



Highlights of [GAO-05-443T](#), a testimony before the Subcommittee on Tactical Air and Land Forces, House Committee on Armed Services

Why GAO Did This Study

Modularity is a major restructuring of the entire Army, involving the creation of brigade combat teams that will have a common design and will increase the pool of available units for deployment. The Army is undertaking this initiative at the same time it is supporting the Global War on Terrorism, and developing transformational capabilities such as the Army Future Combat Systems. To achieve modularity, the Army currently estimates it will need \$48 billion. The Department of Defense's (DOD) request for fiscal year 2005 supplemental funds includes \$5 billion for modularity. The Army plans for another \$5 billion to be funded from fiscal year 2006 supplemental funds and the remaining \$38 billion from DOD's annual appropriation from fiscal years 2006 through 2011.

Our testimony addresses: (1) the Army's goals and plans for modularity, (2) challenges the Army faces in staffing and equipping its modular combat brigades, (3) key decisions that could affect requirements, and (4) the Army's cost estimates and funding plans.

This testimony is based on ongoing GAO work examining Army modularity plans and costs. Our work has been primarily focused on the Army's active forces.

www.gao.gov/cgi-bin/getrpt?GAO-05-443T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sharon L. Pickup at (202) 512-9619 or Janet A. St. Laurent at (202) 512-4402.

FORCE STRUCTURE

Preliminary Observations on Army Plans to Implement and Fund Modular Forces

What GAO Found

The Army has embarked on a major initiative to create modular units to better meet the near-term demand for forces and improve its capabilities to conduct full-spectrum operations. Modularity is a major undertaking because it affects both the active and reserve components as well as combat and support forces. Successfully implementing this initiative will require many changes such as new equipment and facilities, a different mix of skills among Army personnel, and significant changes to training and doctrine. By the end of fiscal year 2006, the Army plans to reorganize its 10 active divisions, expanding from 33 brigades to 43 modular brigade combat teams, and by fiscal year 2010, create new types of command headquarters. The Army has completed or is in the process of establishing modular brigades in four of its active divisions.

While the Army has made progress in establishing modular brigades, it is likely to face several challenges in providing its new modular units with some required skilled personnel and equipment that are needed to achieve planned capabilities. For example, the Army has not provided its new modular brigades with required quantities of critical equipment such as unmanned aerial vehicles, communications equipment, and trucks because they are not currently available in sufficient quantities. Moreover, it may take years to meet increased requirements for critical skills such as military intelligence analysts because they are in high demand and take years to train. In addition, the Army has not yet made a number of key decisions that could further increase requirements for equipment and personnel. First, the Army has not yet decided whether to recommend an increase in the number of active brigade combat teams from 43 to 48. Also, it is assessing the costs and benefits of adding one more combat maneuver battalion to its new modular brigades. Finally, the Army has not yet finalized the design of higher echelon and support units. Until designs are finalized and key decisions are reached, the Army will not have a complete understanding of the equipment and personnel that are needed to fully achieve its goals.

The costs associated with modularizing the entire Army are substantial, continuing to evolve, and likely to grow beyond current estimates. As of March 2005, the Army estimated it will need about \$48 billion to fund modularity—representing an increase of 71 percent from its earlier estimate of \$28 billion in 2004. However, this estimate may not reflect all potential costs, such as for fully equipping the modular force as designed. Also, if the Army decides to add additional brigades or make other design changes, additional costs may be incurred. Furthermore, some costs are uncertain. For example, it will be difficult for the Army to determine facility requirements and related costs until DOD finalizes plans for restationing forces from overseas. Until the Army provides a better understanding of the requirements and costs associated with modularity, DOD will not be well positioned to weigh competing priorities and make informed decisions nor will the Congress have the information it needs to evaluate funding requests.