

RECORD VERSION

**STATEMENT BY
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AND

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Introduction

We thank Congress for the fiscal year (FY17) budget that allows us to improve readiness. With consistent, strategy-based funding over time, the Army can increase capacity, train contingency forces, close critical modernization gaps, and rebuild installation and training infrastructure—all while maintaining excellence in the execution of current operations. To that end, an increase in the budget caps and a defense budget sized to achieve the objectives in the Defense Planning Guidance are critical to the United States Army accomplishing assigned missions to a standard expected by the American people.

Over the past 15 years of war, the Army has continuously provided trained and ready forces for combat operations in Iraq and Afghanistan to a standard of excellence equal to any in our Nation's history. Simultaneously, the United States Army has executed a wide array of combatant commander missions, providing forces to Europe, the Pacific, the Middle East, Africa, Latin America, and the homeland. Today, the United States Army assigns or allocates over 187,000 Soldiers to meet combatant commander requirements. However, the fiscal impacts of the Budget Control Act of 2011 and continuing resolutions have required the Army to take risk when meeting current operational requirements while maintaining a ready force for major combat operations.

Strategic Environment

The United States Army forms the foundation of the integrated Joint Force facing several U.S. national security challenges. For almost two decades, the Army has provided the majority of U.S. forces fighting two prolonged counterinsurgencies in Iraq and Afghanistan. United States Army capabilities are key to deterring Russian, Chinese, Iranian, and North Korean challenges to U.S. national interests. Additionally, United States Army Soldiers defend the homeland against intercontinental ballistic missiles and provide support to civil authorities in the event of unforeseen natural and man-made disasters.

Russia is likely to continue employing a mix of conventional and unconventional military capabilities to achieve its policy objectives. Russia's conventional capabilities are formidable and, in many areas, challenge ours and those of our allies and partners. The Army contributes 34,000 Soldiers in support of United States European Command's effort to deter acts of aggression and ensure America's safety and security. The forward

presence of United States Soldiers is the keystone of our Nation's ability to assure North Atlantic Treaty Organization (NATO) Allies and non-NATO partners, deter adversaries, and act in a timely manner if deterrence fails. We must invest in strategically prepositioned equipment stocks in addition to rotational and permanently stationed forces on the ground in Europe today. The result of prepositioned stocks in conjunction with forward deployed and rotational forces increases assurances to our allies and deters potential enemies.

The Army has about 71,000 Soldiers in the Indo-Asia Pacific to counter a myriad of security challenges from regional adversaries, violent extremist organizations, and natural disasters. In South Korea, the Army serves alongside our Republic of Korea counterparts to deter, and if necessary 'Fight Tonight' against an increasingly dangerous North Korea. China's disputed territorial claims and assertive actions in the South and East China Seas increase tensions with many friends and allies. Additionally, ISIS-inspired attacks in Bangladesh, Indonesia, the Philippines, and bombings in Thailand in 2016, demonstrate the persistent terrorist threat in South and Southeast Asia. Specific Army investments that provide the Joint Force a more comprehensive rapid response force in the Pacific include: enhanced joint integrated air and missile defense, offensive and defensive counter-electronic warfare, and cyber capabilities. Additional investments support rotational forces to South Korea and a robust training and exercise program to increase interoperability and build partner capacity with our friends and allies.

The Middle East and Central Asia are rife with threats and challenges. Iran's growing ballistic missile activities, cyber threats, and interference in Syria further threaten stability in the Middle East and the security of our allies. Russian intervention in Syria and increased influence throughout the region while ISIS continues a campaign of terror across the Middle East, adds to instability and inhibits long-term progress in the region. The Army's presence in the Middle East assures access, builds a foundation of trust, and prevents the ongoing conflicts from spilling over to other regions, including the homeland. Nearly 42,000 Soldiers throughout the area support the defeat of ISIS in Syria and Iraq, deny enemy safe havens in Afghanistan, deter Iran, support Turkey, assist with the stability of Jordan, and build partner capacity with our partners.

United States Army and African partnerships promote regional stability and provide increased awareness and flexibility. United States Africa Command employs United States Army forces in small teams and units that train with African security forces, assist in

building capable defense institutions, and support counter-extremist and other contingency operations. These efforts assist our African partners in their fight against violent extremist organizations—ISIS, al-Shabab, and Boko Haram. During FY16 over 9,000 Soldiers deployed throughout Africa. These Soldiers participated in over 250 security cooperation events, exercises, and missions in more than 30 countries; highlighted by Central Accord 2016 in Gabon, where over 1,000 Soldiers participated with counterparts from 11 African nations as part of a peacekeeping training event.

Approximately 4,000 Soldiers support military operations in Central America, South America, and the Caribbean. Transregional terrorist organizations, transnational organized crime, and violent extremist networks are the principal threat to regional security and stability. United States Army forces, including aviation, intelligence, communication, special operations, and logistics units, actively support partner nations' efforts to disrupt, degrade, and dismantle these threat networks operating in the region. In October 2016, in response to Hurricane Matthew and at the request of the U.S. Agency for International Development, the first Category 5 Atlantic hurricane since 2007, U.S. Southern Command stood up a Joint Task Force to support U.S. Government disaster relief operations in Haiti and Jamaica. U.S. Southern Command deployed United States Army air assets, including CH-47 Chinooks, UH-60 Black Hawk utility helicopters and HH-60 Medical Evacuation helicopters, which provided the ability to quickly move heavy loads of humanitarian aid, conduct medical evacuation missions, transport key leaders around the area, and conduct early reconnaissance flights to identify the hardest hit areas. The efforts of these Soldiers assisted in the delivery of more than 349,000 pounds of relief to areas devastated by Hurricane Matthew.

At home and abroad, the United States Army secures, operates, and defends its networks and conducts cyber operations against a growing array of sophisticated cyber adversaries. The Army secures and operates its global enterprise network through four Theater Signal Commands and five Regional Cyber Centers. The Army has 41 Active Component Army Cyber Protection Teams that conduct cyber operations against near peer adversaries, ISIS, and other global cyber threats. We are building an additional 21 Reserve Component Cyber Protection Teams giving the Army 62 Total Force Teams. These teams deliver effects against our adversaries in support of ground commanders, defend military networks, secure Army weapons platforms, and protect critical U.S.

infrastructure. We request congressional support of our FY18 budget to continue to modernize our global enterprise network and advance defensive and offensive cyber capabilities to safeguard the Nation's security interests.

In sum, over 187,000 Soldiers support combatant commander requirements worldwide. Our Soldiers directly contribute to our Nation's efforts to defeat ISIS, support governance in Afghanistan, and deter conflict throughout Europe, Asia, and the Middle East. This steady demand for trained and ready Army units provides our Nation with the ability to defeat adversaries, assure our partners, and deter potential aggressors.

Impacts of Fiscal Uncertainty

For the past five years, the Army has been working to build and sustain a ready force. However, this has been a significant challenge due to the Budget Control Act of 2011, Continuing Resolutions, and unforeseen changes in the strategic environment that include an assertive Russia, an increasingly threatening North Korea, and ISIS controlling territory across Iraq and Syria. To respond to the current strategic environment, the Army has chosen to prioritize readiness.

While the Army remains focused on accomplishing the current missions of the combatant commanders, the negative impacts of the Budget Control Act of 2011 have been significant. These impacts include a smaller Army, spending less on modernization, and deferring installation maintenance. The consequences are real and will manifest themselves if the Army is required to fight in a major conflict. Congressional support for a Base Realignment and Closure authority would allow the Army to invest in readiness and modernization programs rather than excess infrastructure.

Over the last eight years, the Army reduced end strength by over 100,000 Soldiers. This reduction included removing 17 brigade combat teams from the Army. To meet the end strength reduction targets, the Army reduced forward stationed forces in Europe and Korea, replacing them with rotational forces from the United States. The impact of this reliance on rotational forces is a deployment tempo that rivals the surge periods in Iraq and Afghanistan.

Over the same eight-year period in which we reduced the Army by 100,000 Soldiers, Continuing Resolutions and constrained funding under the Budget Control Act of 2011 forced us to pay short-term bills at the expense of long-term investments. A consequence of underfunding modernization for over a decade is an Army potentially

outgunned, outranged, and outdated on a future battlefield with near-peer competitors. The Army's combat platforms include tanks, helicopters, infantry fighting vehicles, artillery, and short range air defense systems that are decades old. As technology continues to advance, our Army risks falling further and further behind. In short, the Army's lack of investment in modernization is eroding our competitive advantage in ground combat operations.

Additionally, the Army deferred maintenance of our installations for many years. The Army generates readiness on the installations where Soldiers live, work, and train. Installations provide the platforms where the Army focuses on its fundamental task—readiness. Our military construction investment remains at historically low spending levels and focuses on replacement of failing and obsolete training, operations, maintenance facilities, and footprint consolidation. Deterioration of our installations adversely impacts Soldier and Family quality of life, maintenance of equipment, deployment of forces, and our ability to mobilize reserve components.

Overall, the Budget Control Act of 2011, Continuing Resolutions, and unforeseen changes in the strategic environment have forced the Army to prioritize readiness. The tradeoffs were a smaller Army, smaller investments in modernization, and deferring installation maintenance. The principal negative impacts of these tradeoffs have been stress on the force, eroded competitive advantage, and deteriorating installations. Immediately increasing the defense cap and predictably funding the Army as requested are the most important actions Congress can take to address the changing needs of the global security environment.

Readiness to Fight Tonight

Readiness deters and wins wars. An investment in readiness is time consuming and expensive, but the only thing more costly than funding readiness is the loss of life associated with sending Soldiers into battle unready. Ultimately, the United States Army must be prepared to respond to crises in sufficient numbers with sufficient training and equipment to fight and win with little-to-no notice. The National Defense Authorization Act for FY17 end strength increase of 28,000 Soldiers over the FY17 President Budget's proposal is much appreciated to ensure the Army has fully manned formations. With a fully resourced end strength, the Army can sustain its global commitments. The FY18 budget translates into better training, increased equipment, installation maintenance,

additional munitions, and increased modernization that will improve the United States' ability to meet the requirements in the Defense Planning Guidance.

In 2014, the United States Army began the transition from training for a decade-long counterinsurgency campaign to training for major combat operations. Over the next two years, the Army's challenge is to balance the requirements of remaining regionally engaged, while simultaneously preparing to meet the demands of a globally responsive contingency force. As a result, the Army increased resources provided to Combat Training Centers and home station training. Throughput at Army Combat Training Centers increased over 10 percent—an increase from 17 to 19 brigade combat team rotations annually. These rotations challenge unit commanders at the brigade and battalion-level with realistic training scenarios that integrate unmanned aerial vehicles, cyber, intelligence, electronic warfare, communication, fire support, and aviation assets.

In addition to increased training opportunities, the Army initiated the Associated Units Pilot in order to build readiness and responsiveness across the Total Force. Under this program, the Army associates Army National Guard and Army Reserve units with a gaining Regular Army unit commander and vice versa – associates Regular Army units with gaining Army Reserve and Army National Guard commands. The receiving unit commander is responsible for approving the associated unit's training program, reviewing its readiness reports, and assessing its resource requirements. Associated units also train with their gaining units to the maximum extent feasible, including leader development, field training, command post exercises, and combat training center rotations. Congressional support for these efforts will increase Army readiness by shortening the post-mobilization training time required for combat and combat enabling units of the Army National Guard and the Army Reserve.

An adequately manned and trained Army deserves the best available equipment when responding to crisis. Last year, the Army established the Rapid Capabilities Office to acquire equipment and services quickly and at less cost. Targeting the mid-term time horizon, the Rapid Capabilities Office works with select industry partners to address critical modernization gaps including assured positioning, navigation, and timing; counter-electronic warfare; automation; and cyber capabilities. The Rapid Capabilities Office is already providing electronic warfare capabilities to Army forces in Europe and, with

Congressional support, will provide deployed Soldiers with next-generation batteries and a supplemental positioning, navigation, and timing capability by 2020.

Additionally, the Army must provide state-of-the-art equipment in sufficient quantities to the units responding to crisis. To respond to crises in a timely manner, the Army positions sets of military equipment around the world. These sets, Army Prepositioned Stocks, decrease deployment time because they place military equipment closer to the potential point of need. Army Prepositioned Stocks, in conjunction with strategic sealift and airlift, provide Joint Force commanders with faster access to needed combat formations and enablers in order to reassure our allies and, if necessary, defeat our adversaries. The accelerated growth of Army Prepositioned Stocks in Europe positions equipment for a division headquarters, two Armored Brigade Combat Teams, one Field Artillery Brigade, and division enablers for rapid access by the Joint Force Commander. Similarly, Army configured Prepositioned Stocks in Asia shortens the timelines associated with a contingency in the Pacific Command. With congressional support, increased investment in Army Prepositioned Stocks in Europe and Asia will underwrite the ability of national leaders to provide flexible options consistent with U.S. national interests.

There is no greater responsibility in the Army than to lead American Soldiers in peace or war. Leader development is critical now and for our future. Professional military education combined with practical experience in leadership positions is the principal way the Army builds leaders. With Congressional support, the end product of increased investment in leader programs is officers and non-commissioned officers (NCO) of competence and character, fit to lead men and women in combat.

Modernization: Equipped to Fight

Army modernization advances materiel solutions that enable the Army to retain our advantage against advanced adversaries and a broad range of other potential threats. The Army's FY18 Budget Request prioritizes the requirements necessary to deter and, if required, defeat near-peer adversaries. The Army modernization priorities are: air and missile defense; long range fires; preferred munitions; mobility, lethality and protection of our Brigade Combat Teams; active protection; assured positioning, navigation and timing; electronic warfare; cyber; assured communications; and vertical lift. The Army also

requests congressional support to improve our Soldier and combat service support equipment.

The air defense and long range fires portfolios contain our most urgent and pressing capability need to respond to challenges we have not faced in decades. Our potential adversaries have substantial anti-access and area denial capability, with many weapons and munitions whose quantity, range, and lethality have significantly improved. Specifically, we need to rapidly improve and procure our Army Tactical Missile System and Guided Multiple Launch Rocket System rockets, develop a cannon delivered area effects replacement munition, and improve the industrial base supporting the production of our precision and preferred munitions. To mitigate the increased risk to the maneuver force from airborne threats, such as rotary wing and fixed wing aircraft, Unmanned Aerial Systems, and cruise missiles, the Army is recapitalizing the existing Avenger systems and Stinger missiles, while developing the next generation of kinetic and non-kinetic short range air defense capabilities.

The Army has developed a Combat Vehicle Modernization Strategy for our Abrams, Stryker, Bradley, Armored Multi-Purpose Vehicle, and Howitzer fleets. These programs are ready to go into production. Our request includes increased funding to reduce the currently programmed 30-year replacement timeline. It also includes funding to enhance the mobility and lethality of our light infantry units by providing them with both the ground mobility vehicle and the mobile protected firepower vehicle. All of our vehicles need to be protected against rocket propelled grenades and anti-tank missiles. However, quantities of armor protective technology are limited. The request includes funding for additional protective technology, which is currently available only in limited quantities. These active protection systems use sensors, radar, computer processing, fire control technology and interceptors to defeat incoming anti-tank missiles. This capability will save American lives.

Similar to combat on physical battlefields, friendly and enemy forces fight for dominance in space, cyber, and the electromagnetic spectrum. The Army is developing anti-jam antennas that guard against attacks on our global position systems. Additionally, the Army is leveraging off-the-shelf hardware and software solutions to address shortfalls in offensive and defensive cyber capabilities. We are also developing the Multifunction Electronic Warfare system, to provide commanders the ability to plan, detect, defend, and attack in the electromagnetic spectrum. Vital to the success of our

Soldiers on the battlefield, we are adapting our tactical radio waveforms to protect our communication network. Congressional support will enable the Army to increase capabilities and reduce risk in space, cyber, and the electromagnetic spectrum.

Our communications network is critical to enable mission command of ground combat operations. We request support to accelerate fielding of mission command network systems and increase procurement of the Joint Battle Command Platform to decrease software vulnerabilities and increase interoperability. Congressional support of the request will enable the Army to increase capability and reduce risk.

The Aviation portfolio adopts the recommendation of the National Commission of the Future of the Army to retain more Apache units, but cannot support aggressive modernization under the current Budget Control Act of 2011 caps. To implement the Commission's recommendations, the Army is incrementally procuring new Apache aircraft by slowing the modernization of the UH-60 Blackhawk program. This strategy extends the modernization timeline for Apaches from FY26 to FY28 and Blackhawks from FY28 to FY30. We also need to pursue a rapid solution for aircraft survivability given the proliferation of anti-aircraft weapons on the battlefield. Additionally, we are expanding the production of the Hellfire missile to meet current demand while transitioning to the Joint Air-Ground Missile to prepare for possible future contingencies. The Army's FY18 budget request includes funding increases in aviation munitions, survivability, and modernization.

Our Soldiers remain the backbone of every Army capability, and our infantry units must be equipped with modern weapons. We request support to increase readiness by completing M4A1 Carbine pure-fleet fielding, developing Next Generation Squad Weapons, procuring anti-tank weapons, such as the Javelin and tube-launched, optically tracked, wire-guided (TOW) anti-tank guided missiles, and beginning procurement of the Lightweight Command Launch Unit for Javelin. Additionally, we seek congressional support for a variety of simulators and virtual training devices to significantly increase the repetition and experience base of our Soldiers and leaders at the tactical level in individual, collective, squad, and small unit operations given intense, complex, combat scenarios.

Our ability to project and sustain combat power over long distances and for long durations is key to winning wars. We request support for shortfalls in bridging, tank transport, and tank recovery that limit the maneuverability of the Army's Main Battle Tank on the battlefield. We also seek to increase procurement of our Joint Light Tactical Vehicle

and Heavy Equipment Transporter, modernize our watercraft, and upgrade our medical capabilities for combat casualty care. This includes procuring the Maneuver Support Vessel (Light), completing the Landing Craft Utility 2000 service-life extension, and completing the command, control, communications, computers, intelligence, surveillance, and reconnaissance upgrades. Congressional support is needed to enable these initiatives for Army and Joint Force mobility and sustainment.

Soldiers, Civilians, and Families: Our Greatest Asset

People join the Army to defend our Nation and its people. In turn, we must take great care to support those who step forward and answer the call to the colors. We request continued support for competitive pay and compensation and family programs, housing, and infrastructure improvements. We will continue Soldier 2020 initiatives' standards based assignments regardless of gender; Sexual Harassment Assault Response and Prevention (SHARP) initiatives to prevent and reduce harassment or assault against male or female Soldiers.

Additionally, Army Civilians as part of the Army generating force, ensure the readiness and availability of our formations that support the Joint Force commander with more than 16,000 Army Civilians serving overseas supporting combatant commanders. We are committed to ensuring quality support to our Soldiers, Civilians, and their Families that strengthens the bonds within our Army team, while simultaneously advancing our efforts to increase readiness.

The Army's Budget Request

The Army's FY18 base budget request is \$137.2B, a 5.3% increase from our total FY17 base request of \$130.3B. The major budget goals for FY18 are readiness to meet today's global challenges and focused modernization of our equipment. As part of these goals, the Army will upgrade aviation and ground combat platforms, while increasing investments in short range air defense, long range fires, aviation, network, combat vehicles, Soldier equipment, combat service support and installations.

Additionally, we are accountable for the resources to produce the outcomes required. We are also committed to the efficient and effective use of those resources by improving and reforming our processes. As mandated by Congress in the 2010 and 2012 National Defense Authorization Acts, the Army will be audit ready by September 30, 2017.

We are strengthening internal controls, developing standard business processes, retaining supporting documentation, and improving system controls. The Army will continue to implement corrective action plans to resolve deficiencies, with an overall goal of improving a culture of accountability and fiscal stewardship of our Nation's resources.

Conclusion

We thank Congress for the FY17 budget and their continued support of the United States Army and the American Soldier. Now is the time to substantially increase readiness, improve modernization, and increase capacity. Readiness remains unequivocally our number one priority – it underpins everything the Army does. We have an opportunity to fix readiness losses and prepare for the future. However, building a professional Army takes time. To build readiness, Soldiers require specialized and sufficient training; modern, properly maintained equipment; sufficient quantities of the proper munitions; and stability. To sustain readiness, the Army requests congressional support for its modernization efforts – aviation, network, combat vehicles, long range fires and short range air defense, Soldier equipment, and combat service support. We request that Congress increase the caps in the Budget Control Act of 2011, provide sufficient funding to fully man and train our current formations and allow us to close critical gaps in modernization. These actions will ensure that our Soldiers are ready for the missions of today, as well as for the unforeseen conflicts of tomorrow.