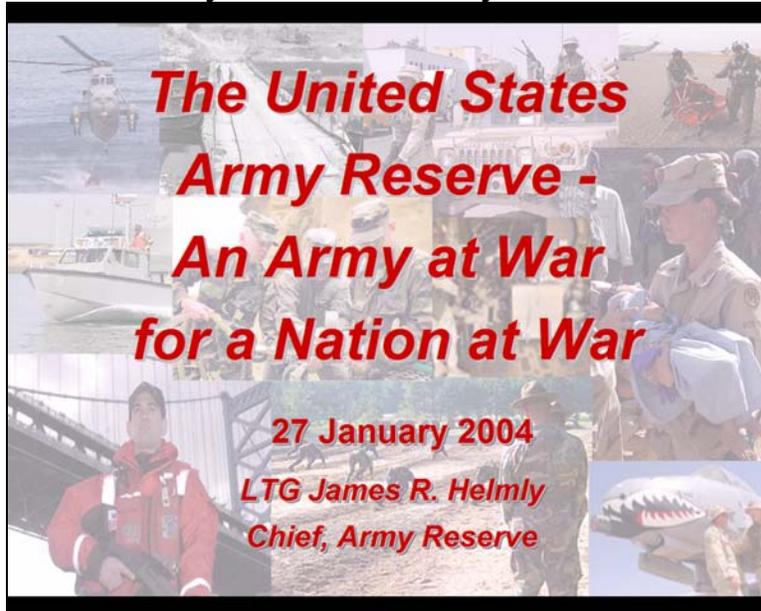


**Slide 1 - The US Army Reserve – An Army at War for a Nation at War**



We've talked about an Army at war for a Nation at war. If you look behind the title, you'll see a collage of pictures not only of Army Reserve soldiers but Air Force Reserve, Air Guard, Marine Corps Reserve. This Army of yours fights as a part of the joint team and the sum of the parts is much greater than their collection. That's the power we bring to the battlefield today.

Your Army Reserve is a direct part of that.

In the march to Baghdad, the Army Reserve's 459th Multi-Role Bridge Company attached to the 1st Marine Expeditionary Force followed infantry units three times across seven rivers. The Army Engineers for that operation were the Soldiers of the 459<sup>th</sup> Multi-Role Bridge Company.

We serve as a part of a tremendously strong joint formation.

## Slide 2 - The Mission Hasn't Changed



### The Mission Hasn't Changed

#### Title 10 – Armed Forces



U.S. Code

“The purpose... provide trained units and qualified persons available for active duty in the armed forces, in time of war or national emergency, and at such other times as the national security may require, to fill the needs of the armed forces... more units and persons are needed than are in the regular components.”



Subtitle E, Part 1, Chapter 1003, Sec 10102

Army Reserve - Invaluable Capabilities Powering The Army

A reminder here—the Army is an institution that is publicly established in law. It is not established by you and me. It is established under the laws of this great nation of the United States of America and this is our mission. This is our responsibility in law. When people talk of missions, I tell them that I am tremendously humbled to serve at the top of a publicly-owned and established institution.

This is the mission that I know: the mission and responsibility that our nation gives us. I'd just like to note that it doesn't say for big wars, little wars, for short wars, for medium wars – it says when our Army and our armed services and our nation require us, we are to provide trained units and qualified sources.

So, we need to remind ourselves that that's the part of the 'gravity of the moment.'

### Slide 3 - But the World in Which We Accomplish that Mission HAS

**U.S. ARMY** **But the World in Which We Accomplish That Mission HAS**

**The Rate of Change Today is Exponential . . .**

- **Globalization**
  - Failed States
  - Religious Extremism
  - Terrorism
- **Wars -- Peacekeeping, Nation Building, Humanitarian Missions**
- **Asymmetric Weapons/Threats**
- **Homeland Defense/Security**
- **“Precision Mobilization”/Continuous Mobilization – Not a Single Event**

**. . . And We’re Never Going Back to “How It Was”**

3  
Army Reserve - Invaluable Capabilities Powering The Army

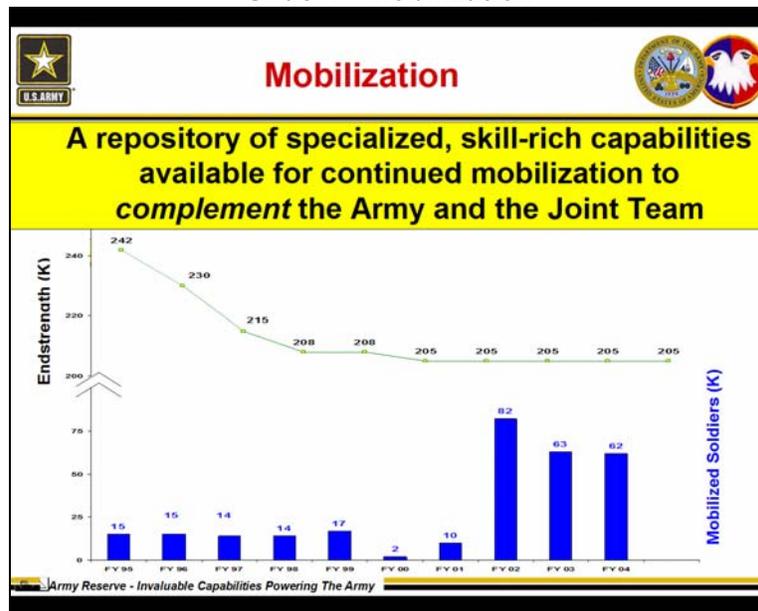
Throughout much of our existence, we set certain expectations for ourselves. One of those expectations was simply that we are ‘a force in reserve.’ We probably won’t be called; or if we’re called, it won’t be that long; it won’t be that big; somebody will tell us when it is time to go home and we’ll go home.

That is not the nature of the world we live in. One thing we must start doing is dealing with the world as it is and not as we would like it to be. War is a tough, dirty, volatile, and dangerous business. You can’t make it otherwise. It is our responsibility as leaders of this institution to prepare our Soldiers and units for that.

With preparation comes communication. Talk to Soldiers and listen to them. Friends and neighbors, we have been quite guilty of not doing that. Most of the complaints I receive from Soldiers come from misunderstandings of what rules are, and what regulations and laws say regarding mobilization.

I charge you leaders to become fluent, knowledgeable, and learn how to shoot straight with Soldiers. That’s what they want. They don’t want platitudes. Let’s be straight up with our Soldiers. By shooting straight, we don’t set false expectations. You see, the world in which we accomplished our responsibilities has changed. There are those who want to go back. There is no going back. This is the twenty-first century.

## Slide 4 - Mobilization



We should have learned something here. The top of this slide indicates our end strength. You see what the rate of mobilization as a function of end-strength is. Starting in January 1996, we began mobilizing soldiers in the Army Reserve on principally rotational deployment to the Balkans, Bosnia and Kosovo, averaging about 9,300 soldiers a year. This relatively small number was not enough stress to force us to make fundamental changes with how we organize the force, man the force, train the force, and prepare it for operational missions. During these rotations, we didn't do anything to change mobilization. We suffered. This is a little dip right here, a spike right after the 11<sup>th</sup> of September, and then you see the rest of the story.

There are those who've been engaging in arguments: Is this a plateau or is it a spike? I don't know. No one knows. We must prepare ourselves and plan for this to be the new "normal." That is why we have to change. We must bring fundamental change.

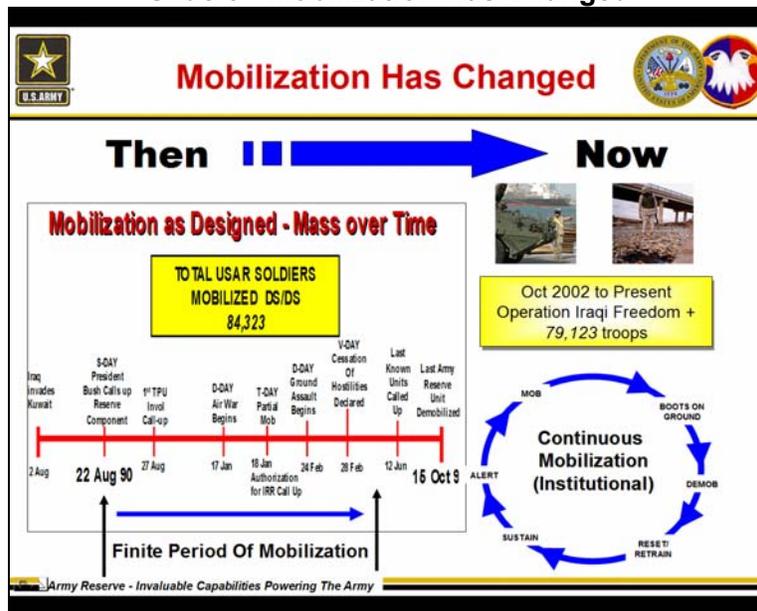
I don't like the word "transformation". It is too soft. It has become a tired, overused buzzword to try to get more money for a project. I've started using the word "change" – fundamental change. Change the way we organize our force; the way we go about manning the force; the way we train that force; the way we prepare it for mobilization; and the way that we prepare it for missions. On that point, let me say, I'm not too interested in mobilization. I'm interested more in mission capability, meaning that prior to mobilization our intent is to do everything within our authority and power to prepare our units and Soldiers for war. Change starts with how you think.

One of the worst things that we've done in the past as leaders in the Army Reserve is that we have talked about our "technical skills" and how we do "technical training" and that "technical training" is done in a "technical atmosphere" and that all those other things are "infantry."

Ladies and gentlemen, the use of the word "warrior" and the establishment of a Soldier creed and a warrior ethos are not by accident. It is by intent to drive the way we understand and think about this business of being an American Soldier. If you listen carefully it says, "I will be prepared to destroy my enemies in close combat." It doesn't say we will take an Army Reserve AG Postal clerk and send him out with a team to rescue POWs. What it does say is that if you're an AG Postal Clerk in a truck convoy, you better be prepared to react with live fire in an ambush and you better be prepared to engage in individual and collective self-defense. Be prepared as one of our Army Reserve Physicians, a member of a civil affairs unit, was in the city of Baghdad. He not only used his own 9 mm, but another soldier's 9 mm to kill three enemies only three feet away.

We're talking about learning to perform our technical skills within an environment of close combat that is lethal, dangerous, and volatile and will always remain such. There are no secure areas. There are none. They are gone. That is twentieth century folklore. We're in a new age. We are fighting an enemy who wishes to kill Americans and the only way we prevent that is by killing or capturing them. The Army Reserve is part of that force.

## Slide 5 - Mobilization Has Changed



Mobilization is two things: a physical process and a legal status. The physical process is under our control. I accept, as the Chief of Army Reserve, full, complete and unremitting responsibility. You share that responsibility as leaders of the Army Reserve to prepare for that legal status change. It is our President and our superiors' decision when to bring us to duty. It is our intent to prepare ourselves not to mobilize, but to accomplish a mission. Just as an active component of force must be given the order to deploy, we first must be given the order to mobilize.

This change starts with the way you think. In the past, we've said we're going to prepare for mobilization and to accomplish our mission. That means prior to the change in status, we must prepare ourselves by training, equipping, manning, sustaining, and leading our force in a changed manner. Mobilization was designed to produce mass over time. We were over structure and under-manned with 205,000 soldiers authorized as end strength: a force structure which would have required 226,000 to fully man. We intend to lower that force structure allowance drastically. We've already announced that there will be units that will be inactivated in Fiscal Years 05 through 07. That will be challenging for you. You must, as leaders, focus on the readiness of the institution.

We will inactivate units as we streamline the force and focus structurally on those things with a track record of success that we know we can get ready and are the most in demand. We will reclassify and retrain Soldiers. It is not in our intent to offer early retirements and early outs. That's also a Cold War anachronism. People are the long pole under the tent. If you have proven your ability to Soldier to Army values and standards, why would we want you to leave? Merely because you're an engineer and we need an AG Postal clerk or a truck driver, why not just retrain you? It makes too much sense and that's probably why we haven't done it in the past. However, we will do it this time.

## Slide 6 - "The Principles of War for the Information Age"



**"The Principles of War for the Information Age"**

"In a more holistic sense, precision movement includes precision mobilization. As the vital counterpart to the active force, America's reserves have become fully integrated not only into the total armed force, but more importantly, into America's strategic formulation process. America cannot even contemplate significant military action without some degree of reserve mobilization.

Today, the reserves are the repository for selected, highly specialized skills, primarily combat-support and service-support skills, without which America's armed forces cannot move or operate. Hence, a vital component of precision movement is precision mobilization."

- Mark R. Leonard

Army Reserve - Invaluable Capabilities Powering The Army

This is probably the most startling recognition of our dilemma today. We are in fact an information force, in regards to being a high skilled, technically enhanced Army Reserve that is in much demand by our Army and joint forces. Precision mobilization begins today with the way we're organizing the force. We will organize all of our units at full authorization. We will man them with trained Soldiers, between 90-100% unit fill with trained and ready Soldiers by establishing an individuals' account called Transients, Trainees, Holdees, and Students, a TTHS account.

That is not a place; it is an accountability status. You may stay physically in the same organization, but we will account for you because you're not duty qualified; because you were a person who tested hot on the urine test that morning; because you broke your leg and the Doc said, "We have to go through the "PEB/MEB" process to determine whether or not you are going to be deployable." We will account for you there while your process is ongoing, while you're in school, while you're in the training base, and refill the slot. You ask, "Well what do I do when Helmly comes back trained?" Which of us commanders want to turn down double slotting soldiers? Don't create impediments. Recognize the challenge and take it as such. We're looking for initiative, innovation, vision, and courage to make change. That can't start with me. It has to involve all of us. Change takes courage. We are riddled with industrialized-age policies and procedures that don't make sense. Think about it.

After Desert Shield, Desert Storm, one of the big findings in the after-action review was that because of regulatory policies you could not promote Soldiers who'd been mobilized, right? And we sat here for years and did nothing. Five different Army Reserve forces policy committees reported out and said, "This is an impediment".

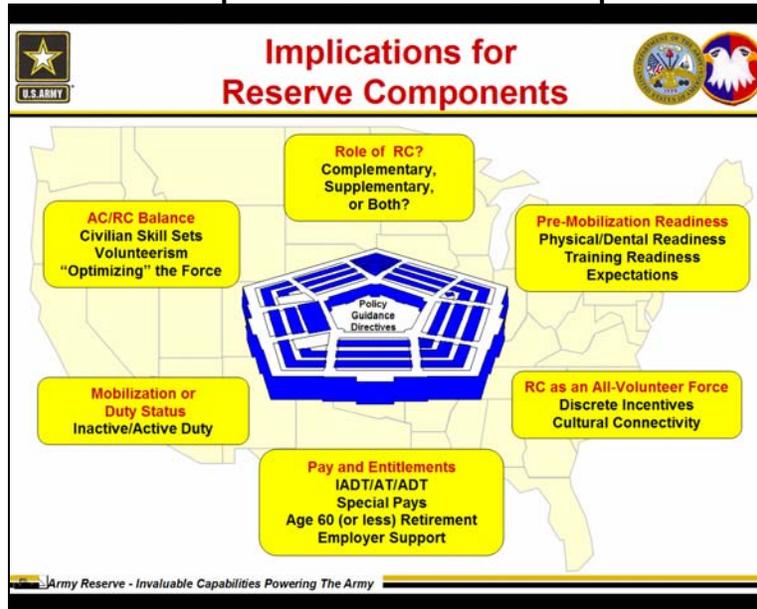
The bureaucracy sat here and did nothing. We'd have meetings, and people would complain about it. Then we started mobilizing lots of Soldiers, and Soldiers wrote to Congressmen, and complained to the Inspector General.

We did nothing. We did nothing, but sit on our hands and complain. Leaders, that has to change. We don't control the world, but we can start by fundamentally accepting full and complete responsibility. We go to the source where that change is authorized to be made. We attack that with arguments, strengths, conviction, data, analysis, patience, and diligence.

And we did just that. Today, I'm pleased to report that the Army has changed that regulatory policy. Now, we can promote our enlisted Soldiers and officers. Your Army Reserve is leading the other reserve components in taking care of its people.

We must look after our most important asset: our people. We must. As leaders we must stretch ourselves and exert ourselves to show that by action and deeds, not words, we care.

## Slide 7 - Implications for Reserve Components



AC/RC balance implies that you can define it. I cannot define it. I don't know what should be active and what should be reserve. I know that in some cases, we might have it wrong today. What we have got to do is begin to optimize the capabilities of each of our components to enhance the ability of the Army to fight and win our Nation's wars.

Many have cited civil affairs as an example: "It's a terrible thing—they're being so heavily used – more of it should be in the active component." Think about it – *civil affairs* not military affairs. Think about what true civil affairs Soldiers do. What we should do is increase our capability in civil affairs so we can rest the civil affairs force. We recognize we are not going off to a one-year war and then all returning home. We will have to rotate and refresh to make the force more professionally responsible. I have in mind such things as advanced civil schooling for civil affairs Soldiers and tying civilian occupations to reserve status as civil affairs Soldiers.

Our most professionally qualified civil affairs Soldiers are those who have a responsible position in civilian life that helps to equip them mentally and experientially for what they will deal with in rebuilding a society and a government that provides life support services to its populous. We have judges, attorneys, physicians, sanitation experts, and transportation experts. Why then do we not tie your military skill to your civilian skill? We're going to initiate that proposal.

Pay and entitlements. Largely we have not had discrete entitlement and pay categories for reserve service. The fact is that we're unable to pay our skill-rich physician force the medical specialty pays unless they stay on active duty over 139 days. That mitigates against their serving on active duty, because we try only to keep physicians on active duty for 90 days, consistent with protecting their private practice.

We believe that we should be able to pay, when the skill criteria are the same as the active duty Soldier, the same specialty duty pay.

A linguist is an example. The Reserve linguist must pass the exact same test as the active duty Soldier, and yet the Reserve linguist only gets language proficiency pay on the day he or she was on active duty to take the test. This includes our aviator force, our parachuters, and our physicians. All of those specialists should be entitled to not just a portion of the day they were performing training to take the test, but rather the same specialty pay that their active duty counterparts are provided. In essence, we are paying them not for the day of duty, but to maintain their skill-rich proficiency, so that when we call on them they'll be more ready.

## Slide 9 - AC/RC Balance



### AC/RC Balance



**Structure Considerations:**

- Task to be performed e.g., maneuver conduct; air assault (AV); GS aviation
- Skill level required to perform task e.g., individual, detachment, team, higher
- Organizational level at which task is performed e.g., Bn TF; AASLT Co; individual CH-47 crew
- Amount of time required to train to standard pre- and post mob
- Discrete military tasks or civilian skills performed under military environment/conditions

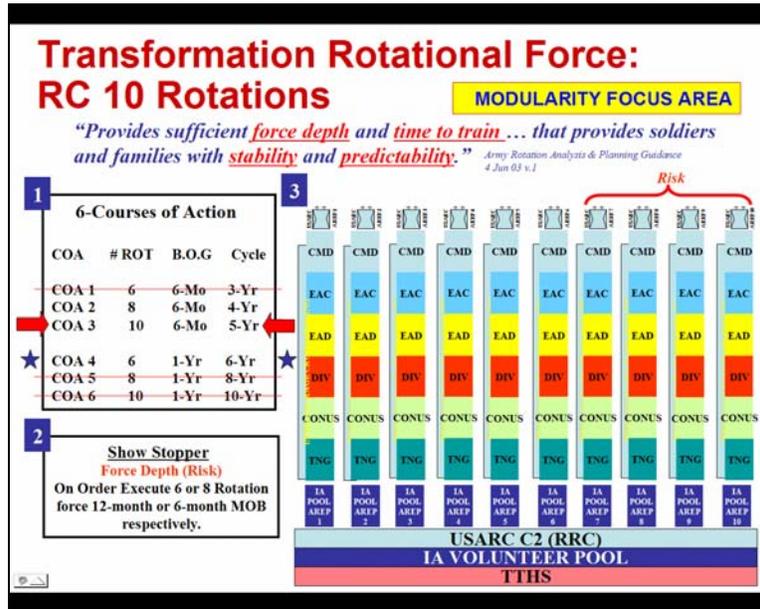
		RC	AC	%	
Cost Factors	1 Soldier	Cost per yr	\$8,635	\$58,843	14%
	100 Soldier Unit	1-Year Mobilization	\$5,672,381 (one unit)	\$5,884,326 (one unit)	96%
	100 Soldier Unit	Two-Year Rotation	\$30,494,424 (ten units)	\$58,843,268 (five units)	51%

Army Reserve - Invaluable Capabilities Powering The Army

This slide simply says that, in our judgment, the decision on whether or not to have some portion of capability within the reserve components should be made based on the task to be performed, on the skill-level required to perform the task, and the organizational level. That is that the position level is principally at the individual's level. In combat, the lowest common denominator is a battalion task force. You really have to get things put together to have combat capability at the battalion level.

Think of the cost factors. We're not arguing for increases in the Army Reserve. I'm arguing that we have a capability to provide our Nation and the Armed Services.

Slide 10 - Transformation Rotational Force: RC 10 Rotations

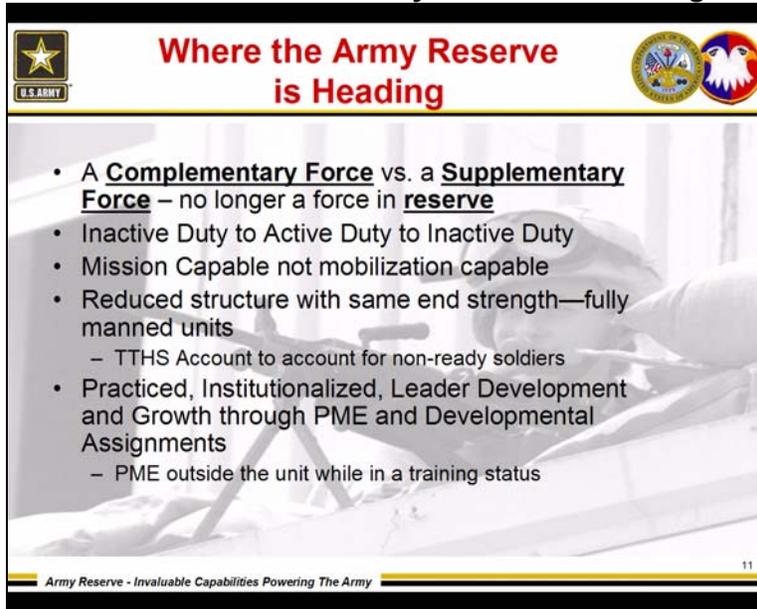


We are going to reorganize the Army Reserve to Army Reserve Expeditionary Forces. We've organized it in ten packages at six months for each package. Simply put, the intent would be that some units would be maintained in package one. Those units would be on a 96-120 hour alert status. We would tell Soldiers before their unit enters that alert status that they'd be the first to respond to homeland defense and emergency missions. That will not involve all units, because we don't have enough units to go across all ten packages. After a six to nine month period in this, the units will return to refit, retrain, and individual schooling. You essentially take officers and send them off to OES, NCOs to NCOES, fill the unit out, and have Soldiers retire.

Our personnel system must change the way they look at people from unit based to inventory based. The old way does not work. It worked for a colonial-era army, and that's the investment of the word "drill". We don't drill - we train. If you're in this package, you will have a 3-week annual training period that will start with an alert, an EDRE – Emergency Deployment Readiness Exercise. You'll move straight to an operational environment either in CONUS or OCONUS, dependent on the mission of the unit. Your unit will be the first called upon.

Does that mean if you're out here you will never be mobilized? No, but the likelihood of that moves horizontally from left to right. That's the way we intend to measure use of our force.

## Slide 11 - Where the Army Reserve is Heading



**Where the Army Reserve is Heading**

- A **Complementary Force** vs. a **Supplementary Force** – no longer a force in **reserve**
- Inactive Duty to Active Duty to Inactive Duty
- Mission Capable not mobilization capable
- Reduced structure with same end strength—fully manned units
  - TTHS Account to account for non-ready soldiers
- Practiced, Institutionalized, Leader Development and Growth through PME and Developmental Assignments
  - PME outside the unit while in a training status

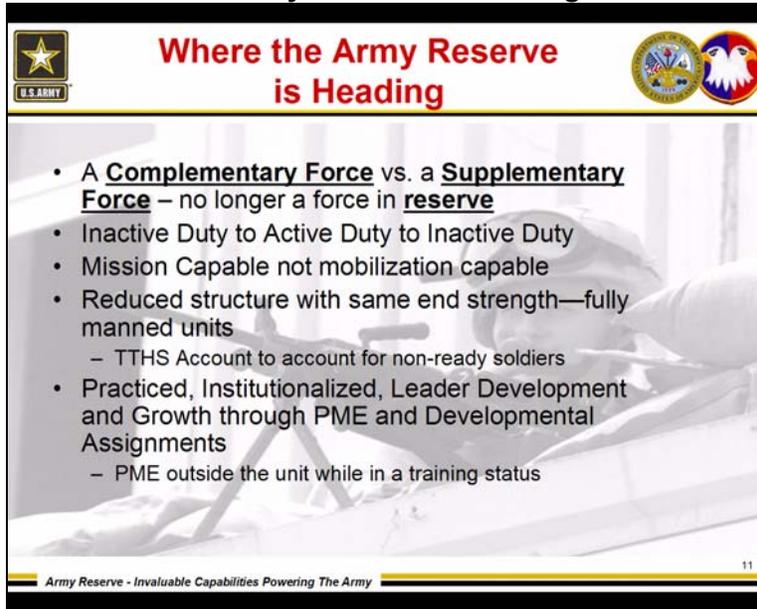
Army Reserve - Invaluable Capabilities Powering The Army

11

We're heading to be a complementary, as opposed to a supplementary, force. We will institutionalize practices for predictable leader development growth through developmental assignments as well as professional military education. In the future, for courses of instruction six months or longer, it will be our intent that you will be schooled outside the unit. You will not have to hold down a position inside the unit while you're attending Command and General Staff College, Sergeants Major Academy, or the advanced course. You'll be paid training pay while training.

The intent is to allow you to focus on the training and the education, and to prepare you properly for a unit assignment where your focus can be on the Soldiers subordinate to you as a leader. We should be giving them preeminence of our time, not ourselves the preeminence of our time. Today, we in the institution demand that you go two ways when you hold a leadership position in a unit. It's unfair to you, it's unfair to the institution, and the Soldiers, and we're going to change that.

## Slide 12 - Where the Army Reserve is Heading – Culture Change



**Where the Army Reserve is Heading**

- A **Complementary Force** vs. a **Supplementary Force** – no longer a force in **reserve**
- Inactive Duty to Active Duty to Inactive Duty
- Mission Capable not mobilization capable
- Reduced structure with same end strength—fully manned units
  - TTHS Account to account for non-ready soldiers
- Practiced, Institutionalized, Leader Development and Growth through PME and Developmental Assignments
  - PME outside the unit while in a training status

11

Army Reserve - Invaluable Capabilities Powering The Army

We are moving away from a culture of risk avoidance and self infatuation, where I worry about me and where I avoid risk by making safe decisions, to a learning organization based on Army ways. The Warrior Ethos and where we move toward innovation, prudent risk taking, ingenuity and initiative.

It is called move out and draw fire.

## Slide 13 – Where the Army Reserve is Heading – Core Capabilities

**Where the Army Reserve is Heading**

Structured around core capabilities vs. CS/CSS

- There is no more front line and what happens to EAD/EAC when there is no more Division or Corps?
  - CA, AMEDD, MP, Transportation Management and Operations, MI, Institutional Training and Training Support, Logistics Management
- Integrated war winning forces
  - CA, MP, Institutional Training, Training Support, Logistics Management, C2
- RRC restructure and reduction; AR-MEDCOM; MIRC; USACAPOC; Army Reserve Training Support Command

Army Reserve - Invaluable Capabilities Powering The Army 13

We are changing structure around core capabilities, as opposed to the entire broad range of combat support and combat service support. We are not worrying about echelons above division, echelons above corps, but rather core capabilities and changing the development of a true professional to be technically rich and competent in each of those capabilities.

We will restructure our command and control. We'll move from the current ten regional readiness commands. I'll announce today my decision. It is not cleared with any of my superiors. We will move to seven regional readiness commands whose designation and location is to be announced in the future.

We are standing up a separate Army Reserve Medical Command instead of commanding our medical units through the various diverse field commands. The RRCs will be freed of their medical brigades and their subordinate combat support hospitals for surgical teams who will be brought into a single, integrated, command-and-control structure, called the Army Reserve Medical Command.

We have already established the military intelligence (MI) readiness command and brought together all our MI units. The MI Readiness command is provisionally established today. In the future, we will move it to Fort Belvoir, Virginia, where it will be co-located with Army Intelligence and Security Command (INSCOM).

Of course, the United States Army Civil Affairs and Psychological Operations Command under the daily command of US Army Special Operations Command will remain. By integrating a division institutional headquarters with the Army Reserve Readiness Training Center at Fort McCoy, we will establish an Army Reserve Training support command that will bring together our various disciplines of training.

## Slide 14 - What's Next

**What's Next?**

- Modularity
- Aviation Focus Area
- Soldier Focus Area
- Global Positioning  
Re-stationing
- BRAC 05
- Budget Crunch – 04  
and 05
- Reset the Force

**Continue the Fight toward Victory**

Army Reserve - Invaluable Capabilities Powering The Army

In conjunction with the Chief of Staff Focus Area teams, our units will be designed to be more agile, flexible, and adaptable to the contemporary operating environment. Essentially our aviation structure will remain the same as it is. Predominantly, it is based in cargo helicopters (CH-47 Chinooks), fixed wing (C-12 and UC-35), and two attack battalions with AH 64A Apaches, which are proving as able and capable as the Apache Long Bow in the contemporary operating environment. We also have two tremendously successful general support Black Hawk companies.

We will retain our pre-eminence on our Soldier focus area and we are changing the way we train. If you look at this year's United States Army Reserve Command's training guidance, you will see a marked departure from past guidance. It focuses intently on the Soldier's creed and the warrior ethos, and on conducting skill-rich technical training within an environment that reflects the contemporary operating environment, which is a very hostile, dangerous, and unpredictable battlefield.

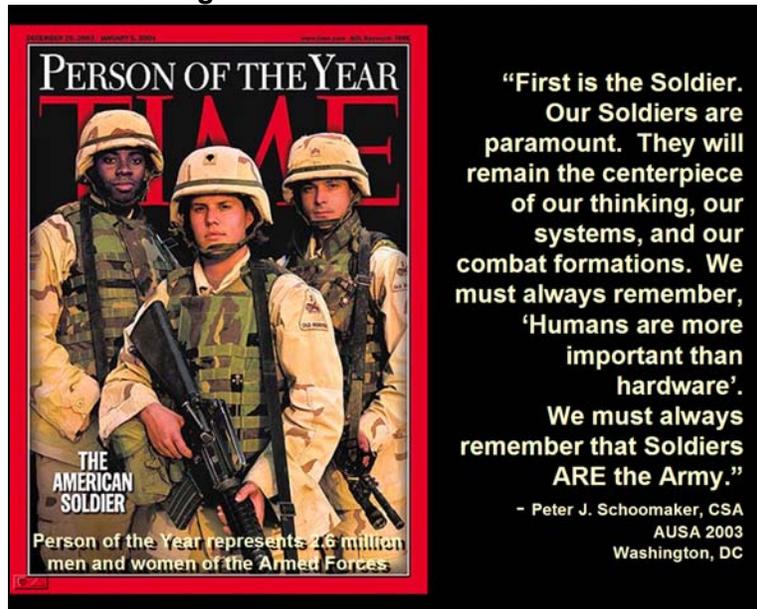
Global position re-stationing reflects the Department of Defense initiative with regard to re-stationing of forces. Often unknown is that we are also stationed in the Pacific and Europe as a federal reserve force. There will be an impact on the Army Reserve, which will require us to adapt and change. That's the fundamental point. This is not an organization that can stay the way it was yesterday. We must adapt to tomorrow. The Department of Defense has made no secret, and I concur with, that largely our forces are stationed based on historical facts of where we wound up at the end of WWII or the Korean War. We've got to change that and I accept that. As we are a part of this great department, an armed service called the United States Army, we must equally not hesitate to accept that challenge and adapt our forces.

We will have a politically-charged BRAC in Fiscal Year 05. Your Army Reserve is involved with the Army stationing group. We are not identifying specific installations or anything. Our interests, as the Army Reserve, are being protected by a larger Army and by our participation. We will equally participate in that with vision, courage and skill to ensure our forces and needs for installations and facilities are the uppermost in the consideration set.

We will have some challenges, this year and next year, with regard to the budget. The Department of Defense will unveil its Fiscal Year 05 budget on February 2nd. This is a costly war. Our people, materiel and the supplies we consume do not come cheap. When we take our share, we are a part of this great institution for the good and the bad. Part of the bad is you have to accept budget cuts. We'll take those. We'll weather them and we will still improve.

Then we must begin re-setting our force. We will issue guidance from the USARC shortly that specifies by unit type for re-setting the force. There is no time-out from readiness. When our units and Soldiers return from mobilization, we will give them a 90-day break. That means they will not be required to attend training, individual or collective, for a 90-day period. We will put their equipment back into the maintenance pipeline and we'll prioritize accordingly with equipment that we are getting ready to deploy. After 90 days, we are back to unit training and re-setting for the next operation or the next war. There is no time-out from readiness. There is only time to prepare ourselves for when our nation calls.

**Slide 15 - 2004 Time Magazine “Person of the Year – the American Soldier”**



Why must we do that? First of all, to serve our Nation, because the laws of our Nation demand that of the institution we lead. But secondly, our loyalty is to 2.6 million People of the Year. The *Time* magazine person of the year: Soldiers, sailors, airmen, marine and coast guardsmen, active guard and reserve serving our nation proudly, loyally around the world; Soldiers such as our Army Reserve Specialist David \_\_\_\_\_, whose father wrote us that letter.

Thank you very much ladies and gentleman. I appreciate your time. I'm very proud to serve with you.