intelligence (G2). We also discussed key personnel-related concerns during our visits to the divisions undergoing modular conversion. To determine the Army’s strategies and plans for meeting its modular force personnel requirements without permanently increasing

overall end strength, we interviewed officials from the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs and the Department of the Army Office of the Deputy Chief of Staff for Operations and Training (G3). We also reviewed the 2006 Quadrennial Defense Review as it pertained to Army personnel end strength, and the Army's Future Year Defense Program and supplemental budget requests for fiscal years 2005 and 2006 to determine the Army's personnel funding plans.

To determine the extent to which the Army has developed an approach for assessing implementation of modularity and for further adjusting designs or implementation plans, we reviewed our prior work on assessing organizations undertaking significant reorganizations. We reviewed and analyzed the Army Campaign Plan and discussed it with officials in the Department of Army Headquarters, especially officials from the Deputy Chief of Staff for Operations and Training (G3). To analyze the Army's approach for assessing the implementation of its modular conversion, we examined key Army planning documents and discussed objectives, performance metrics, and testing plans with appropriate officials in the Department of the Army Headquarters, and the Training and Doctrine Command's Analysis Center. In addition, we met with a panel of retired senior Army general officers at the Association of the U.S. Army Institute of Land Warfare, Arlington, Virginia. We relied on past GAO reports assessing organizations undertaking significant reorganizations.

We conducted our work from September 2004 through March 2006 in accordance with generally accepted government auditing standards.

# Appendix II: Comments from the Department of Defense



DEPARTMENT OF THE ARMY  
OFFICE OF THE DEPUTY CHIEF OF STAFF, G-8  
700 ARMY PENTAGON  
WASHINGTON DC 20310-0700



June 30, 2006

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

Dear Ms. St. Laurent:

This is the Department of Defense (DoD) response to the GAO draft report, 'FORCE STRUCTURE: Army Needs to Provide DoD and Congress More Visibility Regarding Modular Force Capabilities and Implementation Plans,' dated June 2, 2006 (GAO Code 350707/GAO-06-745).

While the report adequately reflects the challenges associated with transforming the Army to modular force designs while at war and with limited funding, we believe the report fails to recognize ongoing efforts and accomplishments to date. Additionally, the use of anonymous and unverifiable sources throughout the report (e.g., "Some defense experts, including a current division commander and several retired Army generals, have expressed concerns about this aspect of the modular design.") does not contribute to an accurate, balanced assessment and should be discouraged.

The Department's comments to the draft report and recommendations are enclosed.

Sincerely,

N. Ross Thompson III  
Major General, U.S. Army  
Director, Program Analysis and Evaluation

Enclosure



GAO Draft Report – Dated June 2, 2006  
GAO Code 350707/GAO-06-745

**"FORCE STRUCTURE: Army Needs to Provide DoD and Congress More Visibility  
Regarding Modular Force Capabilities and Implementation Plans"**

**Department of Defense Comments and Comments to GAO Recommendations**

**Comments:**

Transforming the Army to modular force designs remains a high priority for the Department of Defense. The GAO report recognizes the unprecedented challenges associated with this comprehensive and accelerated redesign of an Army that is at war. The report also notes that the Army entered this long war against global terrorism following a decade of inadequate equipping investments, resulting in widespread equipment shortages across the Army, especially in its reserve forces. It will take at least a decade of robust, continuous modernization investments to fully equip all Army forces.

To better manage the manning, equipping, and training of modular forces for the long war, the Army has developed a rotational readiness model, referred to as Army Force Generation (ARFORGEN). The Army's force structure goal is 70 brigade combat teams and 211 support brigades, each fully manned, equipped, and trained for the missions assigned. Given longstanding equipment shortages, the Army 'maneuvers' equipment across the force to Soldiers and units as they progress through the various phases of ARFORGEN. To ensure National Guard forces are always prepared for state and territorial responsibilities, the Army has identified 342 types of equipment for priority fielding to National Guard units. The Army has also concentrated equipment in combat zones to reduce the costs associated with transporting heavy equipment to/from the theater and to ensure that deployed forces have the best equipment available. While percentages of equipment fill across the Army may be less than 100 percent, deployed forces have what they need to accomplish their mission. Additionally, theater-unique items, such as jammers for improvised explosive devices (IEDs) and armored wheeled vehicles, are concentrated almost exclusively in the combat zone and are passed between rotating units. The Department believes that the GAO report unnecessarily focuses on longstanding equipment shortages, vice the significant progress being made to equip forces according to the new modular designs.

The Army regularly and rigorously assesses its responsibilities associated with providing the most appropriate mix of capabilities to the warfighter within available resources. As with any complex and dynamic undertaking, objectives, priorities, and approaches continue to be refined over time. This is a simple reflection of the continuous process within a Service to provide relevant capabilities within the resources

provided. Specifically, the GAO report asserts that Shadow tactical unmanned aerial vehicle systems will be fielded with less than their full complement of air vehicles (i.e., four vice seven) due to a shortage of operators and maintainers. This is inaccurate. Informed by operational analysis and professional judgment, the Army determined that four air vehicles per Shadow system are adequate at this time. Shadow units will be fully manned, equipped, and trained. The GAO report also inaccurately depicts the growth of Army intelligence positions. Informed by the Total Army Analysis for fiscal years 2008-2013, the Army decided to increase its intelligence positions by 7600 positions: 5600 in the active force and 2000 in the reserve force. Recruiting and training the personnel to fill the additional 7600 intelligence positions will be a challenge, as noted in the GAO report, but so is the entire Army modular transformation while at war. The Department believes this GAO report inappropriately focuses on the Army's manning challenges, vice provide a balanced assessment of significant change underway.

**Department of Defense Comments to GAO Recommendations:**

**RECOMMENDATION 1:** The GAO recommended that the Secretary of the Army develop and provide the Secretary of Defense and Congress with details about the Army's equipping strategy, to including the types and quantities of equipment active component and National Guard modular units would receive in each phase of its force rotation model, and how these amounts compare to design requirements for modular units. (p. 25/GAO Draft Report)

**DOD RESPONSE:** Concur. The Army recently completed development and coordination of the equipping strategy for modular forces, consistent with the Army Force Generation (ARFORGEN) model. To maximize use of constrained resources, the Army conducts global equipping conferences biannually. To date, the Army has conducted six equipping conferences with representatives from all Army components – Regular Army, Army National Guard, and U.S. Army Reserve -- to ensure that combatant commanders' needs are addressed and that all Soldiers and units have the very best equipment available as they train and deploy in support of the global war on terrorism or domestic contingencies.

**RECOMMENDATION 2:** The GAO recommended that the Secretary of the Army develop and provide the Secretary of Defense and Congress with an assessment of the operational risk associated with this equipping strategy. (p. 25/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. This action is already occurring on a regular basis. Assessment of risk (operational, institutional, future, and force management) is an integral part of the Department's management oversight of Defense initiatives, including Army modular transformation. Adding another report on this issue would be duplicative and irrelevant. As the report noted, the Army entered the current long war against

global terrorism with a significant equipment shortfall (\$56 billion), following a decade of inadequate investment in modern equipment. As a result, the Army is maneuvering equipment across the force to ensure units are adequately equipped as they train for a pending deployment. Once in theater, the unit is augmented with theater-provided equipment (TPE), which consists of low density, high demand, modern equipment. The strategy of equipment maneuver and the use of TPE amplifies that the Army's current equipment inventory is inadequate to fully equip all units. The Army is on a path to fully equip all units regardless of Component. However, sustained, robust procurement funding is necessary to fill longstanding shortages, fully equip reserve component forces to effectively operate as part of the operational force, address expanded equipment needs of modular force designs, and account for increased wear and tear and battle losses from the ongoing global war on terrorism. The Army equipping strategy is designed to ensure that Soldiers and units deployed in harm's way have the best equipment the Nation can provide.

**RECOMMENDATION 3:** The GAO recommended that the Secretary of the Army develop and provide the Secretary of Defense and Congress with a report on the status of its personnel initiatives, including executable milestones for realigning and reducing its noncombat forces. (p. 25-26/GAO Draft Report)

**DOD RESPONSE:** Partially concur. This action is already occurring on a regular basis. The Army Deputy Chief of Staff, G-1, reports quarterly to the Under Secretary of Defense for Personnel and Readiness on Army progress in reshaping the force, including the expansion of the active operating force and management of overall active force endstrength. Adding another report on this issue would be duplicative and irrelevant.

**RECOMMENDATION 4:** The GAO recommended that the Secretary of the Army develop and provide the Secretary of Defense and Congress with an assessment of how the Army will fully staff its modular operational combat force while managing the risk to its noncombat supporting force structure. (p. 25-26/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. The Army provided the Office of the Secretary of Defense a plan for reshaping the Army, including increasing the active operating force to 355,000 Soldiers and downsizing Regular Army endstrength to 482,400 Soldiers by fiscal year 2011, based on several assumptions. The Army will revisit its endstrength plan if the assumptions prove invalid.

**RECOMMENDATION 5:** The GAO recommended that the Secretary of Army develop and provide the Secretary of Defense and Congress with a comprehensive plan for assessing the Army's progress toward achieving the benefits of modularity to include:

- specific, quantifiable performance metrics to measure progress toward meeting the goals and objectives established in the Army Campaign Plans; and
- plans and milestones for conducting further evaluation of modular unit designs that discuss the extent to which unit designs provide sufficient capabilities needed to execute National Defense Strategy and 2006 Quadrennial Defense Review objectives for addressing a wider range of both traditional and irregular security challenges. (p. 26/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Army will explore the development of expanded performance metrics to determine their potential value in managing the modular transformation of the Army. Given the ongoing long war against global terrorism, fulfilling combatant commander needs for Army forces is the preeminent performance metric, and the Army continues to fully meet force requirements for the war. The Army equipping strategy also provides for the adequate equipping of Army forces for homeland missions. Development of plans and milestones for further evaluation of modular unit designs is unwarranted, as such evaluations are embedded in Army processes and occur continuously under the close supervision of the Army leadership. The doctrine, organization, training, manning, and equipping of Army modular forces will be a continuous process, informed by multiple sources, including feedback from Soldiers and leaders who have served in combat in modular forces.

**RECOMMENDATION 6:** The GAO recommended that the Secretary of Defense direct the Secretary of the Army to provide a testing plan as part of its Army Campaign Plan that includes milestones for conducting comprehensive assessments of the modular force as it is being implemented so that decision makers – both inside and outside the Army - can assess the implications of changes to the Army force structure in terms the goals of modular restructuring. The results of these assessments should be provided to Congress as part of the Army's justification for its annual budget through fiscal year 2011. (p. 26/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. The Army thoroughly evaluated modular force designs, as noted in this report, and continues to evaluate all facets of modular force performance both in training and combat operations. Proposed changes in doctrine, organization, training, manning, and equipping are thoroughly and continuously assessed and implemented, consistent with the needs of the warfighter and available resources.

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# Appendix III: GAO Contact and Staff Acknowledgments

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## GAO Contact

Janet A. St. Laurent (202) 512-4402

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## Acknowledgments

In addition to the person named above, Gwendolyn Jaffe, Assistant Director; Margaret Best; Alissa Czyz; Christopher Forsys; Kevin Handley; Joah Iannotta; Harry Jobes; David Mayfield; Jason Venner; and J. Andrew Walker made major contributions to this report.

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