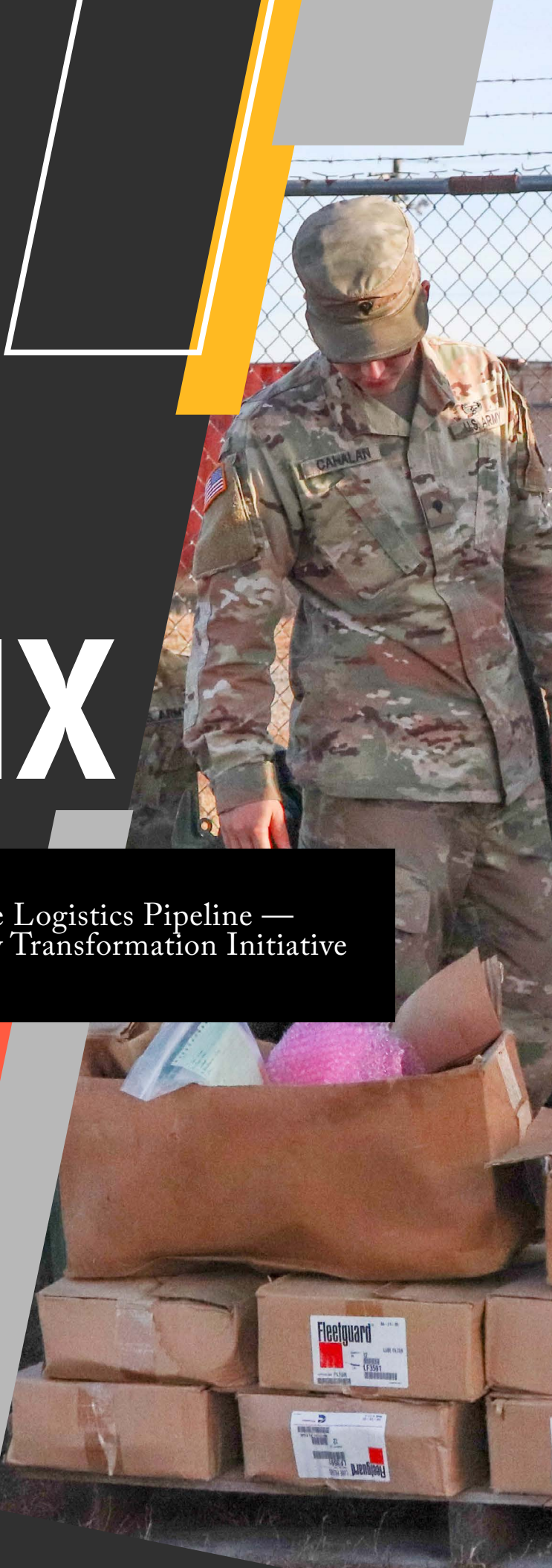


# AGILE PHOENIX

A Reimagining of the Army Reverse Logistics Pipeline —  
A Practical Application of the Army Transformation Initiative





**T**he Army Trans-formation Initiative (ATI) demands a leaner, more efficient force. A critical component of this transformation is addressing the growing backlog of excess repair parts that weigh down units and drain resources. As Secretary of the Army Daniel P. Driscoll recently told the War on the Rocks podcast, the Army must move beyond parochial interests and prioritize Soldier readiness. This article explores a practical application of the principles outlined by Secretary Driscoll and Army Chief of Staff GEN Randy George, focusing on the Agile Phoenix initiative: a scalable, enterprise-level solution to address the growing backlog of excess repair parts. This bottom-up initiative exemplifies ATI's core principles of optimizing for Soldiers, cutting waste, and reinvesting resources into modernization.

### **The Challenge: Fleet Modernization, Operating Tempo, and Limited Surge Capacity**

As the nation's rapid global response force, XVIII Airborne Corps formations are often deployed across the world at a moment's notice. XVII Airborne Corps is home to some of the most experienced combat divisions, including 82nd Airborne Division, 101st Airborne Division, 10th Mountain Division, and 3rd Infantry Division (3ID). The 406th Army Field Support Brigade (AFSB), an execution arm of U.S. Army Sustainment Command (ASC), integrates, synchronizes, and executes U.S. Army Materiel Command (AMC) capabilities to deliver readiness and power projection globally around the clock. The 3ID is the mechanized powerhouse of the East Coast. The division frequently deploys to Europe to reassure NATO allies and deter potential threats. These deployments, combined with rigorous training and modernization efforts, have led to a significant buildup of excess repair parts and supplies.

Excess materials accumulate due to various factors, including returning units bringing back extra materials, misrouted parts, and issues with shipping and inventory management. Additionally, end-of-year spending or other periods of high activity can stress a supply support activity's (SSA's) ability to support near-term readiness, which results in the reverse pipeline being de-prioritized.

Modernization efforts, such as 3ID ditching legacy Humvees and upgrading its Abrams tanks, are significant sources of excess. When 3ID transformed, repair parts supporting legacy systems went from an enabler to an anchor weighing down the unit. Leaders must realize that tactical SSA or installation SSA (ISSA) manning authorization documents have never considered surges in volume that are triggered by transformations. To achieve ATI's vision of leaner and lighter formations, units at the tactical edge must be able to shed legacy parts quickly.

### **The Limits of ISSAs**

ISSAs are a critical node in the Army's reverse-logistics pipeline because they prepare repairable parts for shipment to depots, store serviceable excess for redistribution across the Army, and interface with the Defense Logistics Agency whenever items require special disposal.

The shift from centralized installation supply activities to brigade-focused models over the past decade has reduced capacity, leading to a decrease in workforce and resources dedicated to handling the reverse pipeline. Army Field Support Battalion (AFSBn) Stewart's ISSA workforce decreased from 42 personnel in fiscal year 2022 to an authorization of just nine personnel, of which three are dedicated to the reverse pipeline. Given the limited number of employees, there is an estimated capacity to process 100 lines and little flexibility internally to surge. Surging capacity via overtime was tried for a one-month period at an estimated cost of \$36,000 in overtime, which only yielded 800 additional lines of throughput. The overtime was determined to be both inefficient and unsustainable.

Typically, materiel received by ISSA is transported from tactical SSAs, which receive retrograde materiel from their supported units. The tactical SSAs and customers directly supported by ISSA generate approximately 108 recoverable/repairable lines a day, which theoretically leaves no capacity for serviceable excess.

### **A Scalable Solution: Agile Phoenix from Sierra Army Depot**

Agile Phoenix offers expeditionary, depot-level retrograde support capable of retrograding within days rather than months or years. The team brings packaging,

accountability, and shipping resources directly to the point of need at the tactical edge, removing excess materiel from the supply chain, returning serviceable items to Army level accountability, and generating credit for the supported unit. This initiative eliminates investment in obsolete systems and frees up resources for modernization.

Based on system of record data from Global Combat Support System-Army, 3ID has almost 23,000 lines (items) of serviceable excess that can be processed at a theoretical rate of 42 lines per day. If the current network remains the only path to leaner and lighter units, and if there are no future force-structure transformations, it will take more than two years to rid 3ID of its serviceable excess. Given that the serviceable excess supports helicopters and vehicles still in use by the Army or partner nations, the inability to retrograde excess quickly means the Army is wasting taxpayer money ordering material from vendors that it already owns. As Secretary Driscoll noted in the War on the Rocks podcast, the Army has historically prioritized parochial interests over Soldier readiness, and this backlog is a direct consequence of that approach. The current reverse pipeline does not support the Army as a large enterprise business or as a warfighting machine.

With over 3,300 lines due for processing from tactical SSAs, AFSBn Stewart and 3ID required a more scalable, strategic solution that would not degrade ongoing support to tenant and regional Reserve and National Guard forces located in the Southeastern U.S. Leveraging the command relationships within 406th AFSB headquarters specifically through the U.S. Army Tank-automotive and Armaments Command (TACOM) senior command representative operational control to the brigade, TACOM's Agile Phoenix team from Sierra Army Depot (SIAD) provided that solution. 406th AFSB is the entry point for bringing AMC enterprise support to XVIII Airborne Corps units at the tactical point of need.

In April, on two weeks' notice, members of the Agile Phoenix team performed a site survey in conjunction with 3ID and offered their services to address on-record excess at the division's SSAs (3,300 lines due into the

ISSA), at the unit level (23,000 lines), or with off-record excess. To become leaner and lighter, 3ID elected to go after off-record excess left behind by an armored brigade combat team that deployed to Europe.

In four days at Fort Stewart, Agile Phoenix retrograded approximately 6,000 lines of supply and repair parts, the volume that would have taken AFSBn Stewart's ISSA approximately four to six months to handle if it had ignored repairable and recoverable items. Those 6,000+ lines were packed in 16 x 20-foot containers. The estimated cost to 3ID was approximately \$64,000, covering temporary duty (TDY) and container retrograde costs back to SIAD, while the division is anticipated to receive over \$106,000 in credit.

## **A Complete Case Study and Inside Baseball**

In April 2024, an Agile Phoenix team went to Fort Carson, Colorado, to assist a Stryker brigade in 4ID with off-record excess. The team collected 1,739 lines of serviceable excess valued at \$1,792,772. Processing the serviceable excess would have cost ~\$105,000 at the Fort Carson ISSA. The total value swing for the Army working capital fund (AWCF) supply management activity group, which provides the Army with an inventory of spare and repair parts, was \$1,898,438.

Within one month, \$1,026,310 of the inventory added back to the AWCF inventory was redistributed to other SSAs or issued to repair equipment. Any time operations and maintenance funds are used to buy recapitalized excess, the result is an AWCF surplus because the Army as a business will have only purchased the item once but sold it twice. Since the AWCF must be revenue neutral from year-to-year, excess proceeds are redistributed in the form of a lower cost recovery rate that gets added to the cost of Army managed inventory the following fiscal year. In simpler terms, by returning excess parts to the system, the Army avoids having to buy new ones, creating savings that are passed on to units in the form of lower prices for future repairs.

From the unit's perspective, they were able to off-load an amount of serviceable excess that would have taken the typical tactical SSA five to six years to process.



*Soldiers from various brigades and units throughout the 101st Airborne Division (Air Assault) properly secure equipment brought in to the Division Excess Consolidation Point, November 20, 2019. (Photo by SSG Caitlyn Byrne)*

Additionally, the unit praised the Agile Phoenix team's low-density training on conducting inventory, identifying items, and building load plans. As Secretary Driscoll emphasized in the War on the Rocks podcast, we must get experts to the point of need to help units solve problems and build capacity. The expertise was brought to the tactical edge for less than the cost of hiring contractors capable of providing similar services over a one-year time horizon. 4ID spent \$53,651 in operations and maintenance funds for the Agile Phoenix team's TDY and shipment of excess compared to \$105,000 for contractors, avoiding \$51,349 in expenses to achieve the same endstate.

To address concerns about the potential for unclaimed serviceable credit from leadership within U.S. Army Forces Command, SIAD members set aside off-record excess that had credit so the unit could conduct retro-transactions and request credit. As a result, the unit claimed \$316,485 in credit, which meant they had \$262,834 more in funds after becoming better trained and leaner. The unit used the savings to increase its supply of repair parts to support its newly transformed fleet. Since the Army grants serviceable credit only when there is a national need, maximizing credit retention for transforming units minimizes waste associated with maintaining legacy equipment while also supporting the industrial base for the newest equipment.

The case study demonstrates that sections of the Army that operate as a large enterprise business and a warfighting machine can achieve win-win outcomes, but there is still some friction. One concern from the recent 3ID collections is that on-record excess was mixed in with off-record excess in the unit's zeal to get leaner and lighter. While the end state for off-record and on-record materiel is the same, there are different auditability requirements, which necessitate a slower process for on-record turn-ins. Since data analytics can be used to identify on-record unit parts for immediate redistribution (i.e., AWCF supply management sales), AWCF managers must consider funding TDY travel for Agile Phoenix teams to process on-record excess.

Funding SIAD's TDY would leverage existing depot capacity and reduce the need for costly ISSA surges or contractor support. This approach aligns with the ATI's emphasis on right-sizing the Army by maximizing the use of existing resources, rather than creating new bureaucratic layers, as Secretary Driscoll outlined in the podcast. However, if units want SIAD to slow down their internal process by setting aside excess credit, they should pay shipping costs. This approach embodies the ATI's call for a more enterprise-minded approach to logistics.

## **Conclusion: Strategic Lessons for the Sustainment Community**

The Agile Phoenix model is a proven, scalable, and efficient capability that must be considered by units confronting unmanageable excess or retrograde backlogs. Rather than adding billets or relying on contractor assistance, Agile Phoenix allows Army units to streamline materiel disposition processes, reduce storage needs, reinject serviceable items back into the supply chain, and maximize financial resources for the transforming unit.

The collaboration between 406th AFSB, ASC, TACOM, SIAD, and AMC highlights a broader lesson for the sustainment enterprise: enduring challenges require adaptive solutions. Two units from the 406th AFSB, AFSBn-Drum and AFSBn-Stewart have used SIAD Agile Phoenix as a tool to reduce excess across XVIII Airborne Corps. By leveraging existing

enterprise resources in innovative ways, the Army can sustain its formations more effectively while remaining agile in support of large-scale combat operations and contingency deployments.

In 2025, Army logisticians are celebrating the Army's 250th birthday and marking 242 years of fighting the war on excess — a challenge as old as the nation itself — on the anniversary of the Treaty of Paris, which ratified the independence of the U.S. Colonies. This milestone serves as a reminder of the enduring nature of logistical challenges and the need for continuous innovation and adaptation.

To fully realize the vision of ATI, it is imperative that the Army conducts a deliberate study on how to maximize the Agile Phoenix process. This includes streamlining the handling of on-record excess, centrally funding TDY travel for SIAD teams, and optimizing the reverse-logistics pipeline for Soldiers. By doing so, the Army can accelerate its transformation toward a leaner, more agile force.

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### ***Feature Photo***

***Soldiers from various brigades and units throughout the 101st Airborne Division (Air Assault) sort through excess supplies and equipment brought to the Division Excess Consolidation Point, November 20, 2019. (Photo by SSG Caitlyn Byrne)***