



# Department of the Army Historical Summary

Fiscal Year 2006



*CENTER OF MILITARY HISTORY  
UNITED STATES ARMY  
WASHINGTON, D.C.*



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by

Mark D. Sherry

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*Cover: A U.S. Army soldier launches a lightweight unmanned aircraft system into the air in downtown Baghdad, Iraq. The system is used for surveillance of outlying areas.*

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DEPARTMENT OF THE ARMY  
HISTORICAL SUMMARY

FISCAL YEAR 2006



# 1

## Introduction

During fiscal year (FY) 2006, the Army's primary responsibility was to support ongoing coalition efforts in the Global War on Terrorism. The nation's priority of operations remained Afghanistan and Iraq in the U.S. Central Command's area of responsibility. In the continental United States, Army support for homeland security, Operation NOBLE EAGLE, continued to decline significantly from its peak just after the terrorist attack in 2001. Although eight thousand soldiers continued to serve in homeland security functions in 2006, the relaxed domestic security threat permitted the virtual elimination of reserve-component soldiers providing security at airports and other key sites vulnerable to terrorist attack. Instead, both active- and reserve-component soldiers focused their efforts on preparing for deployments overseas in ongoing operations in Central Asia.

Because of the Global War on Terrorism, the Army's budget increased, ending more than a decade-long trend in budget decreases. The institutional costs attendant to supporting two contingency operations alone drove an increase in budget authority. This increase came in two discrete budget categories: the Army's annual budget appropriations and the supplemental appropriations to specifically fund operations. The active Army also obtained approval for a temporary increase in annual operating strength. Mobilization of reserve units and individual reservists for operations overseas yielded further increases in forces available.

As operating strength increased, progress continued in transforming existing forces to thwart future threats. Former Army Chief of Staff General Eric K. Shinseki had made Army transformation the primary goal of his tour of duty at the beginning of the decade. Although the Global War on Terrorism eclipsed his concentration on adapting forces to deploy more rapidly and fight more intelligently on a battlefield, efforts remained under way on several projects to modernize and restructure existing Army forces. The Stryker Brigade Combat Teams had already entered the active force with a sixth brigade scheduled to undergo transition in 2008. The Pennsylvania Army National Guard also began the process of converting a brigade combat team from the 28th Infantry Division to the Stryker configuration. The Stryker units, however, remained an interim solution to the goal of fielding lighter units capable of deploying rapidly and hitting hard. General Shinseki had envisioned that an "objective force" that employed the Future Combat Systems (FCS) would fit the bill. While

development of the main FCS vehicles continued, the Department of Defense endorsed the concept of “spiraling,” that is, integrating the latest technologies that would be used by the Objective Force, such as new generations of drone aircraft, into the existing force as those technologies became available.

In addition to programs intended to modernize operational forces, all three components—active Army, Army National Guard, and Army Reserve—underwent major restructuring of their forces during the fiscal year. Under the leadership of Army Chief of Staff General Peter J. Schoomaker, conversion



*General Schoomaker*

continued to the “modular” formation (that is, enhanced flexibility for a variety of tactical situations) for tactical forces, the most comprehensive reorganization since the early 1960s. In order to convert units without sacrificing readiness for deployment to contingency operations, the Army’s Deputy Chief of Staff, G-3/5/7, integrated all active- and reserve-component brigades into a cyclical rotational framework. This framework, known as the Army Force Generation (ARFORGEN) model, offered a comprehensive six-year plan for units to restructure to new organizations, undergo retraining of individuals, and rehabilitate equipment after returning from a deployment. Once reorganized and equipped during a period ranging from one to four years, units entered a “ready force pool” that underwent “collective” or unit training to prepare for a potential deployment. The last group, the “available force pool,” either deployed or remained ready for a deployment.

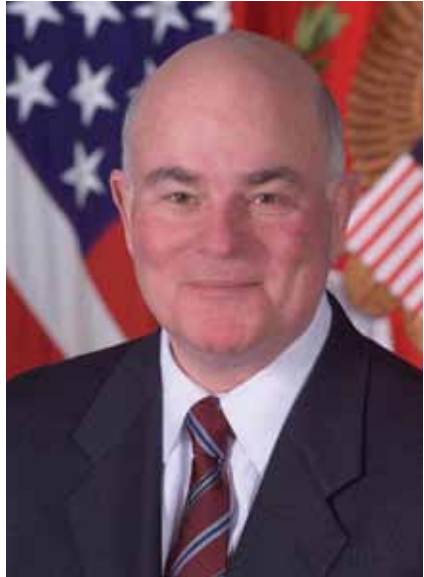
In addition to operations in the Global War on Terrorism, Army forces continued in engagement and peacekeeping operations elsewhere in the world. About 40 percent of active-duty strength served overseas in seventy-six countries. Active and reserve units served as part of international peacekeeping missions in the Balkans (2,000) and Egypt (700). Other units served as a forward presence in South Korea (19,000) and Western Europe (54,000). The overseas units also conducted exercises with foreign militaries and were able to deploy in their regions to provide humanitarian assistance to foreign nations. These missions continued concurrent with the Global War on Terrorism.

## 2

# ORGANIZATION, MANAGEMENT, and BUDGET

### *Reorganizations and Realignments*

Headquarters, Department of the Army (HQDA), avoided any major reorganization in 2006. Secretary of the Army Francis J. Harvey and General Schoomaker employed the existing headquarters organization to provide direction and oversight to the Army's three large commands (Forces Command, Training and Doctrine Command, and Army Materiel Command), to direct reporting units (including Army service component commands), and to field operating agencies and staff support agencies. Having undergone reorganization at the beginning of the decade, the headquarters found itself highly committed to ongoing operations, overshadowing any opportunities for further reorganizations.



*Secretary Harvey*

### *Management*

FY 2006 hallmarked an expansion in the Army's use of information technology for both tactical and administrative purposes. Integrating with joint systems, the Army further expanded both the Nonsecure Internet Protocol Router Network (NIPRNET) and the Secret Internet Protocol Router Network (SIPRNET). To support the high tempo of operations in the Central Command's area of responsibility, the Army leased most of the bandwidth required from commercial satellites during the year. Development of new information systems also continued as integral components of the Future

Combat Systems. This integrated family of systems would rely heavily on several information management systems under development during 2006, including the Warfighter Information Network-Tactical (WIN-T) and the Joint Tactical Radio System (JTRS). The Department of the Army's Deputy Chief of Staff, G-8, oversaw all these initiatives from the Pentagon and remained a major participant in both operations and transformation.

### *Budget*

By FY 2006, four years of war had helped redress more than a decade of erosion in Army budgets. Through increases in annual budgets and in annual supplemental appropriations to pay for the costs of operations, the Army began to catch its breath and endeavor to fund simultaneously two small-scale contingency operations and force modernization. The active Army's authorized end strength had increased beyond the 480,000 level adopted after the 1997 Quadrennial Defense Review (QDR), and special annual authorizations for the Global War on Terrorism and the activation of reserve units and individual reservists had further increased strength over the preceding four fiscal years.

The Army budget continued to grow in FY 2006, reflecting the increasing demands of continual transformation, modernization, and operations in Iraq and Afghanistan. Increases in the president's budget request focused on providing the Army with more troops, continuing operations, and maintaining a force stretched over numerous deployments. Savings were made through limited increases in funding for family housing and decreasing chemical demilitarization funding to FY 2003 levels. Overall, the president's budget request represented a modest increase in funding for the Army (*Table 1*).

As in the preceding several years, the president's budget requests did not specifically cover funding for combat operations, including Operations IRAQI FREEDOM and ENDURING FREEDOM. These supplemental funds were in addition to the Defense Appropriations Act and were designated as Title IX, Additional War-Related Appropriations. In FY 2006, the supplemental funding for the Army, which included hurricane relief funding for the areas hit by hurricanes in the Gulf of Mexico, was \$32.3 billion. These additional funds yielded a combined appropriation of \$131.5 billion for the Army.

The Army's immediate priority remained the Global War on Terrorism. Concurrent with that effort, discrete transformation initiatives required adequate sourcing to maintain momentum. Immediate funding priorities included the execution of modular redesign of operational forces. Another requirement was to "rebalance" active and reserve forces, as reserve component units transformed from a "strategic reserve," which is used for prosecuting major theater wars, to an "operational reserve," which would

TABLE 1—FYs 2005–2007 PRESIDENTIAL BUDGET REQUESTS FOR TOTAL OBLIGATION AUTHORITY  
(In Billions of Dollars)

<i>Category</i>	<i>FY 2005 Actual (Including Supplemental)</i>	<i>FY 2006 Appropriated</i>	<i>FY 2007 Presidential Budget</i>
Military Personnel	51.9	40.6	42.6
Operation and Maintenance	67.2	30.0	32.0
Procurement	24.7	11.0	16.8
Research, Development, Testing and Evaluation	10.5	11.0	10.9
Military Construction, Army	3.4	2.4	2.7
Army Family Housing	1.6	1.3	1.3
Chemical Demilitarization	1.4	1.4	1.4
Other	6.6	1.5	4.1
<b>Total</b>	<b>167.8</b>	<b>99.2</b>	<b>111.8</b>

mobilize and deploy for a small-scale contingency. Certain high-demand reserve-component units, including civil affairs, would transfer to the active component because they were needed for successive contingency operations. This restructuring of the total force also allowed units to “stabilize” for two years at their home stations before being redeployed to an active theater. A final requirement involved the continued purchase and conversion of tactical vehicles to protect the occupants mainly from improvised explosive devices. The first Buffalo mine-resistant clearance vehicles deployed to Iraq and Afghanistan during the year focused initially on route-clearing missions.

The high level of commitment to ongoing contingency operations had a direct impact on costs for readiness and maintenance of equipment in particular. The budget sought to ensure that active Army units trained for an average of 765 live miles and 85 virtual miles per year for armored and mechanized units. Army National Guard units were funded to train for an average of 190 live and 60 virtual miles per year. Aircrew flying hours would average 13.1 per month for active crews, 7.6 hours per Army National Guard crews, and 6.4 hours for Army Reserve crews. Depot-level maintenance, however, was funded at only 73 percent of the required amount for 2006 and sustainment of facilities at only 91 percent.



*A heavily armored vehicle known as the Buffalo searches for improvised explosive devices during Operation IRAQI FREEDOM.*

### *The Quadrennial Defense Review*

The third congressionally mandated review of national strategy, forces, modernization plans, and budgets took place in 2005 during the George W. Bush administration. The review was based on the March 2005 *National Defense Strategy*, which shifted the U.S. military focus away from traditional challenges posed by nations employing nuclear and conventional weapons. A mounting consensus had emerged within the national security establishment that the United States had more than sufficient military capabilities to combat such threats, which the United States was unlikely to face in the near future. Instead, emphasis would shift to “asymmetric threats,” posed by both nations and non-nation adversaries. The new strategic focus also encompassed irregular challenges (including terrorism and guerrilla warfare), catastrophic challenges (including obtaining weapons of mass destruction), and disruptive challenges (in which one or more nations might try to negate U.S. military strengths).

With the new emphasis on combating terrorist networks and irregular forces, the Defense Department pointed the way for a reorientation of forces and modernization projects. The Defense Department submitted its QDR report to Congress on 6 February 2006, thereby concluding the



study. The big winners were special operations forces. With an expansion of civil affairs and psychological operations units across the Defense Department by 3,700 personnel (a 33 percent increase), special operations forces would increase by 15 percent overall, with Army Special Forces battalions increasing by one-third.

Unlike previous defense reshaping events over the preceding decade, the Defense Department made no recommendations for major force reductions during FY 2006. Instead, it recommended “reorienting” forces within existing military capabilities. The Army’s 2003 decision to convert to a modular design for operational forces served it well in the most recent review. The Defense Department endorsed this redesign as fostering the environment in which units will be “modular in structure at all levels, largely self-sustaining, and capable of operating both in traditional formations as well as disaggregating into smaller autonomous units.” Among these units, the Defense Department approved forty-two brigade combat teams in the active Army and twenty-eight in the Army National Guard (for a total of seventy teams). The Defense Department also validated Army personnel strengths, excluding temporary increases to prosecute ongoing operations in Central Asia and the Middle East, as 482,400 active and 533,000 reserve-component personnel.

Following the trend in defense reshaping studies that began with the first Quadrennial Defense Review in 1997, this most recent review operated in an open environment with direct service participation. As with the 2001 Quadrennial Defense Review, HQDA’s Quadrennial Defense Review Office (QDR Office) coordinated the Army’s effort for the review. Headed by Brig. Gen. Robert E. Durbin until January 2006, the QDR Office reported to the Army’s Deputy Chief of Staff, G-8, who directed the Army’s participation in the review and served as the Army point of contact for interaction with the Office of the Secretary of Defense and the Joint Staff. All major staff sections in HQDA, as well as the Army’s Training and Doctrine Command, participated in weekly meetings and coordination groups that provided Army input into the development of the Defense Department’s supporting studies and recommendations.



## 3

# Personnel

### *Army Strength and Distribution*

Although the Defense Department in the 2006 Quadrennial Defense Review had set the active Army's end strength for 30 September 2006 at 482,400, Congress modified these levels during the year. The National Defense Authorization Act for FY 2006 approved a level of 512,400, provided that supplemental appropriations funded the additional personnel for service in ongoing operations. As of September, however, the actual number of soldiers in the Army totaled 502,790: 420,165 enlisted personnel, 13,009 warrant officers, and 69,616 commissioned officers. There were an additional 4,346 cadets enrolled at the United States Military Academy. Minorities made up a total of 38.4 percent of the active force and women 14.0 percent.

By September 2006, the Army National Guard had a total of 346,288 members both drilling and mobilized. Of this number, 309,438 were enlisted personnel, 6,547 warrant officers, and 30,303 commissioned officers. Minorities made up a total of 25.5 percent of the National Guard and women 13.5 percent.

The Army Reserve ended the year with a total of 189,975 personnel: 153,565 enlisted personnel, 2,623 warrant officers, and 33,787 commissioned officers. Minorities made up a total of 40.5 percent and women 23.3 percent.

### *Manning Initiatives*

In 2000, General Shinseki had mandated that the Army would man active operational units at 100 percent by the end of the year, but the high tempo of operations and deployments posed a significant challenge to meeting this goal six years later. Under the Army Force Generation process, priority for manning went to units either deploying or preparing to deploy overseas. The goal was to stabilize unit turbulence by assigning soldiers for at least a thirty-six-month tour of duty. Under this "life-cycle management" concept, replacements joined and stayed with a unit from the time it trained together prior to deployment until the unit returned from deployment overseas. Soldiers could not transfer from the unit during the cycle except under extraordinary circumstances, but they would transfer

or leave active service en mass once they returned from an operational deployment.

### *Enlisted Personnel*

The twin problems of recruiting and retention continued to challenge Army leaders throughout FY 2006. The active Army recruited 80,635 soldiers (of this number 11,240 had prior military service) by the end of the fiscal year, thereby exceeding the recruitment goal of 80,000. This achievement reversed the failure during the previous year, when the Army had a shortfall of more than 8 percent and was the only service that did not meet its objective. Both Army reserve components, however, failed to meet their quantitative goals for the year, resulting in neither the Army National Guard nor the Army Reserve meeting end-strength objectives for 30 September (*Table 2*).

TABLE 2—U.S. ARMY ENLISTED ACCESSION RESULTS, FY 2006

<i>Component</i>	<i>Goal</i>	<i>Actual</i>	<i>Difference</i>	<i>Percentage</i>
Active Army	80,000	80,635	+635	100.8
Army National Guard	70,000	69,042	-958	98.6
Army Reserve	36,032	34,379	-1,653	95.4

The qualitative situation was another matter. Although the Defense Department's objective for nonprior service recruits was for 90 percent to have high school diplomas, only 81 percent of active Army recruits in 2006 met this standard. This percentage marked a decline from 2005, when 87 percent of recruits had high school diplomas. Of perhaps equal concern, the percentage of Army recruits that scored in the upper half of the Armed Forces Qualification Test declined from 67 percent in 2005 to 61 percent, just above the Defense Department's 60-percent benchmark. This was the lowest level for the Army since 1985. For the second straight year, the Army recruited an increasing portion of first-term soldiers with mental test scores in Category IV (the lowest 10th through the 30th percentile of the tested population). The 2006 percentage of these soldiers recruited was 3.8 percent, just below the Defense Department's upper limit of 4 percent, and far higher than 2004's 0.5 percent.

Increased reenlistments offered one alternative to alleviate the demand for recruits. In this regard, all three Army components exceeded their annual goals, despite the strains of wartime service and the prospect of future deployments (*Table 3*).

TABLE 3—ENLISTED ACTIVE ARMY RETENTION, FY 2006

<i>Personnel</i>	<i>Goal</i>	<i>Obtained</i>	<i>Percentage</i>
Initial Term	26,490	28,081	106.0
Mid-Career	24,510	24,562	100.2
Career	13,200	14,664	111.1
Total	64,200	67,307	104.8

A new incentive, a tax-exempt reenlistment bonus of up to \$15,000 for deployed soldiers, helped attract reenlistments. As of 21 September 2006, a total of 23,200 noncommissioned officers and soldiers had taken advantage of this bonus at a cost of \$320 million to the Army. This bonus complemented existing bonuses. The 2006 National Defense Authorization Act also increased reenlistment bonuses to a maximum of \$90,000 for individuals in critical specialties.

One incentive that helped with recruiting included an increase in the maximum bonus from \$20,000 to \$40,000 for active soldiers (and from \$10,000 to \$20,000 for reservists). Other incentives included an increase in the maximum age for enlistment to 42 years, expanding the student loan repayment program, and matching funds for the federal government's Thrift Savings Plan to also include uniformed military personnel. A final incentive included a \$1,000 referral bonus for active soldiers and retirees who referred a qualified enlistee.

One significant change to the Army's recruiting strategy that yielded results over the year was an increase in the recruiting force. Having declined from 6,400 in 2002 to an average of 5,100 two years later, this reduced workforce proved unable to handle the increased workload required to expand the force to conduct operations overseas. Consequently, the average strength of the Army's recruiting force increased to 6,500 in 2006. Unfortunately, Army-sponsored studies indicated that individual recruiters did not reach the optimal level of productivity until they had been on the job eighteen months. While at its highest strength in four years, the Army's recruiting force was still relatively inexperienced.

### *Officer Personnel*

Reorganization of Army operational forces and continuing contingency operations generated pressures for increased officer accessions during the year. Having adopted new tables of organization and equipment developed by the Training and Doctrine Command for modular units that required more company-grade and field-grade officer personnel, the Army had

to educate an increasing number of new leaders. Consequently, despite generally good officer retention, the active Army remained about 3,500 officers short of requirements, mostly in the rank of major and senior captain.

The active Army sought to commission 4,600 officers in the basic branches in 2006 (excluding medical, legal, and other specialist branches). The United States Military Academy commissioned only 846 of these, falling short of the goal of 900. The Reserve Officers' Training Corps (ROTC) goal of 2,525 for the year remained slightly higher than enrolled cadets graduating that year, and the Army fell short. One problem with relying on ROTC as a source for officers is that while the Army's estimates were for 31,000 cadets in the four-year program required to sustain the annual goals, only 25,100 participated in 2006. As usual, the officer candidate school made up the difference, with a quota of 1,420 for the year, close to full capacity. This figure marked a significant increase in the output for this source, from 484 in 2000, to a level that would account for between 25 and 30 percent of new officers each year. Unfortunately, only slightly more than 80 percent of officers commissioned through the officer candidate school held bachelor's degrees or higher.

As in the case of the enlisted force, the two main keys to building officer strength were by initial entry and by retention. The Army undertook several initiatives to strengthen retention. One major change involved the continued increase in promotion opportunity in ranks up to colonel, permitting more officers to rise and fewer having to face mandatory separation. The Army also continued to accelerate promotion to captain from the 1980 Defense Officer Personnel Management Act goal of forty-eight months of active commissioned service to a thirty-eight-month promotion "pin-on point."

Another method of retention was to extend obligated service for younger officers. For example, the number of high-performing company-grade officers offered graduate school annually increased by an additional 200 spaces from 412 to 612 fully funded positions. As in recent years, newly commissioned officers willing to extend their initial service obligation for three years could opt for either their first choice of branch assignment or a guaranteed duty station. Although these incentives had been available to enlistees for decades, this was the first time that the Army offered such incentives to new officers. By the end of the fiscal year, over 1,100 officers had signed up for these incentives.

### *Civilian Personnel*

The Army employed 244,385 civilians as of 30 September 2006. Indirect hires of foreign nationals in Germany, the Republic of Korea,

and other nations, totaled 17,742. In June, the secretary of the Army designated permanent civilian employees as members of the Army Civilian Corps. This designation underscored the degree to which civilians have integrated into the Defense Department's Total Force concept over the preceding three decades. It also, however, portended a potential challenge to the Defense Department's civilian executive development system for GS-13 through GS-15 civilian managers. Established in response to a recommendation by the 1997 Quadrennial Defense Review, this personnel development program hallmarked a modest and almost meek effort to assert department control over civilian personnel at the expense of service autonomy. Among other features, the program undertook directed reassignments of civilian managers between services to develop a workforce with a broader perspective on Defense Department-wide issues and problems.

The National Security Personnel System (NSPS), however, offered the prospect of a sweeping revision to Defense Department management of civilians. The Army planned to phase in the new system over several years, commencing in 2006. This system was intended to streamline hiring, improve performance management, supplant the existing civil service system, and afford managers more flexibility in reassigning personnel. A key aspect of the new system would be performance pay as an incentive for meeting work objectives delineated in a detailed performance plan. This system, however, immediately drew controversy from unions representing Army civilians, portending a tumultuous future.

### *Special Topics*

In 1986, the Army had established a commander's program aimed at minimizing suicides in the Army. Despite these efforts designed to educate leaders to recognize warning signs and monitor at-risk personnel, the suicide rate in the active Army's fourth year of war climbed from 9.8 per 100,000 in 2001 to 17.2 per 100,000 in 2006. That year, the Army's Deputy Chief of Staff, G-1, Lt. Gen. Franklin L. Hagenbeck, chaired a multiagency Army working group tasked to find a collective solution to what threatened to become an epidemic. Among the issues studied, the task force identified that from 2005 to 2007 about 73 percent of suicides occurred at home stations. Stress indicators that warned of suicidal behavior wore the historic problems that plagued young soldiers, including job-related problems, a recently failed relationship, or legal and financial difficulties. The high tempo of ongoing operations and deployments exacerbated the strains on soldiers.

Of less critical concern to Army leaders, but still a significant issue, was the stop-loss policy, that is, the involuntary retention of soldiers on

active duty past their contracted term of service. This policy remained a smoldering morale issue for soldiers. The Army had employed stop loss in times of crisis since 1984, to retain soldiers with critically needed skills. From the first month of the Global War on Terrorism, the Army consistently used this authority to maintain unit readiness, retain selected personnel with critical skills, and retain those whose term of service was scheduled to expire just before or during a deployment. For instance, the Army had 11,983 enlisted personnel who met these criteria in September 2006. Although the other services had also used this policy for involuntary retention after September 2001, they had stopped it by 2006. Consequently, the Army faced increasing pressures from Congress and the Defense Department to curtail its use, and in January 2007, Secretary of Defense Robert M. Gates directed the Army to minimize the use of involuntary retention.



## 4

# Force Development, Training, and Operational Forces

### *Transformation During Contingency Operations*

The Army headquarters' main priorities during the fiscal year remained supporting current contingency operations and peacetime deployments, maintaining the current force, and developing the future force. Operations in Iraq and Afghanistan drove continued emphasis on managing units preparing for deployment and units recovering from operations overseas. Key responsibilities for the headquarters were ensuring that units preparing to deploy received adequate equipment, trained personnel, resources for pre-deployment collective training, and once in theater received HQDA support. Returning units would enter a "stabilization" phase, emphasizing rehabilitation of equipment subjected to hard use in theater. Finally, Army headquarters would designate which units would deploy in the next cycle, striving to ensure that active-component units remained at home stations for at least two years prior to redeployment. While managing deployments for current operations, the Army could not neglect ongoing modernization efforts that would yield units fielding new hardware both for the battlefield of the future and for upcoming contingency deployments. Using a transformation campaign plan, the Army's Deputy Chief of Staff, G-3/5/7, worked assiduously to integrate the myriad of complex operations across the Army and Defense Department essential for success.

### *Modularity*

Beginning in September 2003, the Army undertook a planned sequential conversion of operational forces from fixed divisions to brigade-based modular formations. The conversion process continued during 2006. In addition to maneuver brigades, combat support and combat service support formations also converted to modular brigade designs. Reserve-component units joined their active Army counterparts in this endeavor, often coordinating their reorganization with mobilization, prior to deployment to an active theater. The requirement to deploy large numbers of units while converting them into a new configuration and training them

in this new organization prior to deployment proved the crux of the Army's challenge.

Restructuring and expanding forces concurrently proved an ambitious goal. During the fiscal year, Lt. Gen. James J. Lovelace Jr., the Army's Deputy Chief of Staff, G-3/5/7, undertook a study that identified the Army's goal for operational forces as seventy maneuver brigade combat teams, twenty-three aviation brigades, thirteen fire brigades, thirty sustainment brigades, fifteen combat support brigades (maneuver enhancement), and five battlefield surveillance brigades. These forces included active Army, Army National Guard, and Army Reserve units. Of the planned seventy brigade combat teams, forty-two would be active Army and twenty-eight Army National Guard. These maneuver brigades would be of three basic designs: infantry (including airborne and air assault), heavy, and Stryker. Plans continued through the year to increase maneuver brigades to seventy-six.

The Army was more than halfway through conversion in 2006, completing thirty-one brigade combat teams and 131 of over 200 support brigade conversions by February 2007. In 2006, the active Army alone converted thirteen maneuver brigades and four support brigades. Another four active brigade combat teams initiated conversion during the year, and fifty-one of both components either had completed conversion or were in the process of converting in February 2007.



*General Lovelace*

### *Rebalancing and Stabilization*

The 2006 Quadrennial Defense Review endorsed Army plans to expand deployable forces through initiatives such as "rebalancing" and yet another attempt at "civilianizing" jobs in the continental United States, in particular jobs that did not require soldiers to perform. The Army's new strategic goal prescribed a force of eighteen to nineteen brigade combat teams and supporting units available for worldwide deployment, with an additional eighteen to nineteen brigades able to surge in an emergency,

under the Army Force Generation model. Other units would be in the “reset” pool recovering from a recent deployment and likely completing conversion into a modular configuration. To meet this goal, the Army planned to convert forty thousand soldiers from nondeployable assignments in such functions as individual training into the operational forces over the subsequent six years. Another major function of this restructuring was the transfer of a number of high-demand units from the reserve component to the active Army. In 2006, for example, over 90 percent of civil affairs units were in the Army Reserve. These units required a laborious mobilization and training process prior to their deployment. To avoid the pitfall of overcommitting reserve units, among other problems, the Army increased the number of transferred positions between components in 2006 to 57,000. Most of these were in military police, civil affairs, and infantry units, although military intelligence and special forces also calculated in the 116,000 positions designated for conversion by 2013.

In order to free up soldiers in the active component in particular, Army leaders also continued the tide of military-to-civilian conversions. By the end of 2006, the Army had converted 7,170 military positions to civilians, freeing soldiers to man new operating forces.

All three components of the Army were well en route by the end of 2006 to implementing the Force Generation model. For active Army brigade combat teams, units returning from deployment would enter a “reset and train pool” for between three and twelve months. Once personnel had stabilized and the unit had transferred equipment that required depot-level rehabilitation, the unit commenced a training cycle, intended to begin the restoration of unit readiness levels. During the second year after return, a brigade would serve in the “ready pool,” completing collective training and preparing for possible deployment, if required. During the third year, active brigades would enter the third pool, the “available pool,” during which units would normally deploy for most or all of that period. Army National Guard brigade combat teams followed the same model, except they operated on a six-year rather than a three-year cycle. These brigades would serve four years rather than one in the “reset and train pool,” allowing more time for training while in inactive-duty status, mobilization, reequipping, and conversion to modular organization.

The Army Force Generation model also had ramifications in the manpower arena. Army leaders sought to stabilize personnel in deploying units not only while they served overseas, but also during the pre-deployment training phase and at least part of the post-deployment phase. Their plan was for thirteen brigade combat teams to be under what was called the life-cycle management personnel assignment model, en route to full transformation for maneuver brigade teams (except Germany and South Korea) by 2011. Under this system, personnel managers assigned

individuals to a brigade for a stabilized thirty-six-month tour of duty, synchronized with the unit's deployment cycle. Hopefully, personnel stability within a brigade would promote an environment in which units would build, train, and deploy together as highly cohesive teams.

*Modernization: The Interim and Objective Forces*

Initially labeled the *Interim Force* earlier in the decade as part of the Army's overall transformation strategy, the Stryker Brigade Combat Teams were now integral to the Army's spectrum of forces available to combatant commanders. By 2006, the Stryker had entered the force and deployed in brigade combat teams to Iraq.

Four active-component brigades completed certification and constituted part of the rotational pool for contingency operations. One of these brigades had deployed to Vilseck, Germany, during the year to serve as a forward-presence unit. A fifth active brigade in Hawaii had begun to receive its Strykers and envisioned certification and availability for deployment in 2006. The Pennsylvania Army National Guard's 56th Brigade, 28th Infantry Division, also began conversion into a Stryker brigade in 2006, planning on availability for deployment in 2009. The seventh brigade (an active-component brigade) would begin conversion in 2007.

The Stryker vehicle, perhaps the heart of the system, proved a successful weapon during stability operations in Iraq. Over fourteen hundred Stryker vehicles were delivered by the end of FY 2006, and the first two deployed brigades had driven over five million miles. Nonetheless, a key vehicle variant, the armored gun system, remained in development, leaving the brigade with a shortfall in direct-fire support and antitank capabilities.

From General Shinseki's tour as chief of staff, the Army considered the Stryker an interim solution to fielding a new generation of forces that combined ease of deployment with lethality. Stryker brigades could combine with existing airborne, air assault, and light infantry units into task-organized packages for contingency operations. The only significant complication to these forces operating together was how well they integrated with the most modern digital command and control systems. Each type of brigade could deploy by means of existing aircraft to an austere theater. The goal for an "objective force," desired by the end of the decade, was a combined arms team that also incorporated a new type of heavy, or mechanized, brigade that also combined attributes of lighter weight than the present generation of equipment.

The Future Combat Systems would integrate a new generation of fighting vehicles with new systems for command, control, communications, computers, intelligence, surveillance, and reconnaissance. During the first year of the decade, the Army had indulged an open discussion of options



*U.S. Army soldiers conduct pre-combat checks on Stryker vehicles at the National Training Center, Fort Irwin, California.*

for lightening the weight of a new generation of vehicles that would replace the Abrams tank, Bradley armored fighting vehicle, and Paladin self-propelled howitzer. Desirable objectives for new vehicles would be reduced weight and fuel requirements. The Army backed the objective force with dollars, truncating existing modernization programs to pay for what would become the Future Combat Systems. By 2006, Army leaders had canceled over a hundred programs to fund development of this paramount force modernization program, and proposals stabilized on eighteen discrete development projects, integrated into a network that linked vehicles, leaders, and ground and air sensors. The Future Combat Systems, however, remained an ambitious project and attracted its share of critics. Responding to both the uneven pace of development for all eighteen subordinate systems and the demands to get technology onto the battlefield once it matured, Army leaders modified the Future Combat Systems (FCS) in 2006. Instead of developing, testing, and fielding a complete FCS-equipped brigade combat team as a complete package, individual elements would enter the force once available for fielding. These new technologies would “spin out” into units equipped with existing hardware. Because of budget cuts and development difficulties, Army leaders opted to defer development of four of the eighteen core systems in 2006, including two types of unmanned aerial vehicles. Cuts also delayed the date for fielding the first FCS-equipped brigade to 2015. With planned procurement of one brigade set per year, the Army would convert the last of fifteen planned brigades in 2030.

### *Army Aviation*

If the Future Combat Systems remained in the research and development phases of modernization, several aviation programs were adding new aircraft to the force. Deliveries of AH-64D Longbow Apache helicopters to the active component were reaching completion, with deliveries to the reserve components coming next. Planned deliveries of the CH-47F Chinook should begin in 2007. The UH-60M Black Hawk helicopter would enter the force a year later. Upgrading and rebuilding of AH-64, CH-47, and UH-60 helicopters, already in the force, continued. The rebuilt aircraft in effect would perform at the same operational readiness levels as relatively new aircraft.



*An AH-64D Longbow Apache helicopter*

Modernization plans continued toward the development and fielding of a new generation of helicopters and aircraft. The newest project would replace the canceled RAH-66 Comanche helicopter. Under development by Bell Helicopter Textron Inc. under a \$2.2-billion contract, the armed reconnaissance helicopter would replace the OH-58D Kiowa Warrior in that role. Having begun development in 2004, the first of 368 helicopters would enter in the force in 2007. A second development program, the light utility helicopter, sought to replace UH-1 Huey helicopters in light utility and medical evacuation roles, relying on a “commercial off-the-shelf/non-developmental” model. In June 2006, the Army awarded a

contract to EADS North America for the first of a planned 345 UH-72 Lakota helicopters, the first delivered in 2007. The final development contract was for a future cargo aircraft to replace the C-23 Sherpa fixed-wing transport. Another example of a non-developmental aircraft, this cargo transport could be a joint project with the Air Force, which also expressed interest in acquiring cargo aircraft.

### *Training*

As noted above in the “Budget” section, the Army has maintained a training standard defined in terms of operational tempo for nearly two decades. With the demand for units to deploy to Afghanistan and Iraq, deploying units met these training milestones, for the most part. Units that had just returned from deployment, however, generally missed annual goals as might be expected from a force at war. The emphasis for returning units was instead on individual training such as attending Army schools and seeking professional military education through distance learning.

Despite the pace of combat operations and force management challenges, the Army also turned its attention to how to grow the next generation of Army leaders. Among steps to improve education and professional development of leaders, the Army leadership chartered a study entitled Review of Education, Training, and Assignments for Leaders Task Force. Meeting from September 2005 through June 2006, the task force made several recommendations for the best ways to train, develop, and assign the leaders of the future in both the operational and institutional Army. The task force conducted in-depth reviews of officer, noncommissioned officer, and civilian leader development. Among the recommendations, the study group asserted that future leaders in the projected strategic and operational environment would have to develop skills beyond those considered traditionally military in nature. Among the types of leaders needed would be “warrior leaders,” “strategic thinkers,” “business/enterprise managers,” “team builders and leader developers,” and “diplomats of the Army.” An essential outgrowth of the increasing importance of civilian leaders at all echelons of the Army was the creation of a civilian corps with a related education and development system. The task force completed its work and produced a final report in November 2006.

### *Deployed Operational Forces*

The Army’s main priority remained providing forces to the U.S. Central Command for operations in Afghanistan and Iraq. At the end of

January 2006, about ninety-eight thousand soldiers were serving in Iraq with another fourteen thousand in Kuwait supporting them. The U.S.-led Multi-National Force–Iraq had fourteen Army brigade combat teams, two division headquarters, and one corps headquarters in theater. Another sixteen thousand soldiers served in Afghanistan supporting Combined Forces Command–Afghanistan at the same time, in three brigade combat teams and one division headquarters.

Army troops in Iraq continued to fight on the front lines of pacification efforts in major parts of the country while concurrently training Iraqi military, paramilitary, and police forces. The Army units served as part of a coalition effort with the bulk of operational forces stationed in northern and central Iraq, including Baghdad. Smaller Army detachments also served in advisory missions to Iraqi military and paramilitary forces and in provincial reconstruction teams that undertook civil military operations in the countryside intended to help the Iraqi government pacify the country (*Table 4*).

Despite a disturbing number of casualties that highlighted an ongoing insurrection, General George M. Casey, the commander of both

TABLE 4—U.S. ARMY CASUALTIES IN OPERATION IRAQI FREEDOM,  
FY 2006

<i>Month</i>	<i>Killed in Action</i>	<i>Accidents/ Other Deaths</i>	<i>Total Deaths</i>	<i>Wounded in Action</i>
October	50	16	66	399
November	45	13	58	219
December	44	9	53	275
January	27	14	41	186
February	29	8	37	207
March	20	3	23	322
April	42	2	44	256
May	38	5	43	241
June	39	3	42	302
July	26	2	28	350
August	37	7	44	344
September	43	10	53	509
Total, FY 2006	440	92	532	3,610



U.S. and coalition forces, noted progress in developing Iraqi governing and security forces. Among other recent achievements, the Iraqis approved a constitution in October and elected a four-year government in December. About 75 percent of registered voters participated in the December election. Of perhaps equal importance, over 275,000 Iraqis were serving in the military, police, or other security services, the force having doubled in just over a year and a half. General Casey identified the insurgency as active in only six of Iraq's eighteen provinces.

Opposing the insurgents, Multi-National Force–Iraq had forces from thirty-seven countries at its peak strength that supported nascent Iraqi security forces in their efforts to suppress terrorism and outbreak of insurgency by disaffected domestic elements. The major U.S. ground force component, Multi-National Corps–Iraq, underwent a transition in January 2006 when the V Corps headquarters replaced the XVIII Airborne Corps, which returned to the United States.

Operations also continued in Afghanistan, primarily focused on building a viable Afghan state capable of assuming internal security, governance, and humanitarian assistance functions. In the interim, the North Atlantic Treaty Organization's Combined Forces Command–Afghanistan continued operations against al-Qaeda remnants and the Taliban while undertaking reconstruction and other nation-building efforts intended to strengthen the authority of the Afghan government. Leading the direct fight against the Taliban and other insurgents, Combined Joint Task Force 76 was commanded by a U.S. division headquarters. The Army's 10th Mountain Division headquarters relieved U.S. Army Europe's Southeast Task Force in February 2006 as the headquarters for this task force that pursues an operational concept intended to "clear, hold, build, and engage." The International Security Assistance Force coordinated most of the efforts to strengthen governance, coordinate relief efforts, and enable economic development in conjunction with Afghan authorities. By the end of the year, this organization and its regional headquarters had twenty-four provincial reconstruction teams operating in the countryside. The U.S. Combined Security Transition Command–Afghanistan was the third subordinate element, and by the autumn of 2006, had helped organize, train, and equip seventy thousand Afghan security forces.

Army operations in the theater did not come without cost. During FY 2006, Army casualties in Afghanistan increased slightly from the previous year (*Table 5*).

TABLE 5—U.S. ARMY CASUALTIES IN OPERATION ENDURING FREEDOM,  
FY 2006

<i>Month</i>	<i>Killed in Action</i>	<i>Accidents/ Other Deaths</i>	<i>Total Deaths</i>	<i>Wounded in Action</i>
October	3	2	5	13
November	2	0	2	6
December	2	1	3	13
January	0	0	0	5
February	5	0	5	7
March	6	0	6	11
April	1	0	1	11
May	1	10	11	24
June	14	4	18	47
July	7	2	9	47
August	8	1	9	44
September	5	1	6	64
Total, FY 2006	54	21	75	292

## 5

# Reserve Components

### *Organizational Change*

The two most significant issues affecting both the Army National Guard and the Army Reserve during the year were the continued mobilization and deployment of forces in the Global War on Terrorism and the conversion of units to modular configurations. The Army had mobilized 72,000 national guardsmen in early 2006, including those preparing for deployment. By May of that year, more than 35,000 guardsmen were serving in Operation IRAQI FREEDOM, while those in Afghanistan exceeded 12,000. Another 585 supported the U.S. Northern Command along the southwestern U.S. border and as part of Operation NOBLE EAGLE. Those mobilized forces included 18 percent of Army National Guard aviation units. In January 2006, about 41,000 Army reservists were serving on active duty. In October of that year, 32,000 of these were serving in Iraq and Afghanistan.

Both components also began converting units to the same modular tables of organization and equipment used by the active component. Over the year, the Army National Guard completed the conversion of six brigade combat teams and two division headquarters to the modular design and began the transition of another nine brigades and two additional division headquarters. The Army Reserve also planned to convert its deployable forces into fifty-eight modular brigade-based combat support and combat service support units over the next few years, with three support brigades completing the process in 2006. Transformation of reserve-component units posed the same scale of difficulties as for active-component units, but with one major difference. Conversion subsequent to mobilization and prior to collective training offered the quickest method, but at an expense appropriate only for those brigades scheduled for overseas deployment. Conversion of inactive brigades in conjunction with weekend drills and annual training proved a protracted affair, often requiring several years to complete military occupation skill training for soldiers reassigned to different functions.

The Army Reserve also conducted other major unit conversions during the year, as part of the reshaping of Army forces and capabilities within its authorized 205,000-soldier end strength. Perhaps the most

significant Army action resulted from the transfer of reserve-component civil affairs and psychological operations units from under the Army Special Operations Command to report to the Army Reserve Command. Civil affairs companies would also grow from 64 to 112 tactical companies by 2011.

### *Personnel Management*

The Army National Guard fell short of its end-strength objective of 350,000, finishing the fiscal year with an end strength of 346,288. Nonetheless, this achievement marked a net increase of 13,111 soldiers over the preceding year, and the first net gain in over two years. Total strength included 30,303 commissioned officers, 6,547 warrant officers, and 309,438 enlisted personnel. Minorities constituted 25.5 percent of the Army National Guard and women 13.5 percent. The Army Reserve filled 189,975 positions out of an authorized strength of 205,000. Minorities constituted 40.5 percent and women 23.3 percent.

### *Recruiting and Retention*

In order to reverse its shortfalls in recruiting and retention for four consecutive years, the Army National Guard increased its recruiting force and retention of noncommissioned officers from 2,700 in 2004 to 5,100 in the first quarter of fiscal year 2006. It increased enlistment bonuses to a maximum of \$10,000 (\$15,000 for prior service enlistments). Retention bonuses also increased from \$5,000 to \$15,000. Overall recruiting brought in 69,042 soldiers, including more than 10,000 nonprior service recruits (100.6 percent of the year's objective). The National Guard met 96 percent of its goal for prior service recruits. The Army Guard employed the Guard Recruiting Assistance Program for the first time in 2006 to recruit 15,106 new soldiers. This program involved 88,900 recruiting assistants paid up to \$2,000 per recruit. The Army Reserve also recruited 34,379 soldiers in 2006, falling short of its goal of 36,032 (95 percent). Having suffered recruiting shortfalls two years in a row, the Army Reserve remained significantly below end strength of 205,000. The trend, however, was positive and the Army Reserve increased its recruiting force to 1,794 by August 2006.

Partly offsetting difficulties with recruiting new soldiers, both components improved their retention in 2006. The Defense Department's maximum attrition ceiling for the Army National Guard was 19.5 percent for 2006. It achieved an average of 18.4 percent, exceeding the standard. The Army Reserve also came in under its ceiling of 28.6 percent, losing 21.58 percent during the fiscal year.

### *Training and Readiness*

The pace of mobilization and operations hindered readiness during the year. Mobilization of individuals to complete personnel allotments and the transfer of vehicles and other major items of hardware for deploying units posed the major problem for readiness. In addition to service overseas in two active theaters of operation and in the United States, more than 11,000 soldiers deployed overseas during the year. A 2006 Army National Guard report noted that “since July 2002 . . . overall unit readiness has decreased by 49.25 percent while providing personnel and equipment to units to ensure fully-prepared National Guard forces for deployment.” Nonetheless, even with mobilization, deployments, and unit conversions, the National Guard Bureau endeavored to retain at least 50 percent of a state’s forces in an inactive status available for employment by the state’s adjutant general in the event of an emergency. The reduction of federal funding for collective training to \$722 million for the year (85 percent of required resources) further compounded problems with attaining an essential level of readiness.

Despite the challenges of unit transformation and overseas operations, reserve-component units sought to maintain their edge through training in the United States. A mobilized Army National Guard brigade that attended the Joint Readiness Training Center, at Fort Polk, Louisiana, provided the highlight for training in 2006. More than 2,100 other guardsmen from seven brigade combat teams also participated in the Brigade Battle Command Staff Training Program. An additional 800 personnel from one National Guard division participated in the Army Combined Arms Command’s Battle Command Training Program seminar at Fort Leavenworth, Kansas. This five-day seminar and follow-on computer-based simulation exercise honed command and staff skills, the military decision-making process, and integration of combat assets into a realistic division-level battle. More than 1,000 guardsmen also participated in National Training Center (Fort Irwin, California) and Joint Readiness Training Center events during their annual training periods.

### *Mobilization*

Mobilization of units both for deployment overseas and for domestic operations became almost second nature to reserve-component units by 2006. In addition to units and guardsmen serving in Operations IRAQI FREEDOM, ENDURING FREEDOM, and NOBLE EAGLE, during the year the Army Guard assumed another domestic security mission. In May, the president had directed the deployment of Army guardsmen to the southwestern U.S. border to support U.S. customs and border control agents in Operation



*An Arizona Army National Guard soldier stands watch on the U.S.-Mexico border in support of Operation JUMP START.*

JUMP START. By the end of September, 5,252 guardsmen from forty-one states had served on the border either in an annual training status or on active duty for special work. Among other contributions, these soldiers helped apprehend 11,265 aliens; seize 184 vehicles; seize 39,733 pounds of illegal drugs; construct 27.9 miles of roads; install 4.2 miles of fencing and 32.7 miles of vehicle barriers; and construct two forward-operating bases, one in Yuma, Arizona, and the other in Deming, New Mexico, each base housing and sustaining 700 soldiers.

The most extensive domestic operations of the fiscal year were the responses to the two major hurricanes that struck the Gulf Coast in the late summer of 2005. Hurricane Katrina struck Mississippi and Louisiana in late August. It was followed in late September by Hurricane Rita, which struck eastern Texas and Louisiana again. After a massive response by Army National Guard units on state active duty responding to the immediate crisis (with more than 42,000 serving on 29 September), several units remained on state duty into the new fiscal year. This was the largest response by the Army National Guard to a natural disaster, to date, assisting in the evacuation of more than 70,000 people. The Army Reserve also contributed to these relief efforts, providing fifteen CH-47 helicopters and two truck companies. The helicopters alone transported more than 2,100 civilians.

### *Materiel and Aviation*

The ongoing conversion of the 56th Brigade, 28th Infantry Division (Pennsylvania Army National Guard), to a Stryker Brigade Combat Team remained the most significant Army National Guard modernization effort during the year. Conversion of units to modular configurations also provided additional requirements for vehicles, communications equipment, and other hardware. Most of this came from redistribution of existing materiel from Army National Guard and other Army sources. But the National Guard also spent \$730 million during the year on new equipment, including 2,358 family of medium tactical vehicles and 4,616 movement tracking systems.

Both components, however, suffered during the year from disruptions in key unit materiel, stemming primarily from mobilization and deployment requirements. The Army National Guard suffered from a shortage of materiel on hand in units since September 2001 that reached almost 46 percent in 2006. As units mobilized for deployment, they turned to other reserve-component units first for equipment to fill any gaps in their unit, or any unserviceable vehicles or other materiel, not eligible for deployment. Consequently, units remaining behind suffered progressive losses of serviceable equipment and degradation of overall unit readiness.

Despite this handicap, modernization of aviation forces continued during the year. In addition, all eight division aviation brigades completed the transition to modular designs. The Army Guard also received fourteen UH-60 utility helicopters from the active Army, raising the National Guard inventory to 633 out of a required force of 758. The National Guard's CH-47 force also remained understrength, with 132 out of 159 required. The inventory of AH-64 helicopters increased by three during the year to 154 out of 222 required. Five OH-58D helicopters also joined the National Guard during the year, increasing the inventory to 23 out of 30 required. The air fixed-wing fleet remained steady with no gains or losses during the year.



*Army National Guard soldiers participate in relief operations during the aftermath of Hurricane Katrina.*



*A C-23 Sherpa*

The Army National Guard's Operational Support Airlift Agency controlled 114 Army Guard fixed-wing aircraft at eighty sites, with the C-23 Sherpa proving the workhorse in supporting domestic and overseas missions.



## 6

# Logistics

### *Reset*

The tempo of overseas operations and battle damage and wear to vehicles and aircraft proved a major cost to the Army in the Global War on Terrorism. High operating tempos, desert environments, and limited in-theater maintenance capabilities aged hardware at a rate four times faster for units deployed to operational theaters than elsewhere in the Army. Units returning from an overseas deployment often left serviceable equipment behind for their replacements. Other units that had extensively worn their equipment shipped it back to home base, often along with other damaged or extensively operated hardware from the theater. These items would subsequently enter the Army's maintenance depots, or in some cases through maintenance by contractors, for extensive overhaul beyond the capability of theater maintenance units. The Army referred to this program as "reset," meaning that several possible actions could be taken to return unit equipment to an appropriate level of combat capability based on missions and available funding. Based on an assessment of each item, the process would involve one or more of the following: replace either the entire item or only the severely damaged components; recapitalize the item by restoring its useful service life (sometimes back to zero miles and zero hours of wear) and repair battle damage; reset at the national level to correct equipment faults beyond the capability of field-level maintenance organizations; and reconstitute to correct equipment faults at the field level. Funding for most of these efforts came from HQDA, either from Army operations and maintenance funds or from supplemental appropriations.

Established in 2003, this major equipment rehabilitation program was built on the success of the Army recapitalization program that, from 2001, sought to extend the useful service life of aging equipment. Key maintenance functions normally performed at the Army's maintenance depots included replacement or rebuilding of engines, transmissions, and hydraulic and electrical systems in vehicles. This process also provided selected opportunities to integrate new electronic components or sensors to upgrade capability in a system.

Maintaining the readiness level of the Army's helicopter fleet quickly became one of the first priorities. Beginning in April 2003, the Army Materiel



*OH-58A Kiowa helicopters await overhaul and upgrade at the Mississippi Army National Guard's repair depot in Gulfport.*

Command coordinated a program of inspection, repair, and overhaul of helicopters and fixed-wing aircraft at fourteen sites in the United States and Germany. Restoration of each aircraft to combat capability proved the first hurdle, often requiring overhaul of engines and rotor blades from damage resulting from desert environments with fine sand and extreme heat conditions. The larger objective required returning each airframe to as close in capability as a new one, without any degradation in capability due to wear. Based on the degree of rehabilitation or modernization sought, the amount of time required for an airframe took between 34 and more than 200 days.

By the end of 2005, the Army's materiel rehabilitation program for returning equipment from overseas had been ongoing for over two years. Both the Army Materiel Command and the Army's program executive officer/program manager communities became very engaged in the process. For 2006, the rehabilitation process involved 350,000 pieces of equipment from more than fifty brigades, including 615 aircraft, 7,000 combat vehicles, and 30,000 wheeled vehicles. Once the program was going full stride, the standard for rehabilitation of a full set of unit equipment was six months for an active unit and twelve months for a reserve-component outfit. The Army requested \$13.5 billion in reset funds for 2006, but the

Defense Department approved only \$8.6 billion in funding in the 2006 supplemental appropriation. This left a backlog of unfunded requirements that the Army was able to address during the next year when it successfully argued for \$17.1 billion for this purpose in the 2007 budget.

The rehabilitation program returned serviceable equipment to units, but at the expense of keeping a larger quantity of equipment undergoing depot-level maintenance than during normal peacetime operations. The overhaul of large quantities of equipment provided shortfalls in materiel that affected units at home stations, especially reserve-components units. For instance, one study estimated that at the end of 2006, Army units in Europe and the United States suffered a shortage of 13,000 high-mobility multipurpose wheeled vehicles (HMMWVs), 32,000 family of medium tactical vehicles (FMTV) trucks, and 7,600 heavy trucks. Some components were also too badly damaged for economical repair and needed replacement from supplemental appropriations. One Congressional Budget Office analyst estimated that 12 percent of wheeled vehicles, 2 percent of tracked vehicles, and 3 percent of helicopters serving in Iraq in 2005 would fall in this category.

### *Management and Planning*

The continued implementation of the Single Army Logistics Enterprise (SALE) remained the most important management transformation within the Army's logistical community in 2006. This information management system sought to integrate and replace existing logistics automation systems while streamlining them in the process. The new system of systems integrated three components: the Global Combat Support System-Army (GCSS-A), the Logistics Modernization Program, and the Product Lifecycle Management Plus System. The GCSS-A reached across Army operating forces and focused on logistical needs of existing systems. The new integrated system of systems would allow the GCSS-A to interact not only with automated systems integral to the Army Materiel Command, but also with acquisition and financial management systems. Once implemented, SALE would offer leaders at all levels of command unprecedented visibility into requisition, inventory, and distribution of materiel and consumable items of supply.

### *Research, Development, and Acquisition*

The Future Combat Systems remained the Army's most significant force modernization program in 2006. Having restructured the program in 2005, Army leaders planned to introduce each component of the integrated system into existing forces as it completed development, rather than



*A soldier prepares to launch an unmanned aerial vehicle.*

await production of all elements in an integrated unit fielding package. By 2006, the Army goal was to “spin out” these new technologies in four increments at approximately two-year intervals.

As of the end of 2006, the Army planned to field the first FCS-manned vehicles in 2014. The Future Combat Systems remained a very ambitious force modernization program, with individual systems vulnerable through the protracted development process. The operating concept for this force was indeed revolutionary, calling for a FCS-equipped brigade to “see first, understand first, and act first decisively.” Implicit in this concept was that superior battlefield situational awareness would permit reduction of armored

protection on manned vehicles to a level not fielded since World War II. Lighter vehicles, while perhaps more vulnerable to direct hits from kinetic energy warheads, would be transportable in a greater diversity of transport aircraft, enabling at least the vehicles in the force to arrive much more rapidly than ever before. Such design concepts, however, inevitably drew critics both inside and outside the Army. Unmanned ground and aerial reconnaissance systems also had become bogged down in developmental difficulties, portending continued controversy over the next few years.

While the Future Combat Systems consumed most of the Army’s interest and resources for modernization, ongoing contingency operations mandated rapid procurement of key items of equipment. Both the Rapid Equipping Force and the Rapid Fielding Initiative continued to fix vital needs of deployed forces. The Rapid Equipping Force received guidance from the Army’s G-3/5/7 while reporting directly to the Vice Chief of Staff. The Rapid Equipping Force responded to high-priority requests from operational units for identified materiel solutions, either by expediting development of hardware or by purchasing existing commercially available or foreign-built materiel. Close coordination with industry, academia, and related Defense Department and foreign agencies proved essential for identifying quick solutions to such problems as countering improvised

explosive devices in Iraq. Among this organization's successes was fielding the PackBot robot for examining caves and suspicious packages that might hold booby traps or other explosive devices.

The Rapid Fielding Initiative also responded to the needs of the deployed soldier, focusing on individual equipment. Such items include enhanced optics, military operations in urban terrain kit, a new hydration system, advanced combat helmet, and modular sleeping system. Since its inception in 2003, this program had equipped five hundred thousand soldiers by early 2006.

Both programs had made major headway in just over three years. The highest priority in 2006 was to provide adequate numbers of armored vehicles to defend soldiers against the improvised explosive devices that had proven so deadly in Iraq (*Table 6*).

The Buffalo vehicles were the first or what would be called mine-resistant, ambush-protected (MRAP) vehicles intended to augment and then replace up-armored high-mobility multipurpose wheeled vehicles in a theater with an active mine or improvised explosive device threat. The Army had initially distributed these South African-designed vehicles to engineer units, but expanded the requirement by the end of 2006 to augment and replace at least some of the up-armored light vehicles.

TABLE 6—SOLDIER PROTECTION PROGRAMS IN IRAQ AND AFGHANISTAN

<i>Area</i>	<i>Status in September 2003</i>	<i>Status in January 2006</i>
Body Armor	About 10 percent in Iraq are equipped	All soldiers and DoD civilians in theater are equipped; 639,000 sets of body armor are fielded
Up-armored High-Mobility Multipurpose Wheeled Vehicle	500 vehicles in Iraq and Afghanistan	More than 11,100 vehicles in Iraq and Afghanistan
Tactical Wheeled Vehicle Add-on Armor Kit	Contingency mission only	More than 37,500 vehicles in theater
Armored Security Vehicle (ASV)	No ASVs in theater	194 ASVs in theater
Bradley Reactive Armor Tile	140 sets delivered	790 sets delivered
Counter-Improvised Explosive Device	Minimal capability in theater	More than 23,000 devices in theater
Tactical and Small Unmanned Aircraft Systems	2 systems in theater	155 systems in theater
Aircraft Survivability Equipment	No fixed-wing aircraft; upgrading UH-60 and CH-47 with basic equipment	All theater rotary-wing aircraft to be upgraded with new system by end of year
Buffalo Armored Vehicle	None in theater	44 in theater

# 7

## Support Services

### *Morale, Welfare, and Recreation*

In 2006, Army family morale, welfare, and recreation programs served 3.9 million authorized patrons and employed 31,000 civil service and nonappropriated fund employees. The budget for 2006 came to \$1.7 billion, a \$172 million increase from 2005. Of that budget, \$949 million came from nonappropriated funds generated at the installation level. Appropriated funds, including for military construction, totaled \$762 million. Among other personnel in the enterprise, over fifty civilian personnel had deployed to Iraq and Afghanistan since 2001 to promote fitness and recreation services in operational theaters. The Army transformed its organization for welfare and recreation services during the year, and on 16 October 2006, redesignated the Army Community Family Support Center as the Family and Morale, Welfare and Recreation Command, a subordinate unit of the Army's Installation Management Command.

### *Installation Management*

Overshadowing normal installation management issues, several major Defense Department initiatives set the pace of operations. Planning was in full swing to implement the 2005 Base Realignment and Closure law, approved 9 November 2005. Among major actions under the law, the Army would close thirteen major installations over the succeeding six years and merge many reserve-component units into 125 multicomponent reserve centers. The law purportedly prescribed retention of barracks and other facilities for surge capability at U.S. installations for reserve mobilization requirements. More than 150,000 military and civilian personnel would relocate under the law, which once fully implemented would save \$1.5 billion in annual operating costs. The Army anticipated receiving funding from a central Defense Department account to offset many of the upfront military construction costs essential before relocating activities from one installation to another.

Two other Defense Department and Army initiatives sparked further changes to the Army's installations. The integrated global presence and basing strategy directed re-stationing of four brigade combat teams and

two division headquarters from Europe to the continental United States over the next several years, as well one brigade combat team and division headquarters from South Korea. Conversion of operational units to a modular design drove further requirements for military construction at affected bases. To pay for these projects, the Army received \$2.4 billion in 2006 for military construction and \$972 billion in base realignment and closure funds. Of the military construction funds, the Army National Guard received \$327 million and the Army Reserve \$106 million. Along with the Base Realignment and Closure actions, the two re-stationing efforts would cost \$38 billion through 2013.

### *Housing and Infrastructure*

Family housing continued to be a major cost for both re-stationing actions and for construction at existing installations. The Army moved to implement the Defense Department's goal of a facilities recapitalization rate of sixty-seven years, which would replace or significantly upgrade facilities older than that point, including housing. The Residential Communities Initiative remained the keystone to modernizing on-base housing across the Army. The 2006 budget provided \$1.3 billion for family housing. As during the preceding years, the Army's Residential Communities Initiative remained the linchpin of efforts to upgrade the quality of family housing faster than possible relying solely on traditional military construction processes. Instead, the Army leased land for housing to a commercial developer who built new housing or renovated existing buildings, then leased housing units to soldiers at a rate not exceeding their basic allowance for housing. Through September 2006, the Army established privatized housing at thirty-three installations, including seventy-two residences either built or under construction. By the time this initiative would reach fruition in 2010, the Army will have privatized 90 percent of family housing.

The state of bachelor quarters also proved a vital interest to Army commanders. This was the fourteenth year of a project to provide adequate barracks for soldiers at permanent stations, with the program scheduled to continue through 2009 at a cost of \$10 billion. The Army funded 85 percent of this requirement through 2006, including \$250 million during the year. During that period, the Defense Department improved the standard for all single soldiers to a "1 + 1" configuration that assigned soldiers to two-bedroom suites, with individual rooms and shared living space and bathroom. Another requirement was modernized barracks for the Army's eighty-one thousand annual trainees, who live in open spaces during basic training. The goal was for 45 percent of these facilities to complete modernization by 2011.



### *Safety*

The Army lost 240 soldiers to accidents in FY 2006, 49 less than in the previous fiscal year. The leading cause of death was privately owned vehicle accidents, which killed 128, or 53.3 percent. Other ground accidental deaths included thirty-nine from personal injury, thirty-three from Army motorized vehicles, four from Army combat vehicles, and thirty-two from aviation mishaps. Sixty-two fatalities occurred on duty and one hundred forty-six off duty.

The Army classified accidents by severity from Class A (damages to government property of \$1 million or more and injury resulting in a fatality or permanent total disability), to Class C (damages to government property of \$10,000 or more but less than \$200,000 and a nonfatal injury that causes any loss of time from work). The Army suffered 234 aviation mishaps, 27 being Class A mishaps, most suffering a destroyed aircraft or fatality. The Army also had 2,316 ground mishaps during the fiscal year, most of which were Class B or Class C accidents.

### *Army and Air Force Exchange Service*

The Army and Air Force Exchange Service provided a pillar of support to service members by providing on-post retail sales (especially at overseas locations) and morale, welfare, and recreation funds to the services. Among overseas locations, exchange volunteer civilian personnel operated 62 retail locations and 184 fast-food outlets in Afghanistan, Iraq, Bosnia, Kosovo, Kuwait, and the United Arab Emirates. Approximately 450 volunteers served in Afghanistan and Iraq alone during the year. Civilian employees also deployed to temporary facilities in the United States during the year in support of firefighting efforts in Washington State and New Mexico, as well as in support of National Guard border defense operations.

In 2006, exchange revenues reached \$8.9 billion, \$254 million (2.9 percent) higher than during the preceding year. Of the profit, \$231.6 million went back to service recreation programs. The Army received \$140.2 million of this dividend.



## 8

# Special Functions

### *Civil Works*

As throughout its history, the Army Corps of Engineers remained focused on the Army's Civil Works Program. Since 1824, this responsibility has encompassed the management of the nation's inland waterways. Over the years, subsidiary functions have expanded to include ensuring inland and deep-draft navigation, shore protection and flood control, hydropower, aquatic ecosystem protection and restoration, water supply, and recreation. Among the diversity of capabilities required to execute these functions are in-house research and design at several Corps of Engineers laboratories, and coordination with other federal agencies as well as state and local governments.

The Corps of Engineers had requested \$4.513 billion for civil works for FY 2006. Due largely to supplemental appropriation for hurricane damage relief along the Gulf Coast, the Corps received \$6.964 billion for the year. Civil works consumed most of the effort of the Corps' thirty-four thousand civil service employees during the year, and a considerable number of contractors working on projects.

The big jolt to ongoing civil works and other domestic engineering programs during the year resulted from protracted hurricane relief requirements. Over eight thousand Corps employees deployed to the affected region to undertake relief efforts and reconstruction. As the chief of engineers noted, Hurricane Katrina alone affected nearly 93,000 square miles, an area approximately the size of Great Britain. The main relief effort focused on the city of New Orleans, which at one point was 80 percent submerged. In fifty-three days, the Army's engineers conducted emergency repairs to the city's levee system and pumped 238 billion gallons from the city, enabling the repair of 169 miles of levees and floodwalls. The Corps also coordinated the removal of 52 million cubic yards of debris in Mississippi and Louisiana. Recovery and repair work continued during the year.

### *Environmental Protection*

The Army budgeted \$402.8 million for environmental restoration work in 2006. During the year, the Army's assistant chief of staff for



*A UH-60 Black Hawk helicopter drops a 7,500-pound sandbag over a breached levee caused by Hurricane Katrina.*

installation management took a significant step toward reducing waste at installations. One change mandated as a contract performance requirement was that future construction contracts would require recycling or salvage of at least 50 percent of construction and demolition debris. The Army generated 1.4 million tons of debris in 2004 and could deconstruct such materials as wood beams, metals, and concrete masonry for reuse in other projects.

The Army's installation managers faced a different problem in the years ahead. Over the succeeding twenty years, more than one hundred thousand buildings in the Defense Department that had been built during the Cold War would turn fifty years old. Buildings this age or older are subject to the provisions of the National Historic Preservation Act. Modifications to such buildings may involve more extensive consultation, costs, and likely project delays in order to comply with the letter of the law. The Army's installation managers developed the Army Historic Preservation Campaign Plan in response to this looming requirement. The buildings requiring immediate action were the more than nineteen thousand family housing units from the Capehart and Wherry era built in the 1950s. The solution in this case was to standardize treatment measures across the Army and to integrate these units into the

Residential Communities Initiative. The Army's assistant chief of staff for installation management continued to develop a plan for the Army's ammunition plants and ammunition storage facilities through the end of the fiscal year.

Another highly visible environmental issue concerned preservation and restoration of landscape. As the Army was a significant landlord in many states, communities took an understandable interest in stewardship of land, flora, and fauna. In addition to actions that minimized the impact of vehicles and ordnance on training areas and ranges, in many cases, installations had to engage in remediation activities to repair damage. One concern was to ensure that not only replanted vegetation would grow fast and be durable, but also that native species are used to avoid potential future environmental problems. Another major concern was to minimize soil erosion and runoff that might pollute local watersheds, as well as to take steps at installations to enhance water conservation and reduce consumption, primarily by means of innovative building designs.

### *Legal Affairs*

During the fiscal year, twenty-one active-component military judges, one mobilized Army Reserve military judge, and thirteen reserve-component military judges presided over all but two of the general and special courts-martial. A Marine Corps military judge presided over two detainee abuse cases. The Army tried 144 of these cases overseas in Afghanistan, Iraq, and Kuwait. The U.S. Army Trial Defense Service, with approximately 130 active-component and 187 reserve-component attorneys, provided defense services to defendants at every general or special court-martial during the year. In addition to courts-martial, the Army imposed nonjudicial punishment in 42,814 cases in FY 2006. With an average active-duty strength of 574,456 soldiers during the year, this figure yielded a rate of 74.53 per thousand soldiers (*Table 7*).

The Army Judge Advocate General's Criminal Law Division kept busy during the year with general and special courts-martial and several procedural issues. The review of 28 officer dismissal actions and the response to 150 White House and congressional inquiries were some of the procedural issues. Review of the proposed legislation for military commissions constituted perhaps the division's most visible activity. After passage of the Military Commission Act of 2006, Army judge advocates served as members of a Defense Department working group that drafted and reviewed implementing directives for military commissions. This group would develop procedural and evidentiary rules for commissions to try suspected terrorists or war criminals. Finally, this division also tracked

TABLE 7—COURTS-MARTIAL STATISTICS, FY 2006

<i>Type Court</i>	<i>Tried</i>	<i>Convicted</i>	<i>Acquittals</i>	<i>Compared to FY 2005</i>
General	749	723	26	-9.2%
Bad Conduct Discharge Special	573	556	17	-18.1%
Non-Bad Conduct Discharge Special	6	6	0	600.0%
Summary	1,140	1,074	66	-9.0%

approximately eight hundred investigations concerning possible abuse of U.S.-controlled battlefield detainees for alleged offenses that included assaults on detainees and leadership or supervisory failures of those overseeing detainee operations.

The Army Clerk of Court handled over 1,200 records of trial and 4,400 motions and briefs submitted for review by the Army Court of Criminal Appeals. The Government Appellate Division filed 1,138 briefs with the Army Court of Criminal Appeals and 17 briefs with the Court of Appeals for the Armed Forces. Army appellate attorneys argued the government's position in 17 cases before the Army Court and 16 before the Court of Appeals. The Defense Appellate Division filed 1,000 briefs in support of convicted appellants in the Army Court and 400 supplements to petitions for review by the Court of Appeals, and 15 final briefs for that body. Appellate defense counsel argued 14 cases before the Army Court and 12 cases before the Court of Appeals.

The Army had 1,638 judge advocates in the active component at the end of the fiscal year, an increase of 35 over the preceding year. Another 63 officers were attending law school as part of the funded legal education program. The Army Reserve had 2,765 judge advocates and the Army National Guard 569 at the end of the year.

### *Reviews and Inspections*

As during most of the Army's history, the Office of the Inspector General remained at the forefront of monitoring the pulse of organizations' readiness and efficiency. The subordinate inspector general agency conducted numerous investigations around the world wherever Army organizations were stationed or serving in an operational theater. Two of the most significant investigations in 2006 involved detainee operations,

with inspectors interviewing over one thousand personnel in fourteen locations in the continental United States and sixteen locations overseas. Other significant investigations focused on the Army's Physical Disability Evaluation System and deployment mental health screening, which remained ongoing at the end of the year. After adverse news reporting on problems suffered by wounded soldiers at the Army's medical centers received national attention, investigations focused on compliance with policies and regulations. Other issues that received attention included the Army's medical hold system, the suicide prevention program, the physical disability evaluation system, and soldier awareness and availability of mental health programs.

While the Global War on Terrorism occupied much of the Army inspector general's efforts during the year, other recurrent peacetime inspections also required attention. Among the more significant of these were technical inspections of the Army's nuclear, biological, and chemical surety programs. During the year, the inspector general's office conducted two biological and ten chemical surety inspections.

In addition to the inspector general's assessments, the Army Audit Agency conducted inspections and investigations during the year focused on financial management and contracting issues. For instance, the agency reported in 2006 that U.S. Army, Europe, needed to improve program management of its general support reconstitution maintenance program, and recommended corrective efforts to monitor the actual costs of maintenance activities. In the same theater, the auditors also examined the state of Army Pre-positioned Stocks in Europe, noting that two of six projects "would not effectively support responsibilities in the European theater and Army transformation goals."

Back in the United States, the auditors conducted many of the same type of evaluations as overseas, as well as those concerning major procurement projects. One audit agency report examined the current logistical support contract for the Stryker vehicles. It noted that although the contract had sufficient incentives to ensure needed services, that contract failed to provide sufficient incentives for the contractor to control costs. Potential life-cycle costs for logistical support of the Stryker remained murky, however, as the Army lacked sufficient information to estimate costs of future logistical support, or evaluate support alternatives.

In addition to the scope of military inspections and management audits, the Army also conducted investigations of suspected criminal activity. The U.S. Army Criminal Investigation Command conducted investigative, intelligence, and protective services, relying primarily on uniformed agents. At the end of the year, 120 agents were deployed to Iraq, Afghanistan, and other parts of the world in support of contingency operations. In the overseas theaters, criminal investigators worked closely

in particular with military intelligence personnel to close gaps between foreign and counterintelligence information and law enforcement information in the fight against global terrorism. Agents also supported the Joint Improvised Explosive Device Defeat Organization in its efforts to identify perpetrators, manufacturing points, supply routes, and financing of insurgents who employed these devices in Afghanistan and Iraq.

A major Defense Department initiative in the Global War on Terrorism involved investigators from all services. The Criminal Investigation Task Force combined law enforcement personnel with attorneys and support staff. Working overseas with existing courts in Iraq and supporting potential trials by military commissions or civilian trials in the United States, the task force sought to investigate possible war crimes in overseas theaters. The main goal was to develop prosecutable trial reports for suspects held at Guantanamo Bay, Cuba. The task force also supported the Central Criminal Court of Iraq by providing information that contributed to sixteen successful prosecutions before that court by the end of the fiscal year.



## 9

# Conclusion

Prosecuting the Global War on Terrorism provided the most serious challenge to the Army during the year. Although combat operations had ostensibly ended in Afghanistan in 2002, and Iraq the next year, insurgencies in both countries had begun to expand by 2006. Both casualties and overall costs increased as U.S. and allied forces responded to expanding hostilities. The costs of expanding Afghan and Iraqi military and police forces further strained the U.S. defense budget.

Despite the concentration on operations, peacetime workload for the Army headquarters continued unabated. The Army's top leaders still had to translate national strategic goals into military requirements. Headquarters, Department of the Army, converted these requirements into discrete programs as part of the Defense Department's planning, programming, and budgeting system. Many of these programs maintained the readiness of Army forces to fill the Defense Department's contingency plans. The Army Force Generation model was one outcome of this planning that stabilized Army units in a rotational cycle that supported deployments. The high tempo of unit rotations further tested the Army's ability to transfer equipment and personnel between deploying and returning units to support operations. The goal was to accomplish rotations without severely damaging the ability of any unit to reconstitute for future deployment. Another major readiness program was the resetting or rehabilitation of equipment that was damaged or heavily used in overseas operations.

While maintaining readiness, the Army also sought to transform the force for the future. The transition to modular organizations continued during the year, marked by success in the reorganization of fixed divisions into more flexible brigade combat teams. The Stryker Brigade Combat Teams also offer a successful example of transformation in the United States and in service overseas. The Future Combat Systems remained an ambitious comprehensive modernization program for the Army's heavy forces. Having been recently restructured, the program was poised to enter a critical stage of risky development. Nonetheless, innovation remained critical to the Army's future despite competing with operations and efforts to retain a ready force for the near term.



## Bibliographical Note

The *Department of the Army Historical Summary* is based largely on official U.S. Army documents and reports. Key resources include the *Army Modernization Plan*, the *Army Posture Statement*, and the budgetary materials produced by the Office of the Assistant Secretary of the Army for Financial Management and Comptroller. An unofficial source of value is *Inside the Army*, a weekly newsletter published by InsideDefense.com that covers Army programs, procurement, and policymaking. Also useful are *Army* magazine, particularly its October Green Book issue, and *The Army Times*.



## Glossary

ARFORGEN	Army Force Generation
FCS	Future Combat Systems
FMTV	family of medium tactical vehicles
FY	fiscal year
GCSS-A	Global Combat Support System-Army
HMMWV	high-mobility multipurpose wheeled vehicle
HQDA	Headquarters, Department of the Army
JTRS	Joint Tactical Radio System
MRAP	mine-resistant, ambush-protected
NIPRNET	Nonsecure Internet Protocol Router Network
NSPS	National Security Personnel System
QDR	Quadrennial Defense Review
ROTC	Reserve Officers' Training Corps
SALE	Single Army Logistics Enterprise
SIPRNET	Secret Internet Protocol Router Network
WIN-T	Warfighter Information Network-Tactical



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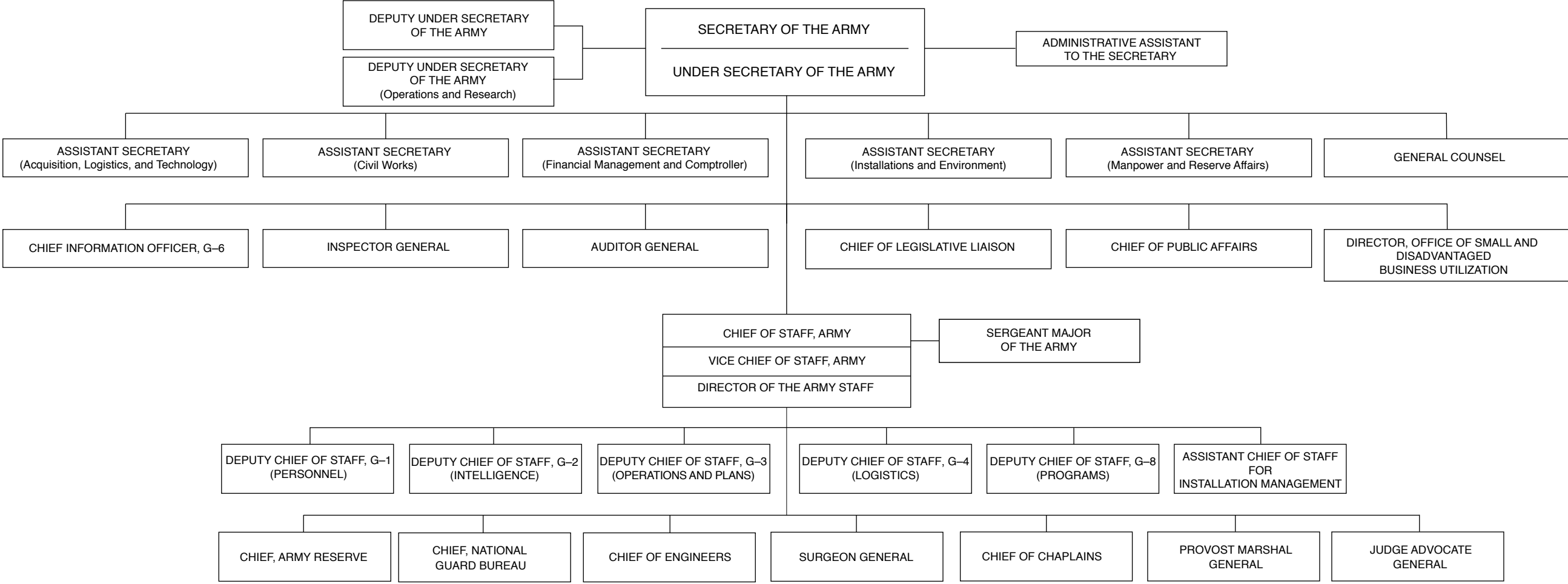
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Appendix—Organization of the Department of the Army (After 1 June 2006)



Source: *The United States Government Manual, 2006/2007* (Washington, D.C.: Office of the Federal Register, National Archives and Records Administration, 2006), p. 167.

