



United States Army Reserve Strategic Equipping Overview



The Army has not established the specific equipping, manning, and training levels required for an Operational Reserve, nor adequately budgeted for most of the costs required for sustaining the Army Reserve in an Operational Role.

- LTG Jeffrey Talley
Chief of Army Reserve & Commanding General, USARC

BLUF: Army Reserve requires dedicated and sustained funding to remain Operational.

- The Army Reserve provides 20% of the Total Army and averages less than 3% of the new procurement budget.
- Conversion to an Operational Force was completely reliant on Congressional investments via supplemental and Overseas Contingency Operations funding ; base budget was not adjusted
- Procurement funding has reverted back to pre-911 funding levels

FY04-15 Procurement Budget

Base	\$8.7B
NGREA	\$1.5B

FY16 Equipping Posture

Equipment On-Hand (EOH) - 89%
EOH % Modernized - 74%
Critical Dual Use On-Hand - 89%
Budget – 3.1% of Total Army

Chart 1-2 Army Reserve Modern Equipment Shortage Values

Requirements (\$M)	On-Hand (\$M)	Shortage (\$M)	Shortage (% of RQD \$s)
\$34.6B	\$24.4B	\$10.2B	29%

* FY16 NGRER, p. 1-5

Budget Impacts on the Army Reserve

- 75% reduction in depot maintenance
 - 29% reduction in new procurement
- Impact: Effects to future readiness and degraded capabilities & compatibility

Effects of Sequestration

- Extended procurement timelines
- Reduced Quantities
- Retaining aging fleets beyond economic useful life
- Modernization gaps increase and challenges compatibility as part of the Total Force

Systemic Issues Impacting Equipment Modernization Funding

- Total Force Policy
- One dimensional prioritization model
- Documentation
- Programming decisions
- Modernization business rules
- Transparency



United States Army Reserve Mobility Augmentation Company (MAC)



Overview

- Army Reserve owns 36% of total Army Echelon Above Brigade (EAB) Engineer capabilities
 - Total FY19 requirements valued at \$4.3B (reflects only documented requirements)
 - FY19 modern equipment shortfall exceeds \$3B (includes undocumented requirements)
- 45% of the total MAC capability resides in the Army Reserve
 - 38 Total: AC = 9 / ARNG = 12 (6 in FY17) / Army Reserve = 17
- Base funding priority is Brigade Engineer Battalion (BEB)
- Redundant capabilities in BEB allow Army to assume risk at EAB

M9 Armored Combat Earthmover (ACE)



- Fleet age averages 24 years; RECAP deemed unaffordable
- 50% (2 per MAC) identified for accelerated divestment FY17-18
- Procurement of replacement platform to begin ~FY29
- No Depot Maintenance funding through FY21
- Army mitigation strategy for blade requirement not identified
- FY19 posture: 68 RQD / 34 OH / 34 Short / \$270M modern shortfall (based on projected cost of modern replacement platform)

M60 Armored Vehicle Launch Bridge (AVLB)



- Fleet age averages 39 years; exceeds Economic Useful Life (EUL)
- Less than 1% (1) of systems are funded for Depot Maintenance life-cycle extension programs; rebuild costs ~ \$750K per system
- Joint Assault Bridge (JAB) replaces AVLB beginning FY18
 - BCTs (BEB) = 100% fielded by FY21
 - Army Reserve ~6% fielded by FY19; 100% in FY29
- FY19 JAB posture: 102 RQD / 12 OH / 90 Short / \$576M shortfall

M113A3 Armored Personnel Carrier (APC)



- Fleet age averages 33 years, exceeding EUL; considered obsolete, but documented as a modern system
- Less than 1% (5) of systems are funded for Depot Maintenance life-cycle extension programs
- Armored Multi-Purpose Vehicle (AMPV) identified as replacement platform, but will not be fielded to EAB units
- FY19 posture: 349 RQD / 344 OH / 5 Short / \$1.4B modern shortfall (based on cost to modernize entire fleet with AMPV)

Impacts To Army Reserve

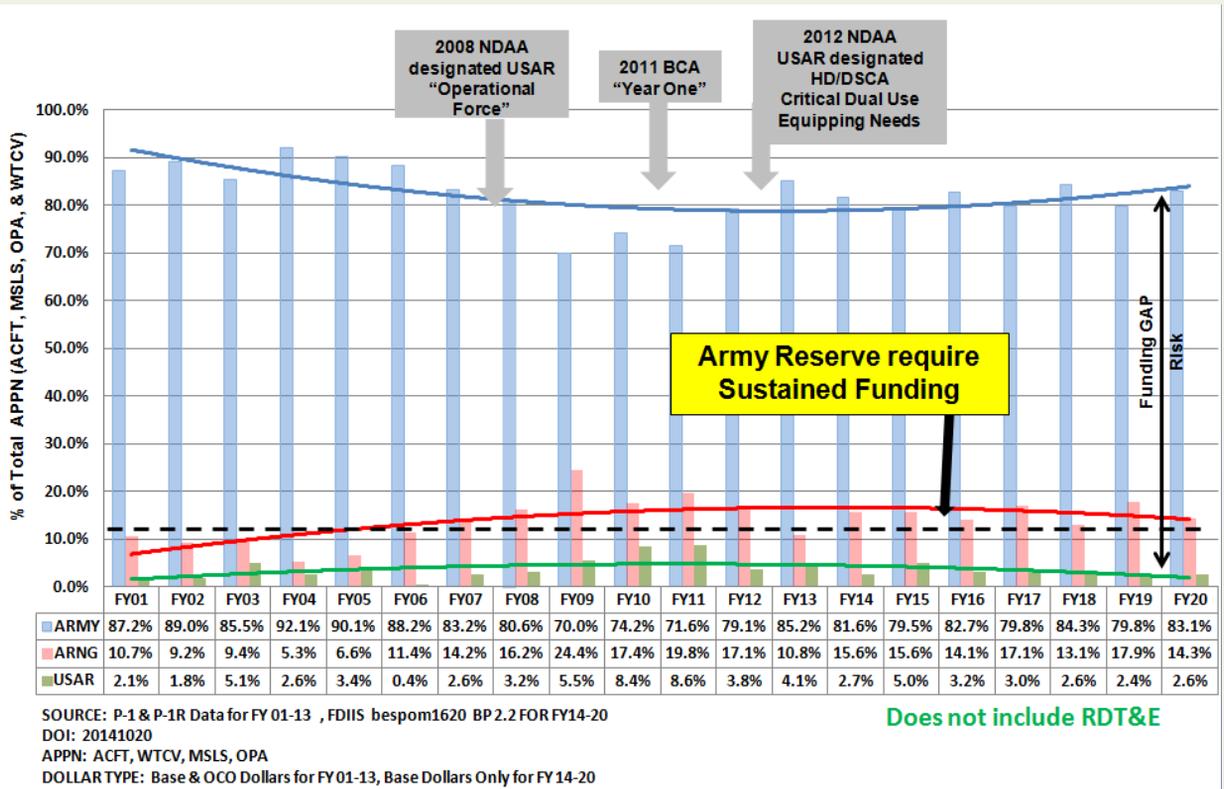
- Creates equipping readiness & capability gaps with the Total Force
- Tiered procurement, delayed fielding time horizons for EAB units, & accelerated divestment decisions place MAC structure at greater risk
- Reduced Depot Maintenance investment generates an insurmountable rolling deficit of uneconomical repairs; decimates defense industrial base supply chain
- Sets conditions for AR to become a bill-payer to offset AC end-strength cuts



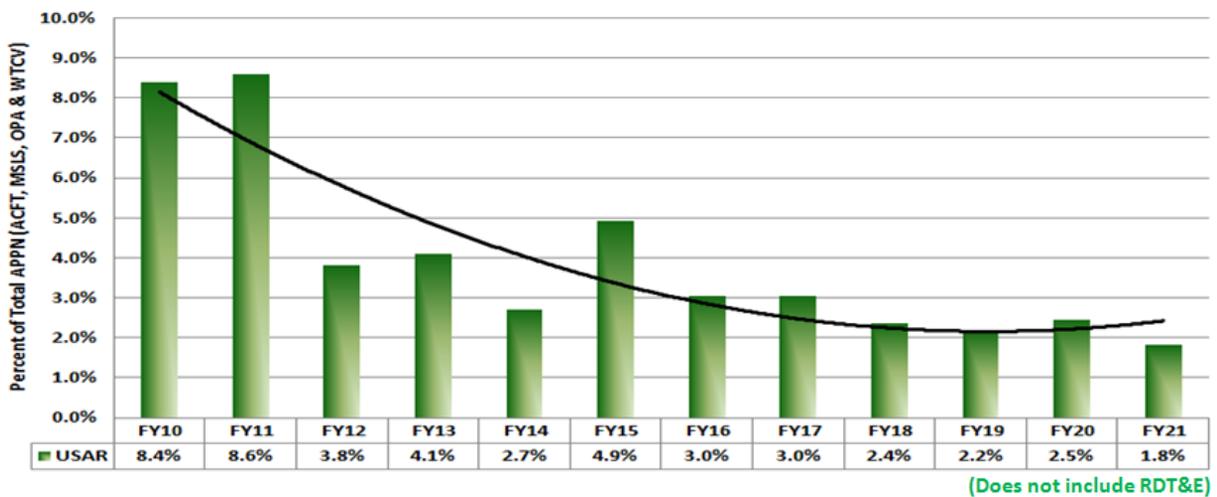
United States Army Reserve Strategic Equipping Funding Trends



Army Equipping Funding Trends



Army Reserve Equipping Funding Trends



Equipping Budget

- 25%- 30% reduction in new procurement funding
- Future Years Projected: FY16 \$425M (3.1%), FY17 \$431M (3.3%), FY18 \$802M(5.5%) and FY19 \$410M (2.7%)
- Funding strategy for new procurement & maintenance requires adjustments to support future readiness

Equipping Concerns

- Shifts in prioritization; risk in procurement and procurement timelines to enablers
- Funding imbalance; 20% of the Total Army with only 4.9% of equipping budget in FY15
- Accelerated divestment of mobility platforms