

RECORD VERSION

STATEMENT BY

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CHIEF OF STAFF
UNITED STATES ARMY**

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THE UNITED STATES ARMY**

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Mr. Chairman and members of the Committee.

It is an honor to testify before you on this historic occasion as we prepare the Army's first budget of the next century – the beginning of the next one hundred years of providing for the security of the American people. We are at a significant turning point. This is without question a year of transition. In 1998, we saw the convergence of two axes, 8 years of drawing down the force and 13 years of straight decline in real buying power. These are trend lines that can no longer continue if we are going to maintain the trained and ready Army our Nation requires. We must chart a new direction. Today we are poised for the future. We have an opportunity, with the leadership of the Administration and the Congress, to set the right course for what must be done in the years ahead. The fiscal year 2000 budget is our down payment on the Army America needs for the 21st century.

In my remarks today, I will update you on the state of America's Army, assessing both our preparedness to support the Nation and the risks we face in ensuring both current and future readiness.

First, I want to again thank Congress for their support over my tenure as the Army Chief of Staff. In previous years you have supplemented our annual budget request, funding key unfinanced requirements that have significantly improved our ability to maintain a trained and ready force. In particular, we are thankful for the supplemental funding to the fiscal year 1999 budget which included, for the Army, about \$1.4 billion for contingency operations and \$375 million that directly addressed our most pressing near-term readiness issues.

The supplemental funding was much needed and deeply appreciated. As I testified before you during the hearings on the fiscal year 1999 budget, in our efforts to ensure readiness for both today and tomorrow, and given the resources we had to work with, we balanced our investments as carefully as we could. Providing for current readiness meant funding the force so that our soldiers were trained and ready to take on any mission they might be assigned today. Future readiness required preparing now so that we will have the capabilities needed to meet the missions we foresee in the years ahead. To achieve both, we stretched our resources as far they could go. We programmed efficiencies to get the very most out of every dollar given to us. We also built a budget without "shock absorbers," where any shift, adding resources in one area,

could only be achieved at the detriment of providing for other equally vital areas. The fiscal year 1999 budget was as “finely tuned” as we could possibly make it, distributing resources in a manner that dispersed risk prudently.

The events of the last year quickly upset our delicate balancing act. The pace at which we used land forces reflected an increasing operational tempo (OPTEMPO) for Active and Reserve units and proved higher than expected. The continuing mission in Bosnia, conducting domestic operations in response to floods and other natural disasters, preparing for the Kosovo Diplomatic Observer Mission, providing forces to reinforce our presence in Southwest Asia, and responding to aid countries in Central America in the wake of Hurricane Mitch all added to the already high global demand for American ground forces. Meanwhile at their home stations, commanders were forced to use funds allocated for training to address the chronic underfunding of our installations and quality of life programs that take care of our soldiers and families. Finally, recruiting became an increasingly greater challenge as the Army found itself in fierce competition with the other Services and the commercial sector for quality young men and women. Together, these pressures significantly affected near-term preparedness. Though we had assumed some risk in current readiness to increase modernization funding, the readiness trend lines were declining faster and more precipitously than we could accept if we were to be true to our mission of executing the National Military Strategy and avoid becoming a "hollow" Army.

The supplemental funding Congress provided to the fiscal year 1999 budget significantly contributed to addressing our most pressing and immediate concerns. As a result, we are still recruiting and retaining great soldiers. They are well supported and superbly trained. In short, the additional funds, while not solving all our problems, provided a timely boost to near-term readiness. Again, on behalf of all the soldiers and families of America's Army, I thank you for your prompt and concerted effort in this particular area.

The Army's Challenge

The fiscal year 1999 supplemental, while helpful and greatly appreciated, does not meet our total requirements. Preparing America's Army for the 21st century cannot be adequately addressed in one year or one budget. We have to think for the long term, making the right choices today so that in the future we have the flexibility to pick the best options on how to preserve the Nation's place in a free and prosperous world. In my testimony today, I want to focus primarily on the future – the Army's challenge. I describe this challenge as "being able to remain trained and ready, while conducting the most fundamental transformation since the end of World War II, in an era of

constrained resources.” To place the Army’s proposed fiscal year 2000 budget in perspective, I would like to look briefly at each component of the Army challenge.

Trained and Ready for What?

First, we insist that the Army must be trained and ready, but as I have testified before, I think we must ask, “trained and ready for what?” Fundamentally, the mission of America’s Army has not changed. No one stated it better than General Douglas MacArthur when he said, “through all this welter of change and development your mission remains fixed, determined, inviolable. It is to win our wars.” His words are as relevant today as they were when he spoke them to the cadets at West Point in 1962. Arguments that we do not need to prepare for conventional wars in the future simply lack credibility. Though the United States is the world’s preeminent military power, as the 1991 Gulf War demonstrated, we should never assume our forces will always go unchallenged or that we can predict with certainty where and when we will have to fight. Whatever the military does, it must be prepared to win our Nation’s wars.

We know, however, that there is more to winning wars and securing a peaceful, stable world than winning battles. There are other tasks, equally important for ensuring the security of the United States, including deterring potential enemies, supporting domestic authorities, defending the homeland, addressing the conditions that might lead to war or helping nations recover from hardships and conflict, preempting future wars. Before the fall of the Berlin Wall, containing Soviet power defined the Army’s primary tasks. The Soviet threat provided a simple and clear standard for measuring the readiness of American forces. Today, our tasks differ from what we performed during the Cold War. The United States has moved beyond containment with a new strategic approach that emphasizes global leadership and continuous, meaningful engagement in world affairs. This profound change is reflected in our National Military Strategy which requires us to “shape, respond and prepare.” We conduct operations to “shape” the international environment. At the same time, the Army must be ready to “respond” to crisis worldwide. Finally, we must prepare now for the security tasks and challenges we will face in the future. Today, we must measure readiness against all the Nation’s diverse strategic requirements for land forces.

You do not have to go much further than a newspaper to gain a sense of what is required for current readiness. I remember vividly last fall, when over the span of a few weeks each day’s headlines and evening broadcasts carried an important story about America’s Army:

- The President standing with U.S. soldiers in South Korea reminding us that a North Korea undeterred, if it chose to, could seriously threaten Asia's peace and security;
- Soldiers in Bosnia and Macedonia, working, on the ground, seeking to preserve stability and prevent a regional crisis;
- Across Central America, U.S. soldiers joining in an international effort responding to the devastation left in the wake of Hurricane Mitch; and
- In Southwest Asia, soldiers supporting Operation Desert Fox, keeping the pressure on Saddam Hussein.

These headlines reflected different dangers on different parts of the globe, but together they illustrate the wide range of tasks our Nation expects the Army to perform well – deterring potential enemies, reassuring friends and allies, and fostering regional peace and stability. In short, these events demonstrate powerfully that measuring and maintaining readiness today is much more complex and challenging than during the Cold War.

Regardless of the diversity of requirements, readiness is and must always remain non-negotiable. We must never place soldiers in harm's way without thoroughly preparing them for the missions they have been assigned. This imperative remains at the forefront of the Army challenge.

Fundamental Change

Fundamentally transforming the Army is the second component of our challenge. As we "shape" and "respond" today, we are changing from a Cold War force to an Army prepared to conduct military operations in the 21st century – fulfilling the requirements of the third pillar of our National Military Strategy, preparing now for the future. To accomplish this task the Army has a disciplined, deliberate change process to prepare ourselves for the challenges ahead. Our process is called Force XXI. The term reflects our commitment to providing the Nation the right land forces for the 21st century. The Force XXI process incorporates a number of wide-ranging, but integrated, activities including research, field trials, wargaming, computer-assisted analysis and simulations, strategic management, leadership development, training and force modernization programs, all focused on providing for the synchronized development of future landpower. Based on a decade of practical experience and extensive study and experimentation, we have adjusted and refined this process, using it to develop the

capabilities we need to keep pace with the Nation's evolving strategic needs. Force XXI has served us well over the years, and it will continue to provide a disciplined and effective framework to guide us in the years to come.

Throughout our implementation of the Force XXI process, we have always stressed that the most important thing is that we change at the right pace. If we have learned one thing from our post-Cold War experience, it is that we cannot wish ourselves into the future. We must force change, but change, particularly concerning something as serious as the security of the Nation, takes time and must improve our capabilities to respond to future challenges. Revolutions in military affairs do not occur as quickly or dramatically as history books might suggest. Even in modern times, profound change has taken decades or sometimes even a generation. A true revolution in military affairs is more than simply "dressing-up" the current force with high-tech weaponry. It requires advancing all the Army's capabilities: equipment, doctrine, force mix, training, leadership and quality soldiers. It does us no good to have new weapons without quality soldiers trained to use them, the doctrine to employ them or the organizations to support them. We have to develop all our capabilities in a synchronized manner – and that takes time and resources.

While we change, we must continually provide trained and ready forces that are needed every day to support the Nation's strategic requirements. The world permits no "time-outs" in preparing for the future. There has been over a 300 percent increase in the tempo at which we use ground forces since the end of the Cold War. We do not expect that pace to slow appreciably in the years ahead. So, we must be prepared to develop future capabilities and, at the same time, be ever ready to place our soldiers in harm's way with the absolute confidence that we have done everything required to best prepare them for the job. That is the second component of the Army's challenge.

An Era of Constrained Resources

The third component of the Army's challenge is ensuring both current and future readiness in an era of constrained resources. Since 1989, reductions in defense spending have provided a significant "peace dividend." More than a decade of decreased defense spending has resulted in more than \$750 billion dollar in savings that has helped energize the economy and turn the budget deficit into a surplus for the first time in thirty years. Proportionally, we spend far less on defense today than we have in our recent history. In fact, the total budget for the Department of Defense accounts for less than three percent of the Gross Domestic Product, the lowest level of spending on defense since before Pearl Harbor.

The fiscal year 1999 budget capped 13 years of straight decline in real buying power for the U.S. Army. That has required us to manage our resources very carefully. The Army adjusted to the fiscal realities of the post-Cold War's first decade by significantly reducing our force (by almost 700,000 Active, U.S. Army Reserve and Army National Guard soldiers and Department of the Army civilians) and closing or realigning bases (more than 700 total in the United States and overseas). We have improved our business practices and programmed efficiencies over the Future Year Defense Plan (FYDP). Most important, the Army had to undertake a prolonged "procurement holiday." Since 1985, Army procurement in real terms has dropped 67 percent. The Army has terminated or restructured over 100 programs since 1987. We deferred and stretched modernization programs and research and development to ensure we maintained minimum essential near-term readiness and the trained and ready forces that have served the Nation so well over the last decade.

Today, however, we are at the point where we can no longer delay investments in future readiness. Our equipment is getting older and the Quadrennial Defense Review reductions for the total force represent the minimum level forces required at this time. If we want to maintain our ability to provide forces with dominating combat power and minimize the risk of casualties, we must ensure that our smaller forces have superior capabilities. Quality has a quantity all its own. Maintaining our strategic edge requires we provide our soldiers the best equipment available.

Our Force XXI process is a proven concept. Our Advanced Warfighting Experiments (AWEs) have demonstrated, under realistic, stressful test and operational conditions, real world capabilities that we can field right now to harness the potential of information age warfare. Our Army After Next Wargames have also begun to identify the future capabilities that we must begin developing today. These two efforts provide a roadmap that is focusing the procurement and research and development required to prepare the Army for the 21st century. The results of Force XXI efforts also remind us that we must start investing in the future now or risk losing our dominant advantage in conducting prompt and sustained land operations.

To prepare for future readiness now, we remain concerned about several pressing modernization shortfalls: the pace of replacing aging equipment, modernizing the Army's Reserve component, implementing our Force XXI digitization initiatives, and procuring next generation munitions and combat systems. The longer we delay these key modernization efforts, the greater risk the force assumes.

As I testified before you last year, to meet this third component of the Army challenge we assumed more risk in the near-term. We made a deliberate effort to shift resources into modernizing the force. This conscious decision placed even greater

strains on the conduct of current operations. It was, however, an investment that we had to make to meet our commitments to the soldiers of the next generation.

Wisely balancing scarce resources, remaining trained and ready, and changing at the right pace are the taproot of the Army's challenge for the dawn of the 21st century. We have crafted the Army's proposed budget for fiscal year 2000 to address these difficult, but vital tasks.

Poised for the Future

Today, we are an Army poised for the future, because we know what must be done to meet the Army's challenges. We have built the Army's budget on a decade of living in the post-Cold War world – a decade of practical experience in using military force to ensure peace while promoting prosperity, freedom and justice, and, through Force XXI, a decade of groundbreaking experimentation and thoughtful reflection about how to best support and defend our country in the decades ahead. We have seen what works and what does not. We have learned, not only what to change and what not to change, but how to change. Today, we are putting this knowledge into action.

The Army is People

The greatest and enduring lesson of our past is that people are the single most important element of any successful force. As I have said, our approach to meeting the Army challenge has been to balance risk, but one area in which we cannot compromise is ensuring the quality of our force. Quality people remain the foundation of a world class Army.

Recruiting efforts over the last year have demonstrated mixed results. Our recruiting for the Active force was difficult, but relatively successful. We came very close to meeting our recruiting goals for the year and the indicators of quality remained very high. On the other hand, the United States Army Reserve fell 3,700 recruits short, while the Army National Guard missed its quantity goals by about 1,200. These results and current indicators suggest the year ahead will be another tough one for recruiters.

Recruiting remains a continuing challenge. A strong economy and a declining propensity to serve make the job of recruiting soldiers tougher each year. This challenge is exacerbated by the fact that the cost of recruiting each individual soldier has doubled since 1986 from \$5,300 to more than \$10,000 today. For the first quarter of fiscal year 1999, the Active component missed its recruiting goal by 2,400. Over the last few months, I have visited our recruiters around the country from Houston, Texas, to Queens in New York City. We have an incredibly dedicated, innovative, and

professional corps of Army recruiters, and we are doing everything we can to give them the tools they need to do their job, but they still face a challenging year ahead.

We are also continuing to closely monitor retention in the force. Throughout fiscal year 1998, the primary measures we use to track retention remained strong. Over the Christmas holidays, I visited our soldiers in Bosnia. They are outstanding representatives of today's Army. They are selfless and enthusiastic. In fact, we are finding that units serving in Bosnia typically lead the Army in reenlistment rates. The hopes and aspirations of the young men and women I talked to are representative of how all our soldiers feel. They ask for little and give much. They want to be challenged. They want tough, realistic training and a chance to do the job for which they've been trained. They want to continue to serve. In return, all they ask is adequate compensation for their service and sacrifice and a reasonable quality of life for themselves and their families.

We must be vigilant in ensuring our ability to recruit and retain quality soldiers. Anecdotal evidence suggests that the repeated and prolonged deployments overseas and concerns over the future are beginning to take their toll on the force. Our soldiers are deeply concerned about pay and compensation issues. They perceive that there is a gap between civilian and military pay. Service member pay raises have been capped below the Employment Cost Index for 12 of the last 16 years. Our soldiers are becoming more and more vocal that their compensation is not keeping pace with their civilian counterparts.

Further, many soldiers are concerned about the reduced retirement benefits they will receive under the Military Retirement Reform Act of 1986 (Redux). Since 1992, satisfaction with retirement benefits has fallen from 61.8 percent to 39 percent for officers and 44.8 percent to 28.1 percent for enlisted soldiers. The value of the retirements benefit package we have offered soldiers entering the Army since 1986 is worth 25 percent less than under previous systems.

To address the serious concerns of our soldiers, the Administration has proposed a compensation "triad." This triad includes a substantial pay raise for fiscal year 2000, a return to a system of 20-year retirement at 50 percent of base pay for soldiers currently under the Redux plan, and a reform of current pay scales to increase base pay for our noncommissioned officers and mid-grade commissioned officers. Recruiters tell me that increased pay and retirement will help them make the case with young men and women looking for an attractive career option. When I talked with our soldiers in Bosnia, they were equally enthusiastic. Make no mistake, our men and women would see passage of these initiatives as a powerful statement that their service and sacrifice is recognized and appreciated. If possible, Congressional

approval of a compensation package as quickly as possible would send an important, clear and unmistakable signal to those who serve the Nation. It is not a question of making anybody rich. It is about making a statement that we recognize what they have done – and we truly care.

Reducing Risks in the Near and Long Term

While we cannot accept a degradation in the quality of our people, we also recognize that we must carefully evaluate and manage risks in operating the force. Risks reflect our measure of confidence in supporting the Nation's strategic needs and minimizing casualties in the conduct of operations. I would like to review my most serious concerns for both near- and long-term readiness and how we are working to mitigate these risks as much as possible.

Protecting Training

With regard to current readiness, ensuring tough, realistic training is our best hedge against risk. The Army's Combat Training Centers (CTCs) remain the best training grounds in the world. Over the years we have expanded the capabilities to train at the CTCs, increasing the opportunities to conduct brigade level training and enhancing live-fire training. As a result, today the CTCs produce confident, skilled leaders and combat ready, cohesive units for the Active and Reserve forces. In addition to ensuring combat readiness, we have used the CTCs to prepare units for a wide-range of other military missions enroute to their operational theaters. The success of our soldiers in Bosnia is directly related to the rehearsal training they conduct at the CTCs before deployment. While the quality of the CTC experience remains superior, we have seen over the last year that the entry level proficiency of units, at the company, battalion and brigade level, is not as high as in the past. This is the result of decreased collective training at home station. Ensuring adequate resources to support home station training for both our Active and Reserve component forces will significantly enhance the CTC training experience and improve the Army's near-term readiness to support the full range of military missions.

Ensuring adequate home station training requires balanced and sufficient resources for training, base operations (BASOPS), and real property maintenance accounts (RPM). In recent years, funding for BASOPS and RPM has been insufficient to run our installations in a way that provides our soldiers and families with an adequate quality of life. We have had to assume increased risk in these accounts for several years to protect essential training. Now, however, services and facilities are deteriorating to the point that we can no longer take care of our people and meet their expectations for an adequate quality of life. As a result, our commanders have been

forced to migrate funds from training accounts to BASOPS. The fiscal year 1999 supplemental allowed us to increase BASOPS funding. The fiscal year 2000 budget increases funding for BASOPS to 95 percent of the requirement. These additional resources will help significantly to reduce the migration of funds, thereby protecting training and enhancing quality of life – that means improved readiness. The needs of our installations, however, cannot be solved in one or two years of funding increases. Plus-ups have helped stem the deterioration of installations, but now we have to rebuild, revitalizing our facilities and quality of life initiatives. We must continue to provide adequate funding in the right balance for training, BASOPS, and RPM.

In addition, prompt funding for contingency operations is also critically important. Until funding for these operations is forthcoming, we must reprogram funds from other accounts. As a result, planned training, maintenance, and repairs have to be deferred, disrupting commanders' training plans and sustainment programs. We must fund contingency operations promptly, giving commanders in the field adequate and dependable resources so that they can make the best and most efficient use of their assets.

Using the Total Force

Reducing risks also requires getting the most out of all our forces. The United States Army Reserve and the Army National Guard comprise 54 percent of the Army. We simply cannot conduct any mission without the contributions of the Total Force. We cannot, however, simply transfer the high OPTEMPO of the Active force to the Reserve components. Rather, we have to make the best use out of the unique capabilities and attributes of each part of the force.

In the past year, we have made tremendous progress in seeking innovative ways to efficiently combine the assets of all our components. One important initiative is "Divisional Teaming," a pilot program that will pair selected Active and National Guard combat divisions. This is necessary to address the force structure/requirements mismatch associated between a force designed to fight the Cold War and one that can support the National Military Strategy. Under the Divisional Teaming concept, partnered divisions will conduct leadership exchanges, joint planning, training, and readiness assessments. They will refine and practice their teaming skills through deployments at the Army's National Training Center at Fort Irwin, California, and the Joint Readiness Training Center at Fort Polk, Louisiana. When called upon to support operational requirements, the divisions will team their resources for rapid response. The Active division will take the lead in global crisis response. The Army National Guard Division will augment and assist its partnered command, speeding deployment of the Active division and then conducting its own follow-on, post-mobilization

preparations. In domestic emergencies, the Active division will be prepared to reinforce the Army National Guard division's lead. Through this partnership, both units will benefit, and the Army will improve its capability to respond to every military operation.

Last year, we announced that the Army National Guard's 49th Armored Division, headquartered in Austin, Texas, will deploy to Bosnia, providing the command and control for Army units participating in Joint Endeavor. The 49th Armored Division, paired with the 1st Cavalry Division at Fort Hood, Texas, will form the first Divisional-Team. Supporting the Bosnia mission will give us the first opportunity to evaluate the full potential of the Divisional Teaming relationship. While the 1st Cavalry Division uses its experience from serving in Bosnia to help prepare the 49th Armored Division for its mission, Active forces of the 1st Cavalry will also be available to help provide the domestic response and assistance the 49th Division normally furnishes to its home state. As the two divisions work together to prepare for and execute the Bosnia mission, they will lay the groundwork for creating an enduring division-to-division relationship and establish the framework for effective Divisional Teaming.

Divisional Teaming is just one example of the many Active-Reserve initiatives that are creating "win-win" opportunities for all the Army components. It is also a powerful demonstration that today's force is becoming much different from the Cold War Army. We are "broadening the base" to better meet the diverse needs of the National Military Strategy with a smaller force. At the same time, we are trying to build more "predictability" into the systems so we can better employ our Reserve component forces.

The Strike Force

Reducing risks to future readiness also requires making the right targeted investments now, not just in new equipment, but in the right organizations, training methods, doctrine, leadership and personnel development programs. One of the most important of our future-oriented initiatives is the upcoming Army Strike Force experiments with the 2nd Armored Cavalry Regiment at Fort Polk, Louisiana.

Today, we know that our land forces are applicable to a wide-range of critical security tasks. Unit for unit, our forces are more lethal, more versatile and can deploy faster than at any time in our Nation's history. In qualitative terms, their capabilities are unmatched by any army, anywhere else in the world. In addition, we are well on our way to developing the future-oriented capabilities that incorporate new path-breaking technologies and prepare us for the 21st century's security challenges. We have the range of capabilities we need – and they are improving year by year. What we must do

now is enhance our ability to adapt them to each strategic requirement. The solution for best harnessing the full potential of landpower is to embed the element of adaptability into our forces, maximizing our capacity to provide just the right combination of forces for each unique strategic requirement.

Today, when we are faced with unique contingency requirements that fall in the gap between what can be provided by the rapid response of our light forces and the tremendous combat power of our heavy forces, we must deploy multiple divisions (a heavy/light mix) or create an ad hoc task force. This enormously complicates the challenge of deploying, controlling and sustaining forces.

In addition to meeting the challenge of providing the right mix of force for conventional operations, we also are increasingly concerned about our ability to tailor our forces to deal with other emerging threats. We must be concerned that:

- Potential foes are far more likely to seek out asymmetrical responses, avoiding our strengths and attacking our vulnerabilities.
- The proliferation of Weapons of Mass Destruction – chemical, biological and nuclear arms that can hold both military forces and civilian populations hostage – will continue.
- Enemies may chose to attack our homeland, as well as threaten our forces abroad.
- Hostile powers may attempt to expand the realms of conflict into both space and “cyberspace.”
- Our military forces, designed for conflicts between nation-states, are less suited for dealing with emerging transnational threats whose power, influence and interests transcend borders.
- The pace of urbanization across the globe is a growing issue for military operations. When conflict moves to the cities, the cost in human terms rises dramatically and radically alters how we must fight and what tools we can bring to bear.

We must be able to mix and match the capabilities of our ground forces to meet these threats.

Under the Strike Force concept, we will develop a system that allows us to draw just the precise capabilities we need for a given mission and integrate them into an efficient organization that can project power quickly and conduct effective early entry

contingency operations. For example, a theater commander might be faced with the difficult task of seizing an airfield and then defending it against a combination of conventional forces, terrorist threats, and Weapons of Mass Destruction. The Army's 82d Airborne Division from Fort Bragg, North Carolina, is the world-class expert in taking down airfields, but it doesn't have the firepower and resources to hold off a combination of conventional and asymmetrical threats. This mission requires a unit that can bridge the capabilities provided by our heavy and light forces. The Strike Force could incorporate 82d Airborne elements to seize the airfield; urban warfare specialists from the 10th Mountain Division to guard the urbanized avenue of approach to the airstrips; a slice of heavy fire support and army aviation to defeat conventional forces; and teams of experts from Special Operations Forces, the Army Reserve and Army National Guard to counter terrorist, chemical and biological warfare threats. Not only would the Strike Force headquarters control these assets, but it would also serve as a focal point for integrating the other joint capabilities that the force would need for the mission.

The key to the Strike Force concept will be the command and control capabilities we embed in the 2nd Armored Cavalry Regiment. We will start by making the Strike Force the Army's premier operational headquarters, incorporating lessons learned from Advanced Warfighting Experiments and emphasizing the knowledge, speed, and power achieved through information dominance. The force's command and control will provide the core around which we can task organize an array of Army capabilities as missions require and provide the linkages to quickly integrate the right set of joint capabilities. Tactical operations, logistical support, planning, joint coordination, liaison, and rehearsals will all be facilitated by the rapid exchange of high volumes of accurate, timely, relevant information made possible by transforming the regiment into a unique knowledge-based organization. We will combine the best information-age technology with the most robust and versatile command and control systems available to create an unmatched capacity to collect, understand, and distribute information. The regiment will become, in effect, a "receptacle" headquarters into which we can "plug-in" the potentially wide range of capabilities we need.

As we develop the Strike Force it will provide:

- Just the right force mix for a contingency operation, making the most efficient use of our existing capabilities.
- An early entry force that can be deployed rapidly.
- The means to more effectively tailor forces for each mission.

- Improved links to joint forces, and supporting governmental and non-governmental agencies.
- The capability to better deal with emerging threats such as urban warfare, Weapons of Mass Destruction and ballistic missiles.
- A test bed for experimenting with the capabilities we need for the Army After Next, developing both the human dimension and the technology we will require in the future force.

The Strike Force will give us a real world capability today, and with our other Force XXI efforts, will help reduce risk because it allows us to get the most out of today's force. More important, these efforts are also serving as our test bed for developing the kinds of leaders, organizations and capabilities we will need in the Army After Next. By beginning to identify and develop today the capabilities we require to deal with future security challenges, we reduce risks to long-term readiness as well.

Together our teaming and Strike Force concepts will enhance current readiness and provide the basis for the Army After Next (AAN) force -- a force designed for the information-age and indispensable to the needs of the Nation. It will be a truly "seamless" force (Active, United States Army Reserve and Army National Guard) which will continue the great tradition of selfless service to the Nation.

A Down Payment on the Future

We do not have the resources to do everything that must be done. Despite our best efforts to mitigate risks through balanced investments, efficiencies and innovative practices and capabilities, concerns remain. I have quantified our readiness risk before Congress as about \$5 billion each year over the course of the FYDP, not including requirements for increasing compensation, fixing the retirement system, and funding contingency operations.

The fiscal year 2000 budget makes a significant down payment on the future. In particular, it addresses many of our most serious concerns in near term readiness and allows us to continue to transform the Army through the initiatives of our Force XXI process.

There is, however, much work still to be done. It will take us more than one year to prepare for the future. In particular, while the President's fiscal year 2000 budget proposal addresses many of the concerns associated with training and readiness, it is

only a down payment on the resources needed to fund modernization programs to the level required to assure future readiness.

I look forward to discussing these issues with you. With the leadership of the Administration and the Congress, I am confident we can make the right steps toward building the Army our Nation will need in the 21st century.