

Input for GAO Report on ARI Stemming from the NDAA

Why the California National Guard Did This Study

Section 1057 of the NDAA directs the GAO to provide a report by March 1, 2015 to the defense committees of congress assessing the Aviation Restructure Initiative (ARI). The California National Guard is submitting this report to the GAO to ensure that it has the most fidelity possible of those issues pertinent to ARI. This report provides the following:

- (1) Comparison of the assumptions, constraints and limitations of the Aviation Restructuring Initiative, the Chief of the National Guard Bureau's alternative, and the Department of Defense Cost Assessment and Program Evaluation Office (CAPE) report.
- (2) Assessment of the models used to estimate future costs and cost savings associated with the above proposals for allocating Army aviation platforms among the Army, Army Reserve and National Guard.
- (3) Comparison of the military and civilian personnel requirements for supporting combat aviation brigades under each proposal, including a description of the anticipated requirements and funding allocated for Active Guard Reserve and full-time technicians supporting the Army National Guard AH-64 "Apache" units.

In addition to reviewing the Aviation Restructuring Initiative, the Chief of the National Guard Bureau's proposal, and the DoD CAPE report, the staff conducted interviews with and compiled data from ARNG Combat Aviation Brigade personnel, the Theater Aviation Support Maintenance Group (TASMG) in California and the State Army Aviation Officer Advisor Council (SAAOAC).

Recommendation

In order to maintain the most combat capability in the total Army, and ensure the affordability of that capability, the Department of Defense should pursue an alternative plan to ARI such as that provided by the National Guard Bureau. The DoD should keep or increase current levels of attack aviation in the ARNG which maintains Combat Aviation Brigade force structure in the total Army. Doing so complies with existing DoD policies for managing the Reserve Component and provides the most cost-effective method of mixing Active and Reserve resources in an uncertain security environment.

Identical Combat Aviation Brigade structure in the AC and Reserve Component (RC) creates interoperability among components and allows the ARNG to meet all federal and domestic operations missions and provides the best value for the nation and not a single component stakeholder.

Contents

Letter

Background

The relationship of the CAPE Report to ARI and the NGB proposal
Drivers for ARI

Summary of the Aviation Restructuring Initiative (ARI)

ARI assumptions, limitations and constraints
ARI would violate DoD Directive 1200.17¹ and Title 32 U.S.C.
Assessment of the models used to estimate future costs and savings in each proposal
Comparison of the military and civilian personnel requirements for supporting combat operations
under each proposal (Table 3)
Summary of the National Guard Bureau Proposal
Alternative Proposal
Conclusions
Recommendations for DoD

Appendix I	Objectives, Scope, and Methodology
Appendix II	Department of Defense Directive 1200.17
Appendix III	Demand on Forces
Appendix IV	Operations and Sustainment Comparison between ARNG and Active Component
Appendix V	ARNG AH-64 Operational Readiness Rates
Appendix VI	Historical AH-64 deployment chart
Appendix VII	Summary of ARNG ARB combat performance

Background

The 2015 NDAA directs the GAO to provide a report by March 1, 2015 to the defense committees of congress assessing the Aviation Restructure Initiative (ARI). This task is one of several discrete examinations into those measures that the services are considering in response to the Budget Control Act, a changing security environment and economic and political pressures.

Army Aviation must solve the following problem: How to fill the aerial scout reconnaissance role given the phased retirement of the OH-58 Kiowa, an austere fiscal period, and an uncertain security environment.

To address this issue, the Active Component created the Aviation Restructuring Initiative which suggests that combat aviation assets should be consolidated in the Active Component to provide the nation with the most modernized fleet in Aviation history and the most available combat power given fiscal constraints. ARI effects Combat Aviation Brigades (CABs), the placement and disposition of AH-64D Apaches and other airframes, and several related personnel and force generation requirements to include ARNG Infantry Divisions and their subordinate BCTs. The National Guard provides an alternative proposal to maintain Apache Attack Helicopter force structure in National Guard formations at reduced numbers.

The relationship of the CAPE Report to ARI and the NGB proposal

The Department of Defense Cost Assessment and Program Evaluation (CAPE), as an advisory council directly to the Secretary of Defense, producing analysis and formulating alternatives for DoD assessments such as the Quadrennial Defense Review (QDR). CAPE presented a 2013 report that has been central to the Reserve

¹ DoD Directive 1200.17 “. . . establishes the overarching set of principles and policies to promote and support the management of the Reserve Components (RCs) as an operational force.” ARI would defy several provisions in the Directive which assign responsibilities of managing RCs as an operational force, providing strategic depth through RCs, and integrating RCs across the full spectrum of missions to the Secretaries of the Military Departments.

Component's cost argument.² Reserve Component advocates, notably the National Guard Association of the United States (NGAUS) and Reserve Forces Policy Board (RFPB) refer to this document in their efforts to prove the economic value of the Guard and Reserve in the total force Army. These advocates point to the report's findings that the costs for Army National Guard personnel and units are decidedly 1/3 less expensive than the Active Component when in dwell³, and nearly as expensive as the Active Component when deployed.⁴ The National Guard Bureau (NGB) proposal that counters ARI uses this same CAPE report to support its position.

As comprehensive as it is, the CAPE report is still only one piece of analysis necessary to examine ARI and its alternatives. There is an abundance of research and analysis on how each component justifies its value. Although the The National Commission on the Structure of the Air Force completed a similar study, given that these sources are accurate, their major limitation is that they are generally only accurate for the discrete question to which they address, such as the RAND Reshaping the Army's Reserve and Active Components, and Assessing the Army's Active-Reserve Component Force Mix. There are a myriad of ways to account for costs associated with personnel, units, readiness, training, operations and maintenance in both peace time and mobilization. But these costs must be viewed in context with other factors that sometimes outweigh a dollar figure in isolation or calculated for a specific set of circumstances for either Active or Reserve Components.

The CAPE report's methodology captures these factors and provides a viable and objective model for evaluating ARI and the NGB proposals. An overview of this methodology is in Table 1.

Drivers for ARI

While the disposition of the Apaches seems to be central to the ARI topic, acquisition history, technological developments, joint doctrine, and parochial component interests are contributing factors to ARI and its alternatives.

A cursory understanding of the CAB's role and the Apache gives some historical context behind ARI. As the cornerstone of Army Aviation, the CAB is the ground maneuver commander's forward attack element used to shape the battlefield. During the past two decades this fighting force has been some of the first elements to engage the enemy in all conflicts. The AH-64 is an essential element of the CAB with which the Army employs other aircraft in its joint fires. Army Aviation, in any platform or configuration provides the most important enabling capability to Soldiers on the ground.

Ideally the mix of aircraft and their technologies delivering this enabling capability are equally balanced and matched to their respective roles. That is, one aircraft performing a specific role is not generations ahead or behind other supporting or supported aircraft in the CAB inventory. However the Army has found itself with this type of unequal pairing as the result of some procurement issues that date back to the 1980s.

² The origin of this report is a congressional mandate that the Department of Defense report on, “. . .Active and Reserve Components, describing unit costs, force mix, demand for forces, and readiness.”² In 2013, the Secretary of Defense fulfilled this requirement with a report to Congress on the “Unit Cost and Readiness for the Active and Reserve Components of the Armed Forces.”

³ 2013 CAPE report: “The observed trend is that when not in use, RC personnel are about 15 percent the cost of AC.” P. 31

⁴ 2013 CAPE report: “When use, RC personnel cost range from 80 to 95 percent the cost of AC personnel.” p.31

Developed to counter the Soviet's armor fleet during the Cold War, Army aviation doctrine required a cavalry/scout helicopter to complement the heavy attack AH-64D Longbow in its joint fires employment. The Army attempted to acquire the RAH-66 Comanche as the next generation aircraft to fill this role, but was unsuccessful as was the later effort to procure the Arapaho. As a result, the Army was left with a sizeable but obsolete inventory of the OH-58D Kiowa and a large modernized fleet of AH-64Ds. Combat operations in Iraq and Afghanistan forced the Army to sustain the OH-58D Kiowa far beyond its intended retirement date in the absence of a new aerial scout helicopter.

Because the Apache outperforms the Kiowa albeit at a higher cost, the Army now intends to use it to fill the aerial scout mission.⁵ Army aviators laud the aircraft's ability to conduct those missions prescribed to attack/reconnaissance helicopters: Reconnaissance, Security Attack (Interdiction and Close Combat Attack), and Movement to Contact.⁶ The Army's own Field Manual (3.04.126) in fact makes no distinction between the missions that the Apache and the Kiowa conduct. Organizationally though the Army separates these aircraft in their CABs by assigning OH-58 Kiowas to Attack Reconnaissance Squadrons (ARS), and AH-64Ds to Attack Reconnaissance Battalions (ARB). Table 2 depicts how the number of aircraft in each unit is a factor bearing on ARI and its alternatives.

Though the Army can make a case for the Apache assuming the scout role from the OH-58, it cannot make a case for assuming the OH-58's role as a training helicopter at Ft. Rucker. The Army will be using the LUH-72 Lakota to replace the retiring OH-58s(A/C) and TH-67s training platforms for its rotary pilots. It will also be attempting to regain those efficiencies that the OH-58 provided. Some of these efficiencies include acquisition, maintenance, logistical and training benefits.

The rise of Unmanned Aerial Systems (UAS') or Remotely Piloted Vehicles (RPAs) is another factor weighing on the impetus for ARI. Faced with the same types of challenges and opportunities in developing, integrating and exploiting these systems' overlap in aviation and intelligence, the Army had to place UASs where they could best link manned and unmanned aerial platforms. The placement of these assets inside aviation formations added another dimension to reconnaissance, intelligence and maneuver but has not completely supplanted any manned platform filling attack or reconnaissance missions. Joint fires doctrine and other services employment of UASs does not negate the Army's need to use these systems as a complement to manned aircraft supporting formations down to the company level performing full spectrum operations or Decisive Action Operations.⁷

The services must provide strategic depth to these full spectrum operations, and per Department of Defense Directive 1200.17, this depth must come from the Reserve Components. Prior to its issuance in 2008, the Army's components fought for roles, missions and funding for their allotted units in the Combat Arms, Combat Support and Combat Service Support branches. Arriving seven years into two major conflicts in Iraq and Afghanistan, the DoD found the need to formally address the discrepancies

⁵ Factors for evaluating combat capability for these aircraft are: weaponry, station time/range, sensors, survivability. Appendix ? provides data on how these two aircraft compare in these categories.

⁶ Army Field Manual 3.04.126, Attack Reconnaissance Helicopter Operations.

⁷ "Decisive Action Operations" is a newer term for "full spectrum operations." Full spectrum operations will be used throughout this paper however to maintain consistency with the language in DoD Directive 1200.17.

between what it was asking of the RC—to be an operational reserve, and what it was organizing, training, equipping and funding it with to be that operational reserve. However, neither the RC's performance in OIF and OEF nor directives like DoD 1200.17 did much to abate the quarrel between the AC and RC in these matters, especially during times that involve budget restrictions. In essence, ARI is one of the many latest contestations about meeting service obligations with limited resources.

The recent Budget Control Act (BCA) and threat of sequestration has highlighted the challenges in addressing several important issues related to how the Army attempts to balance its force structure, array its major equipment, and remain a lethal, ready and sustainable land combat force for the future. There is constant tension among the inputs to this process; doctrine, technology, security threats and fiscal restraints all shape the Army. Of these, the budget demands special scrutiny when addressing capital intensive programs and capabilities like aviation.

Summary of the Aviation Restructuring Initiative (ARI)

The ARI timeline begins in FY16 and continues to FY19.

ARI replaces the Training Fleet.

The UH-72 Lakota will replace the retired TH-67 and OH-58A/C platforms at Ft. Rucker, AL. This replacement fleet will be a composition of new aircraft (100) and transfers from the Active Component.

- Training fleet: 70
- Test fleet: 10
- Boeing line⁸: 46
- Other Operational Ready Fleet: 12
- Total Non-Operational Fleet: 114

ARI reduces the overall size of the aviation force and redistributes capabilities and capacities across the components.

By formation ARI would:

- Deactivate three⁹ of the thirteen AC CABs and two ARNG CABs. One of the remaining ten CABs is an equipment set only with no manning for the AC to rotate into on a scheduled basis
- Remaining Aviation Brigades in both components would reorganize as a result of aircraft transfer
 - AC CABs would contain
 - Attack Reconnaissance Battalions (ARB) with 24 AH-64D Apaches each
 - Attack Reconnaissance Squadrons (ARS) with 12 AH-64D Apaches each
 - ARNG would contain only Support Aviation Brigades with a cut of three Command/Brigade Headquarters, nine Battalion Headquarters, and 38 Companies.¹⁰ ARNG would gain four AHBs.

By airframe ARI would:

⁸ ARNG provided an additional 24 aircraft to the original 22 to the Boeing Line.

⁹ Pre-9/11 the AC had 10 CABs and increased to 12 during OIF and OEF. The Army activated an additional CAB in April 2014 which brought that number to 13, but did not move resources into the unit.

¹⁰ These cuts to ARNG formation come as a result of the loss of the ARNG CABs.

- Divest 600 aircraft
 - 300 of the 600 are OH-58D models already scheduled for retirement
 - 30 of the 600 are OH-58D scout fleet from the ARNG
- Transfer all 192 AH-64D Apaches from ARNG to AC
- AC would go from 408 Apaches to 528 Apaches; this is a 29% gain in Attack Helicopter inventory
- Transfers 111 UH-60L Blackhawks from the AC to the ARNG; this is a 7% gain in utility capacity for the ARNG.
- Integrate Unmanned Aerial Systems (UAS) into Aviation formations
 - RQ-7 Shadows to AC Attack Reconnaissance Squadrons
 - RQ-1 Grey Eagles to AC Attack Reconnaissance Battalions

By personnel ARI would:

- Cut approximately 4,085 ARNG personnel (MTOE) under the new ARI aviation structure formation.

Comparison of assumptions, constraints and limitations of ARI and the NGB proposal
 Assessment of the models used to estimate future costs and savings in each proposal
 Comparison of the military and civilian personnel requirements for supporting command and control
 under each proposal (Table 3)

ARI assumptions, constraints, and limitations

In order to expedite a solution to the Army's fleet inventory problem, the AC had to make several assumptions in redistributing aviation capabilities and capacities across the components.

ARI Assumption 1: The AC can claim losses in the training fleet as reduced capacity in their inventory. However, the training fleet at Ft. Rucker supports all the AC, ARNG and United States Army Reserve pilot training, so loss/gains to this fleet cannot count against any one component.

ARI Assumption 2: The AC CABs will take a large loss in capacity with the divestiture of the OH-58D Kiowas. There were nine AC Attack Reconnaissance Squadrons (ARS) with 30 Kiowas each for a total of 270 aircraft cut. However, AC will replace them with 264 (11X24) Apaches of which 192 come from the NG, and 96 (4X24) from their 2 deactivated Heavy CABs. This will be virtually no loss in airframes to the AC CABs and actually a gain for their non-operational fleet. Additionally, AC does not take into account the increase in Unmanned Aerial Systems (UAS) the AC CABs will gain with ARI.

ARI Assumption 3: The AC can count the loss of its newest formed CAB. The AC's CAB that came online in April 2014 did not receive full resourcing and was not used during OIF and OEF. So it is technically accurate that the formation is being cut, but the unit had no utility during recent conflicts.

ARI Assumption 4: Army Aviation can meet future Combatant Commander demands with a 46% reduction in attack-reconnaissance battalions and squadrons. TRAC and CAPE support the notion that ARI can meet known demands of Combatant Commanders. However, future demands to emerging threats would stress the proposed force and capabilities distribution. ARI reduces the number of "shooting" formations from

37 to 20 with no strategic depth. It is necessary to differentiate between Combatant Commander demands (both known and possible/emerging), and speed required to provide that response. There is no historical example that demonstrates the need to deploy a response force of more than ____ CABs, equating to ____ ARBs or ____ ARSs. But the last major conflicts do demonstrate the necessity for a combat reserve to meet Combatant Commander demands in a sustainable way.

ARI Assumption 5: ARNG mobilization to dwell ratio will remain fixed at 1:4.

ARI Assumption 6: The ARNG needs more utility helicopters. The ARNG has 849 authorized UH-60s. If would increase to 960 with the 111 additional UH-60s transfer from the AC through ARI. This would create an excessive amount to what the NG needs and can utilize for the DOMOPs Missions. UH-60s spread across the 54 states and territories which have been and are according to the states and NGB adequate for Civil Support missions. States deem that the 111 UH-60s that ARI would transfer would be desirable, but not at the expense of losing all of its AH-64s. States' use of the Emergency Management Assistance Compact (EMAC) and regional MOUs

ARI Assumption 7: Guard Aviation cannot conduct complex operations without prohibitive pre-deployment preparation. ARNG units successfully accomplished every mission to which they were assigned in OIF, OEF, ONE, and OND. ARNG ARBs routinely performed high-intensity, high-complexity, high-danger missions and garnered several unit and individual awards. As an example, 12 pilots from 1-149 Avn (TX ARNG) received the Distinguished Flying Cross during their 2006-2007 deployment to Iraq. Appendix # provides a short summary of ARNG ARB combat performance.

ARI Assumption 8: ARNG Aviation is not accessible. The ARNG has successfully responded to every Request for Forces it received.¹¹ Only DoD and Headquarters Department of the Army policy prevented more extensive use of ARNG Aviation. Appendix # lists historical ARNG AH-64 deployments.

ARI Constraint 1: ARI's benefit of ~\$12 billion savings is only realized if the Army does not procure a new scout aircraft to replace the OH-58D Kiowa. These savings would accrue outside the FY6-20 Program Objective Memorandum (POM).

ARI Limitation 1: ARI limits the Army's ability to retain trained and experienced Apache pilots in both components. Under ARI, the nation would lose those ARNG Apache pilots who cannot or do not cross-train into the UH-60L Blackhawk airframe. Lacking a combat reserve, the AC CABs would experience a higher deployment frequency under ARI. Similarly stressing the force in the 1990s necessitated a retention bonus for AH-64 pilots in ARBs. ARI would not only create the conditions to stress the force, it would remove its ability to mitigate it.

ARI would violate DoD Directive 1200.17 and Title 32, U.S.C.

The Department of Defense provides a number of issuances which can originate from the President, Congress or Office of Secretary of Defense. As a subset of DoD Issuances, directives in particular exist to provide broad policies to initiate, govern or regulate DoD Component actions or conduct within their specific area of responsibilities.¹² DoD Directive 1200.17 specifically describes policy and assigns

¹¹ ARNG ARB tasks included requests for 12 Battalions and 5 separate Companies.

¹² See <http://biotech.law.lsu.edu/blaw/dodd/general.html>

responsibilities for managing the Reserve Components as an Operational Force (Appendix I).

ARI would violate the following policy provisions of Department of Defense Directive 1200.17, and their accompanying responsibilities as assigned to Service Secretaries in the same:

(policy provision)

- a. The RCs provide operational capabilities and strategic depth to meet U.S. defense requirements across the full spectrum of conflict including under sections 12301, 12302, 12304, and 12306 of Reference (a).¹³

(Service Secretary responsibility)

- b. Manage their respective RCs as an operational force such that the RCs provide operational capabilities while maintaining strategic depth to meet U.S. military requirements across the full spectrum of conflict.
- c. Ensure that the RCs participate across the full spectrum of missions at home and abroad in providing operational capabilities according to the national defense strategy, their Service force management plans, and operational requirements. To the extent practicable and consistent with the Services' organizational constructs, ensure unit integrity is maintained, to include unit leadership positions when RC units are utilized to fulfill operational requirements.

ARI would transfer all of the AH-64 Apaches in the Army National Guard to the AC, thereby converting all ARNG CABs into Support Aviation Brigades with no combat mission.¹⁴ In this arrangement, the Army would maintain all of its attack reconnaissance capability in the AC. While OIF and OEF provided ample combat exposure to Support Aviation Brigades flying UH-60 variants, they do not fill the same roles as scout and attack aircraft prescribed in Army doctrine, nor do they fulfill an Infantry Division's or Brigade Combat Team's (BCT) requirements to train and conduct joint unified land operations. Thus, the ARNG cannot provide "operational capabilities and strategic depth to meet U.S. defense requirements across the full spectrum of conflict" with only Support Aviation Brigades.

(policy provision)

- b. The Active Components (ACs) and RCs are integrated as a total force based on the attributes of the particular component and individual competencies.

(Service Secretary responsibility)

- d. Ensure that, while providing strategic depth, RC units and individuals train and are available for missions in accordance with the national defense strategy.
- g. Ensure sufficient depth of RC unit and individual capabilities to meet established DoD force utilization goals.

Restructuring the total Army in this way produces cascading effects to other branches and creates integration and training problems. Infantry Brigade Combat Teams for example require complex air-ground integration training with Combat Aviation Brigades. Removing CABs from the ARNG drives inefficiencies and training challenges for ARNG BCTs that must accomplish this training. In addition, the respective attributes of the AC to quickly respond to defense requirements, and the RC's ability to provide an

¹³ Reference (a) in the Directive is Title 10, United States Code.

¹⁴ Current ARNG Attack/Recon units reside in ID, UT, AZ, TX, MO, MS, NC, SC, PA

operational combat reserve as a follow-on force are minimized when an entire capability, combat aviation in this instance, is concentrated in one component.

(policy provision)

e. The continuum of service is utilized to enhance the effectiveness of and sustain the all volunteer force with flexible service options that are attractive to a broad population.

(Service Secretary responsibility)

h. Ensure force rebalancing is conducted on a continuing basis to adjust force structure and individual skill inventories to meet full spectrum operations while moderating excessive utilization of the total force. Such rebalancing shall result in a force mix that takes into account AC and RC capabilities and capacities.

i. Integrate AC and RC organizations to the greatest extent practicable, including the use of cross-component assignments, both AC to RC and RC to AC. Such assignments should be considered as career enhancing and not detrimental to a Service member's career progression.

ARI addresses disposition of aircraft only among the components but does not submit a plan for associated ARNG Apache pilots, maintenance and support personnel. Presumably some would cross-train into the UH-60 Blackhawk system as part of the ARI aircraft swap. However the distribution of these aircraft is not a one-for-one in those states losing Apaches. The continuum of service for these ARNG personnel under ARI would not likely enhance the effectiveness of these volunteers nor provide flexible service options for them.

(policy provision)

f. Utilization rules are implemented to govern frequency and duration of activations. Since expectation management is critical to the success of the management of the RCs as an operational force, these rules enhance predictability and judicious and prudent use of the RCs.

(Service Secretary responsibility)

j. Align, to the extent practicable, force structure with established DoD goals for frequency and duration of utilization for unit and individuals.

(Service Secretary responsibility)

o. Accelerate modernization while balancing the need for restoring immediate readiness through recapitalization with the imperative to prepare for future conflicts with more advanced adversaries.

The 2015 National Defense Authorization Act emphasizes those tenets of DoDD 1200.17 that provide for the strategic depth and regeneration capacities of the Army and the Army National Guard's role as its combat reserve. Section (f) of the 2015 NDAA stipulates the following certification:

The certification referred to in subsection (e)¹⁵ is a certification by the Secretary of Defense in writing to the congressional defense committees that the commencement of preparations to transfer AH-64 Apache helicopters pursuant to the exception provided by subsection (e) (1) or a transfer of AH-64 Apache helicopters pursuant to the exception provided by subsection (e)(2) would not create unacceptable risk—

- (1) to the strategic depth or regeneration capacities of the Army; and
- (2) to the Army National Guard in its role as the combat reserve of the Army.

It appears that an initial transfer of 48 AH-64 Apaches still provides for (1) and (2) above, but that any greater number in the ARNG's view creates this unacceptable risk. The ARNG would therefore oppose any scenario involving the transfer of additional aircraft to the AC.

Section 104, Title 32, U.S.C. – b mandates that, “Except as otherwise specifically provided by this title, the organization of the Army National Guard and the composition of its units shall be the same as those prescribed by the Army, subject, in time of peace, to such general exceptions as the Secretary of the Army may authorize...” To comply with this United States Code, the Secretary of the Army would have to argue that the condition to which ARI would bring the ARNG, one dissimilar to the AC and without a Combat Aviation Brigade, is a general exception and one that is absolutely necessary.

Some of ARI's major limitations are its conflicts with DoD Directive 1200.17 and Section 104, Title 32, U.S.C. This directive and law evolved from difficult lessons over several years and have since made for a more lethal, ready, efficient and sustainable force.

Summary of the National Guard Bureau (NGB) proposal

The National Guard Bureau proposal calls for an independent study due not only to the scale and long-term impacts of ARI, but also because it views the redistribution of aviation capabilities and capacities across the components as a precursor to additional conflicts between the AC and RC for roles and missions. The ARNG has concern that the logic and hastiness behind ARI will carry over to other branches in the components as well. The ARNG challenges AC's urgency to execute Apache transfers and believes that they could even be delayed for several years.

As such, the NGB proposes the following force structure:

By formation the NGB proposal would consist of:

- 8 AC CABs (containing ARBs and ARSs with AC AH-64 Apaches)
 - Comes from reducing AC ARB/ARSs from 20 to 18
- 2 Multi-Component CABs (containing ARNG AH-64 Apaches)
 - Would come from converting 2 AC CABs and forming the above multi-component CAB
- 2 ARNG CABs (containing ARBs and ARSs with ARNG AH-64 Apaches)

¹⁵ “(e) EXCEPTIONS.—Subject to the Secretary of Defense certification required by subsection (f) the Secretary of the Army may—

- (1) during the period beginning on the date of the enactment of this Act and ending on March 31 2016, make preparations for the transfer of not more than 48 AH-64 Apache helicopters from the Army National Guard to the regular Army; and
- (2) during the period beginning on Oct 1, 2015, and ending on March 31, 2016, transfer not more than 48 AH-64 Apache helicopters from the Army National Guard to the regular Army.” 2015 NDAA.

- 9 ARNG Combat Aviation Support Brigades
 - Retains all ARNG UH-72s (212 aircraft) and Security and Support structure with a Domestic Operations focus

By aircraft the NGB proposal would:

- Divest 30 ARNG OH-48D Kiowas
- Retain all 212 ARNG UH-72s
- Allocate AH-64 Apaches in the following manner:
 - AC Modified Table Of Equipment (MTOE): 432
 - ARNG Modified Table of Equipment (MTOE): 108
 - Equipment Set: 48
 - Training Fleet: 80
 - Mesa Reman: 35
 - Test Fleet/Float: 20

NGB Proposal assumptions, constraints, and limitations

NGB Assumption 1: Operationally Ready Fleet based on historical attrition. NGB claims that the attrition rate over the last 15 years for non-combat losses is approximately one AH-64 Apache per year. Thus NGB does not believe that a large ORF is necessary.

NGB Assumption 2: The funding for lost units, aircraft, operations tempo, and M-day/Full-Time-Manning has already been cut from the budget. NGB asserts that actual execution of aircraft transfers and ARNG reorganization would be irreversible.

NGB Assumption 3: Transferring ARNG AH-64s to the AC does not save money. While cutting the total number of AH-64 ARBs from 27 to 20 does save money, NGB claims that more money is saved if the cuts are made from the AC than the ARNG. The annual cost to own/operate an ARB at home station for the AC is \$77M versus the \$32M for an ARNG ARB. See Appendix # Operations and Sustainment Comparison between ARNG and Active Component supporting the notion that ARI moves the most expensive aviation units to the most expensive component.

NGB Assumption 4: Mobilization process can bring ARNG ARBs to combat-ready status before all 20 AC ARBs/ARs can be deployed. Therefore, ARNG CABs can be maintained at reduced costs, remain an operational reserve, and be ready to deploy within the AC 90-120 day mobilization deployment window along with its AC counterpart.

NGB asserts that if the AC takes longer than 90-120 days to deploy all of its CABs, then the Army would realize greater cost-savings, maintain its operational depth, and retain its Apache pilots in both components if CABs were kept in the ARNG.

NGB Assumption 5: Allocation for CAB support to Infantry Brigade Combat Teams (BCTs) goes unchanged. Currently one CAB supports 2-4 BCTs. With 48 BCTs (on the low-end of BCA-driven force structure reduction), total Army Aviation would need at least 12 CABs.

NGB Assumption 6: OSD/HQDA would fund replacement of a portion of the Training Fleet.

NGB Limitation 1: No large non-flying AH-64E float account.

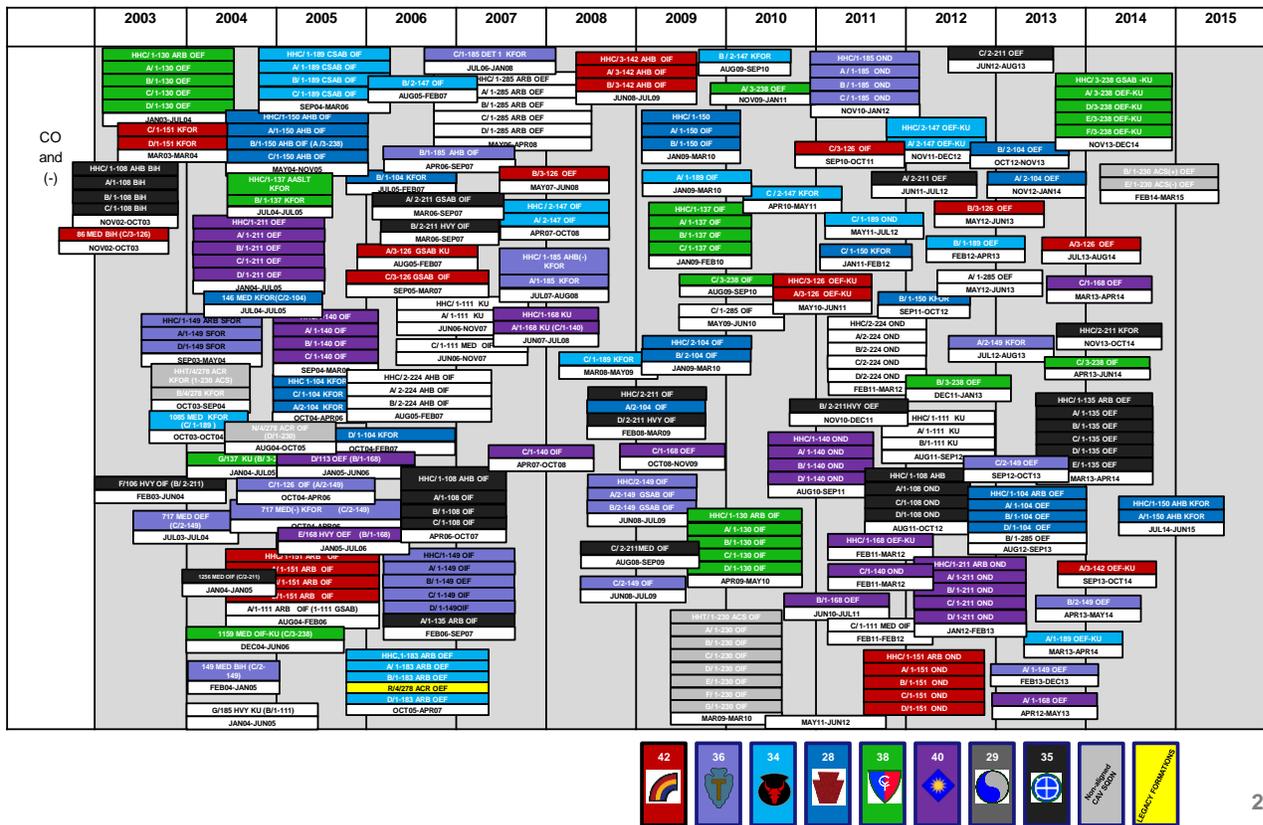
Appendix # Historical ARNG CAB deployment chart

Deployment requests for Aviation to the ARNG should be taken into account when examining this data. In short, the ARNG Attack-Recon Battalion and Air Cavalry Squadrons fulfilled every deployment which included Kosovo, Bosnia, Operation Iraqi Freedom, Operation Enduring Freedom and Operation New Dawn. In these theaters, ARNG Attack and Air Cavalry Aviation formations excelled at the same mission sets as their AC counterparts. In comparing ARNG and AC FORSCOM ARMS results, 75% of ARNG ARBs (6 of 8) scored overall satisfactory from 2011-2013, while 36% of AC report ARBs (4 of 11) scored satisfactory, and 54% of AC reporting ARBs (6 of 11) scored unsatisfactory or lower for the same period. ¹⁶ See also Appendix # Summary of ARNG ARB combat performance.

The illustration below describes each Combat Aviation Brigade by Unit and colors their perspective mobilization by theater.



ARNG CAB Aviation Mobilization History (2003 – Present)



¹⁶ FORSCOM ARMS is a comprehensive study of aviation operational systems, with emphasis on safe and efficient management of aviation resources. FORMSCOM ARMS teams inspect thirteen functional areas to assess whether units and facilities are in compliance with Army standards.

Appendix # Summary of ARNG ARB combat performance

ARNG ARBs conducted the same combat missions as the AC

- 1-151 SC (OND) – largest Avn Bn TF in Iraq ever: 667 Pax, 50 acft
- 1-211 UT (OEF) – split based between Kunduz, MeS, and Shindand
- 1-285 AZ (OEF) – OCFI DS, Air Assault Escort, QRF, Deliberate Attacks

ARNG ARBs engaged in direct combat

- 1-149 TX (OIF) - >120 engagements, 18 battle-damaged aircraft
- 1-135 MO (OEF) – 33 engagements

ARNG ARBs were innovative in combat

- 1-211 UT (OEF) – used close-in CCA and off-axis gun to support SOF (AC: fixed-forward gun, hi-altitude runs only)
- 1-151 SC (OND) – developed new overwater TTP; arguably the most proficient overwater Aviation unit in the Army

ARNG ARBs were courageous in combat

- 1-149 TX (OIF) – Valorous Unit Award; 12 DFCs, 39 Air Medals for Valor
- 1-211 UT (OEF) – German Presidential Unit Streamer
- 1-135 MO (OEF) – 100 Air Medals for Service/Achievement

ARNG ARBs were commended by AC leaders for their combat performance

- 1-151 SC (OND) – 3USA CG LTG V. Brooks: “1-151 ARB is the best Apache battalion in the Army.”
- 1-104 PA (OEF) – 101st CG MG J. McConville: “You are doing things that would not have happened just a few years ago (re: support of SOF).”
- 1-211 UT (OEF) – By-name recognition by DES, following their in-theater visit.

List of terms:

QRF = Quick Reaction Force

OCFI = Other Than Conventional Forces - Iraq

CCA = Close Combat Attack

TTP = Tactics, Techniques & Procedures

DFC = Distinguished Flying Cross

DES = Directorate of Evaluations and Standardization

Appendix # Operations and Sustainment Comparison between
ARNG and Active Component¹⁷

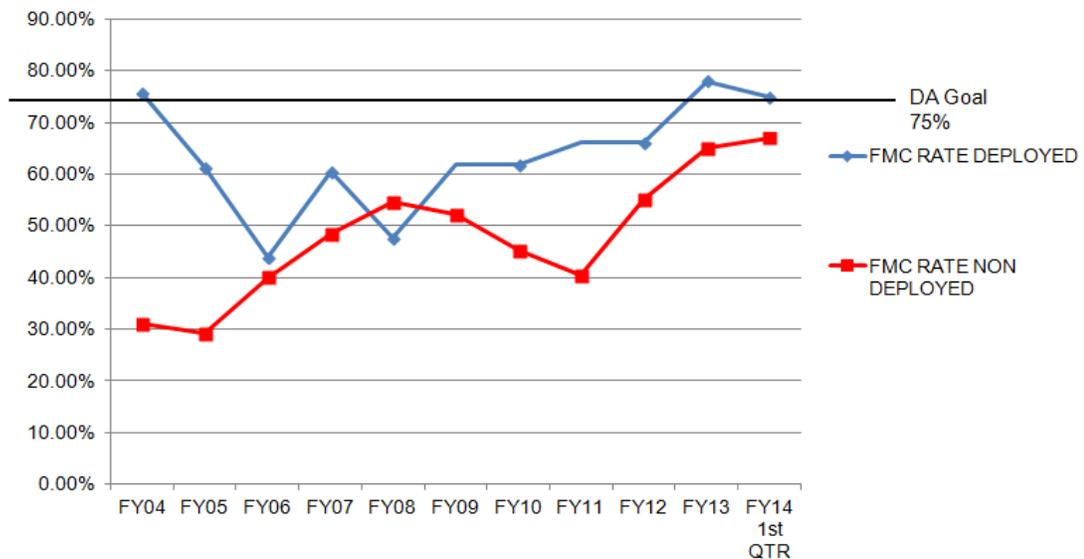
¹⁷ DASA – CE Forces Cost Estimate Model (FCM) for AH64D Battalion; Base Year 2014, Version: 2012.050913

Operations & Sustainment		\$31,799,548	Operations & Sustainment		\$76,777,682
Direct Equipment Parts & Fuel Cost		\$20,030,362	Direct Equipment Parts & Fuel Cost		\$31,728,436
Training Operations		\$18,096,896	Training Operations		\$26,357,575
Aircraft Operations		\$17,637,046	Aircraft Operations		\$25,130,168
Reparables		\$11,954,754 OMNG	Reparables		\$17,024,064 OMA
Consumables		\$4,196,207 OMNG	Consumables		\$5,966,276 OMA
POL		\$1,486,086 OMNG	POL		\$2,139,827 OMA
Ground/Afloat Operations		\$446,495	Ground/Afloat Operations		\$1,191,944
Reparables		\$73,936 OMNG	Reparables		\$264,637 OMA
Consumables		\$312,305 OMNG	Consumables		\$795,548 OMA
POL		\$60,254 OMNG	POL		\$131,759 OMA
Non-OSMIS Equipment Operating Cost		\$13,356 OMNG	Non-OSMIS Equipment Operating Cost		\$35,464 OMA
Training Ammunition & Missiles		\$1,933,465 AMMO	Training Ammunition & Missiles		\$5,370,861 AMMO
Post Production Software Support		\$101,298	Post Production Software Support		\$101,298
Annual Maintenance Cost		\$10,488 OMNG	Annual Maintenance Cost		\$10,488 OMA
Modernization Amortized Cost		\$90,809 OPA2	Modernization Amortized Cost		\$90,809 OPA2
Indirect Support Cost		\$1,110,818	Indirect Support Cost		\$1,462,027
Transportation of Things		\$27,114 OMNG	Transportation of Things		\$72,868 OMA
Supplies and Equipment		\$478,728 OMNG	Supplies and Equipment		\$416,451 OMA
Contractual Services - Field		\$15,675 OMNG	Contractual Services - Field		\$76,681 OMA
Mission Travel		\$63,972 OMNG	Mission Travel		\$187,255 OMA
Equipment Leases		\$16,522 OMNG	Equipment Leases		\$43,213 OMA
Contractual Services	ARNG	\$233,856	Contractual Services	Active	\$383,406
ADP		\$8,049 OMNG	ADP		\$47,873 OMA
Other		\$225,807 OMNG	Other		\$335,533 OMA
Purchased Equipment		\$108,455 OMNG	Purchased Equipment		\$184,289 OMA
Admin Travel		\$13,981 OMNG	Admin Travel		\$31,774 OMA
Civilian Labor		\$139,805 OMNG	Civilian Labor		\$52,957 OMA
Other		\$12,710 OMNG	Other		\$13,133 OMA
Personnel		\$8,889,029	Personnel		\$35,246,718
Replacement Personnel Training		\$231,768	Replacement Personnel Training		\$589,256
Training Through Initial MOS		\$214,816	Training Through Initial MOS		\$544,201
Military Pay Funded		\$82,894 NGPA	Military Pay Funded		\$209,997 MPA
O&M Funded		\$122,560 OMNG	O&M Funded		\$310,485 OMA
Other Funded		\$9,363 AMMO	Other Funded		\$23,719 AMMO
Clothing Initial Issue		\$16,952 NGPA	Clothing Initial Issue		\$45,055 MPA
PCS Travel: Military & Dependents		\$0 N/A	PCS Travel: Military & Dependents		\$2,027,019 MPA
Military Personnel		\$8,657,261	Military Personnel		\$32,630,444
Basic Pay and Allowances		\$7,779,376 NGPA	Basic Pay and Allowances		\$25,929,334 MPA
BAH/OHA		\$271,374 NGPA	BAH/OHA		\$6,135,388 MPA
COLA		\$0 NGPA	COLA		\$0 MPA
Special/Incentive/Hazardous Duty Pay		\$606,511 NGPA	Special/Incentive/Hazardous Duty Pay		\$565,722 MPA
Other Unit Support		\$1,668,042	Other Unit Support		\$8,239,204
Installation Services		\$1,493,800	Installation Services		\$4,035,718
Housing		\$424 N/A	Housing		\$64,395 AFH
Command Support		\$61,006 OMNG	Command Support		\$140,229 OMA
Human Resources Management		\$424 OMNG	Human Resources Management		\$67,784 OMA
Infrastructure Support		\$722,752 OMNG	Infrastructure Support		\$1,403,986 OMA
Information Technology		\$204,624 OMNG	Information Technology		\$149,126 OMA
Logistics		\$61,853 OMNG	Logistics		\$474,915 OMA
Mission Support		\$70,750 OMNG	Mission Support		\$671,066 OMA
Natural Infrastructure Supt		\$216,063 OMNG	Natural Infrastructure Supt		\$526,177 OMA
Soldier & Family Support		\$59,735 OMNG	Soldier & Family Support		\$294,439 OMA
Security		\$96,169 OMNG	Security		\$95,746 OMA
Tng Aids Devices Simulations		\$0 OMNG	Tng Aids Devices Simulations		\$147,855 OMA
Defense Health Program		\$174,241 OMD	Defense Health Program		\$4,203,485 OMD

Data for comparing annual costs to own/operate ARNG and AC Attack-Recon Battalions is listed above. ARNG cost is \$31.8M/year vs. AC cost at \$76.8M/year. The ARNG plan reduces the cost of re-training aircrews and maintainers into new aircraft. ARNG maintainers provide a greater continuity of experience over the life-cycle of the airframe while reducing the need for contractors to conduct scheduled and unscheduled maintenance activities.

Appendix # ARNG AH-64 Operational Readiness Rates¹⁸

The data below tracks Fully Mission Capable (FMC) rates from FY04 through 1st Quarter of FY14.



ARNG AH-64 Operational Readiness Rates have been historically below that of the AC, but have improved over the last few years despite the following contributing factors.

The AC was fielded with significantly more new airframes during OEF/OIF and handed down its war worn aircraft to the ARNG.¹⁹ When an AC unit returns from theater, they swap their fleet and reset time does not count against their OR rate. The ARNG upon redeployment however cannot swap out their aircraft which is reflected in their OR rate.

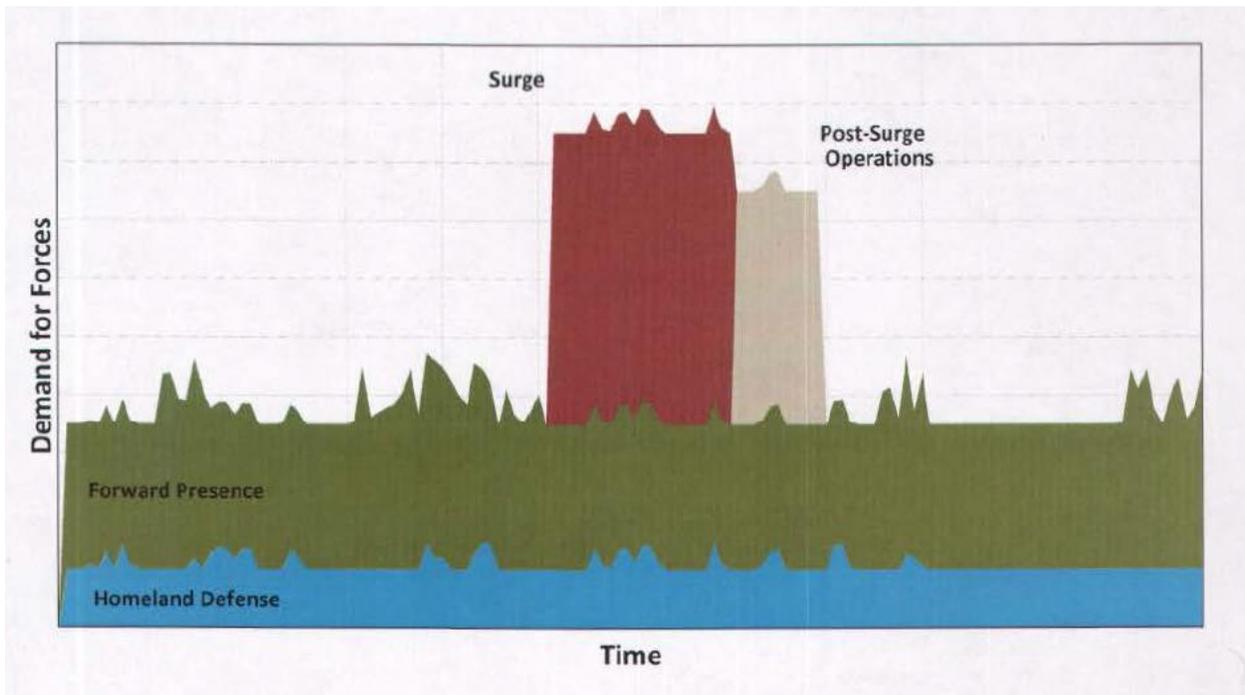
AC aviation units depend on contract maintenance whereas the ARNG has significantly less contractor support. AC maintainers cannot perform without contractor support whereas ARNG maintainers can perform AH-64 maintenance autonomously and exceptionally well. As an example, in 2012 the 1-211th Aviation Regiment, Utah Army National Guard, conducted all their own maintenance phases in Afghanistan and did one each for 12th CAB and 101st CAB (Active Duty units) without an Aviation Support Battalion (ASB) or contractor involvement.

At home station, AC units are 100% manned while ARNG units are only manned 30%-50% with full-time personnel. Additionally, AH-64 "parts windows" are located on AC installations affording those units immediate access to parts. The best that ARNG aviation units can access these same parts is through next-day shipping.

¹⁸ There were no ARNG AH-64s deployed in FY09 or FY11. OIF Surge and Draw-down between July 2007 and January 2011 largely excluded ARNG ARBs due to revised theater requirements and slow pace of ARNG modernization.

¹⁹ The 1-211th received 24 of its aircraft after AC had flown them for 28 months in combat.

Appendix # VII Demand on Forces²⁰



²⁰ Office of the Secretary of Defense Report to Congress, Unit Cost and Readiness for the Active and Reserve Components of the Armed Forces, Oct 11, 2013; RefID: 7-949E552.