

STATEMENT BY

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UNITED STATES ARMY**

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Mr. Chairman and distinguished members of the Committee, thank you for this opportunity to report to you today on the United States Army's readiness to provide for our Nation's security today and in the future.

For over 224 years, *The Army*—active component (AC), Army National Guard (ARNG), U.S. Army Reserve (USAR), and Army civilians—has kept its non-negotiable contract with the American people to fight and win the Nation's wars. Today, The Army must also be capable of executing the broader requirements of the National Security Strategy (NSS) and National Military Strategy (NMS) across the full spectrum of operations. The commitment and dedication of Army soldiers and civilians, coupled with the support of the Administration and Congress, are allowing The Army to meet its requirements as the decisive landpower component of the U.S. military.

The support of the Administration and Congress has helped immensely over the past months, charting a new direction for the Armed Forces and for The Army, in particular. The fiscal year 1999 (FY1999) budget reversed a thirteen-year trend of declining Army buying power. And the support for increasing compensation and fixing military retirement in the FY2000 defense legislation sent a strong message to our soldiers and their families that their service is appreciated. In combination with the hard work of noncommissioned officers (NCOs) and officers across The Army, your support contributed to making FY1999 one of the most successful years ever for Army retention.

But there is much work yet to be done. The number and scope of missions that The Army must perform has grown significantly since the end of the Cold War. The Army must minimize the vulnerabilities associated with frequent contingencies, long-term commitments, and global power projection. It must train soldiers and leaders to adapt readily to conditions across the spectrum of military operations and build organizations capable of attaining dominance at every point on that spectrum. The new Army Vision charts a course to better align the capabilities of the Army with the challenges it is likely to face in the years ahead. The Army has already begun to help itself, but we will need your sustained assistance to achieve our goals.

I want to talk to you today about The Army's Vision for the future. In my testimony today, I will describe the magnificent work The Army has done in recent months and identify the challenges we still face. I will then discuss The

Army Vision under three broad themes—People, Readiness, and Transformation—and request your continued support as we work together to keep The Army, Soldiers on Point for the Nation, persuasive in peace and invincible in war.

Engaged, Decisive, and Versatile

By law, The Army is assigned the tasks of defending the United States and its Territories; supporting national policies and objectives; and defeating nations responsible for aggression that endangers the peace and security of the United States. These tasks, in the context of the international security environment, drive the size and shape of The Army. As of the end of FY1999, The Army consisted of 1,268,633 people. Of this, there were 479,426 soldiers in the AC; 357,469 soldiers in the ARNG; 206,836 soldiers in the USAR; and 224,902 Army civilians. The Army is a globally engaged force, heavily committed to meeting the requirements of the NSS and NMS. More than 140,000 Army personnel are forward stationed or deployed around the world on any given day. Soldiers and civilians stationed in the United States perform other critical roles, from keeping warfighting organizations ready for worldwide employment today to building the tools necessary to maintain readiness tomorrow.

The activities of The Army's soldiers and civilians train and equip the force for the overwhelming and synchronized application of land combat power. Landpower is uniquely decisive. Committing soldiers on the ground is the ultimate statement of U.S. resolve to defeat an adversary or compel him to change his course of action. In concert with the joint team and the forces of our allies, landpower provides critical capabilities for countering international threats and defending U.S. interests. When resistance is overcome, the presence of landpower provides the force to guarantee compliance with peace terms. Finally, it supplies the protection to establish legitimate authority and rebuild the area of conflict.

Since the effective use of modern combined arms requires diverse capabilities, The Army trains soldiers in over 500 specialties. Skills that support the application of combat power also play a central role in operations aimed at shaping the international environment. Furthermore, armies are the dominant component in the military forces of most nations. These forces, designed for common functions, share organizational features with The Army that facilitate cooperative endeavors. Therefore, the United States Army is not only critical to America's ability to win wars, it is also the principal military-to-military engagement tool for influencing the policies and actions of other nations.

As the Nation's largest land combat force, globally engaged and comprising a wide range of specialized skills, The Army is the force the Nation relies on most heavily to perform the full spectrum of military operations. Since 1989, the average frequency of Army contingency deployments has increased from one every four years to one every fourteen weeks. Some of these operations have been brief; others have evolved into ongoing commitments for our forces. While executing these missions, The Army has remained ready at all times to meet the warfighting requirements of the NMS: to fight and win two nearly simultaneous major theater wars (MTWs). We are able today to meet the requirements of the NMS, but there is moderate risk associated with fighting the first MTW and higher levels of risk associated with the second MTW. In this context, risk does not mean that U.S. Forces would not prevail; however, achieving our objectives could require a larger expenditure of our national treasure. The wide range of missions performed by the U.S. Army in FY1999 is evidence of the increased requirements placed on our Army in support of the NSS and NMS. From Kosovo and the Middle East to Asia and Latin America, The Army demonstrated its role for shaping the international environment, responding to crises, and preparing for the future.

Shaping, Responding, Preparing Now

The Army conducts an extensive array of shaping operations. In FY1999, U.S. soldiers continued to facilitate civil implementation of the Dayton Peace Accords in support of North Atlantic Treaty Organization (NATO) operations in Bosnia. Elsewhere, U.S. soldiers stood with our allies in Korea and the Persian Gulf to deter aggression, and played a major role in the Partnership for Peace and other engagement programs in Europe to promote stability and interoperability with allies and former adversaries. Soldiers are deployed for the 18th consecutive year of peacekeeping operations in the Sinai. They provided training on humanitarian demining operations in 22 countries, supported the war on drugs at home and abroad, and performed civil assistance missions from Mongolia to Latin America. In every corner of the globe, Army shaping activities promoted regional stability and improved conditions in support of U.S. values and interests.

The deployment of Army combat forces to Kuwait, Albania, and Kosovo in FY1999 demonstrated The Army's readiness to respond. In Kuwait, The Army provided the ground deterrence package during the Desert Fox bombing campaign. Task Force Hawk's deployment to Albania during NATO's air war against Yugoslavia provided Army-specific capabilities for campaign planners. After the bombing stopped, The Army put "boots on the ground" to support the peacekeeping process. U.S. Army soldiers also provided key skills in support of Operation Allied Force in the Balkans and Operation Stabilize in Indonesia.

To prepare now for an uncertain future, The Army continued a rigorous training program and broad efforts to integrate the active and reserve components. The fielding of 10 Civil Support teams improved the Nation's posture for responding to incidents involving weapons of mass destruction.

And most important, The Army's senior leaders have announced a new Vision to transform The Army into a more strategically responsive force with the capabilities to dominate at any point on the spectrum of operations.

The Need for Change

Notwithstanding its current ability to execute assigned missions, The Army must simultaneously effect a comprehensive transformation to better meet current and future strategic requirements. With the emergence of an increasingly complex international security environment, sources of conflict and tension are increasing. Sources of unrest and conflict range from competition between states to the instability caused by the collapse of states unable to meet the strains of resource scarcity, population growth, and ethnic and religious militarism. The technology enabling real-time transmission of information from any point on the globe has facilitated the rise of sub-national and transnational groups, including criminal and terrorist elements that may pursue objectives that threaten U.S. interests. The proliferation of space and information technology, ballistic missiles, and weapons of mass destruction makes it possible for small groups to pose large challenges. As the number of potential challenges increases, the requirements for U.S. landpower will also continue to increase.

The Army Vision aims to meet these requirements by transforming The Army into a force that is more strategically responsive and dominant across the entire spectrum of operations. But the Vision also recognizes two other fundamentals. First, The Army is people, and taking care of soldiers, civilians, retirees, veterans, and their families will remain a cornerstone of The Army's strength. Second, as the Transformation goes forward, The Army must continue to fulfill its non-negotiable contract with the American people to be ready to fight and win the Nation's wars.

People

The Vision retains The Army's commitment to its people: its greatest resource. The transformation strategy prescribes recruiting, retention, and distribution measures that will ensure we continue to attract, train, motivate, and retain the most competent and dedicated people in the Nation to fuel our ability to be persuasive in peace and invincible in war. We will assure the Nation's security by equipping, training, and caring for our soldiers, Army civilians, and their families and enabling their full potential as individuals.

Quality people are the cornerstone of today's Army, and will remain so in the future. Without highly skilled, competent, and dedicated people, it does not matter how lethal our weapons are or how strategically responsive our formations are. We are developing a long-term strategy for manning the force as part of our transformation strategy. It encompasses a commitment to the well-being of all the personnel that form The Army Family—its soldiers, civilians, retirees, veterans, and their families. The emphasis is on innovative ways of investing in our most precious asset—our people.

We face stark challenges both today and in the future concerning our soldier and civilian workforces. The requirements for technical and advanced skills will only increase as our means for performing full spectrum operations become more sophisticated. Yet today's booming economy and increased opportunities for higher education have created unprecedented competition for the quality people that fill The Army's ranks today. We will continue to pursue innovative ways to attract and retain the quality soldiers and civilians we need.

Recruiting

FY1999 was one of the most challenging years for recruiting since the beginning of the all-volunteer force; however, record reenlistment rates helped The Army meet its required endstrength. The ARNG exceeded its recruiting quota, accessing 132 soldiers above its target of 56,958, but the AC fell about 6,300 soldiers short of its goal of 74,500. The number of USAR recruits was 10,300 below the goal of 52,084. However, new initiatives sparked a year-end upturn in the number of accessions. The expansion of the Hometown Recruiter Assistance Program (HRAP) allowed recent graduates of The Army's Advanced Individual Training to return to their hometown on temporary duty to assist local recruiters. By increasing the number of soldiers participating in the HRAP, The Army doubled the number of recruits signed up under this program last year.

The Army is aggressively restructuring its entire recruiting operation, including upgrading its research into youth attitudes; improving its in-house marketing expertise; fully reviewing its advertising strategy and execution; and improving training, stationing, and incentives for recruiters. The Army will also implement two new recruiting initiatives. The College First program targets candidates who are college bound or already in college by providing education benefits up front in return for a period of service. The Army High School Completion program focuses on non-high school graduates who score well on motivation indicators and mental aptitude tests. This test program will offer assistance in obtaining a GED to a select number of high-quality candidates. The Army will continue to emphasize creative solutions to the challenge of attracting sufficient numbers of young Americans to military service.

Retention

Notwithstanding its recruiting challenge, The Army met its end-of-year strength requirements because of its tremendous success in retention. The AC exceeded its retention goals by 6,147 soldiers in FY1999. Enhanced bonus programs implemented by The Army, as well as improvements in military compensation by the Administration and Congress, have bolstered retention efforts.

Sustaining this kind of retention success is important for readiness, but will likely become more difficult in the future. Recent studies indicate that the propensity to remain in the military has declined steadily among junior officers and NCOs, a decline of 17 percent over the past nine years. To retain sufficient numbers of our high-quality soldiers, NCOs, and officers, both military and civilian leaders must continue to take steps to improve well-being and compensation.

Manning Initiatives

The Army will fill its warfighting divisions and armored cavalry regiments to 100 percent of their authorized strength in FY2000. We will continue distribution of our soldiers and leaders to fill the rest of our force structure to 100 percent of authorization by the end of FY2003. We will pursue these goals with the commitment to keeping all units manned adequately to perform their missions. Having synchronized our force structure with Congressionally-mandated endstrengths, we will identify any additional personnel requirements, if they exist to our Nation's leaders.

Well-being

The Army defines well-being as the personal state of soldiers civilians, retirees, veterans, and their families that contributes to their preparedness to perform The Army's mission. Army leaders will continue to take care of their people, reinforcing the values-based link that already exists between individual well-being and a strong Army. The well-being of the men and women in The Army forms the cornerstone of any organizational, doctrinal, material, or technological efforts that we make.

The Army promotes self-reliance to achieve levels of individual preparedness necessary for unit readiness. Our people must be as adaptive and resilient as the formations they fill and support. Lifetime learning forms the basis of this self-sufficiency and is the true source of individual well-being. And The Army will build healthy, resilient, and robust communities through partnership with our civilian neighbors that ensure our ability to project force anywhere The Army is needed.

The Army facilitates self-reliance by providing facilities, programs, and activities that meet a broad range of needs. Army communities provide housing, health care, child care, shopping, recreation, religious support, and law enforcement for installations ranging in size from small outposts to major bases. These services build organizational effectiveness, support recruiting and reenlistment, and are an important component of readiness.

Army communities support a stable family environment and meet the needs of single soldiers as well. Fifty-five percent of the active component, approximately 263,000 soldiers, are married. Approximately 36,500 more are single parents. These soldiers are concerned with the security, happiness, and support of their loved ones. Knowing that The Army community effectively provides for these needs enhances morale and duty performance, and can mitigate the turbulence that accompanies high operational tempo, frequent relocations, and separations.

Studies indicate that soldiers are attracted to The Army by tangible rewards—pay, retirement, housing, and health care. The pay raise, pay table reform, and retirement reform in the FY2000 defense legislation will have a strong positive effect on soldiers and families, and on The Army's ability to recruit and retain them. The compensation initiatives in the President's budget will help to continue that positive trend. Health care and housing are areas that need continued emphasis. Let me address each of those briefly.

Medical Care

TRICARE is largely a success, especially considering the rapid start-up for its 8.2 million beneficiaries across 13 Department of Defense regions employing 7 different private healthcare contractors. However, highly visible and corrosive problems detract from these successes: notably, the delay in healthcare claims payment to private doctors and hospitals; the lockout of elderly, Medicare-eligible retirees; and healthcare problems for soldiers and their families in remote sites with few community healthcare assets.

TRICARE is a high priority for soldiers and families. Thus far, the level of satisfaction with TRICARE is mixed. The Spring 1999 Sample Survey of Military Personnel (SSMP) results show that less than half of the officers surveyed expressed satisfaction with TRICARE. Surveys targeted at other TRICARE beneficiaries showed higher levels of satisfaction. To improve customer satisfaction, the standards for resolving claims were raised last year, and The Army Health Advisory Council was established to inform senior Army leaders of health care issues and develop ways to address those issues. The Army aggressively supports the TRICARE managed care program and managed care support contracts, and continues to work with the Office of the Assistant Secretary of Defense (Health Affairs) to tailor TRICARE to better suit service

readiness and beneficiary health needs. The three Service Surgeons General and the Director, TRICARE Management Activity, are engaged in an ambitious effort to optimize clinical and business practices, performance measurement, and data reporting of the military health system while ensuring an operationally responsive and robust military medical force.

Medicare-eligible retirees are currently ineligible for TRICARE coverage, but DoD began a demonstration program in September 1998, to test inclusion (subvention) of dual-eligible beneficiaries. The 1997 Balanced Budget Act authorized the Health Care Financing Administration to reimburse DoD medical facilities for care above historical levels of effort provided to military Medicare-eligibles who participate in this demonstration. Upon completion of the demonstration, which is scheduled to end December 31, 2000, DoD will evaluate the merits of implementing subvention.

In regard to dental care, active duty dependents receive coverage through the TRICARE Family Member Dental Plan that covers a significant portion of dental procedures. Soldiers pay monthly premiums of \$8.53 for one family member and \$21.33 for more than one family member for coverage under this plan. As of February 1998, retirees and their family members began enrolling in the newly established TRICARE Retiree Dental Program, with premiums ranging from \$9.41 to \$15.08 for single coverage and \$30.53 to \$48.02 for family coverage, based upon geographical region.

Army Family Housing

The Army is committed to providing high quality Army Family Housing (AFH). The cost of achieving this goal exceeds the funding level available. The Army does not have enough housing to meet its needs, and much of its current housing inventory is in need of revitalization. The current revitalization requirement is \$6.0 billion, with another \$1.0 billion needed to eliminate the housing deficit. The Army supports DoD's efforts to address the housing challenge by funding AFH, increasing service members' ability to afford off-post housing, and pursuing privatization initiatives. The President's budget request for FY2001 funds AFH at \$1.1 billion, allowing \$162 million for construction. It also funds increases for housing allowances that will reduce out-of-pocket housing to 15 percent of the total cost in FY2001.

To address the housing challenge, Congress passed the 1996 Military Housing Privatization Initiative. Pursuant to this authorization, The Army developed its Residential Communities Initiative (RCI), a plan to privatize Army Family Housing by FY2005. Last year, Congress raised concerns about the pace of Service privatization programs. Initial privatization efforts have been limited to Fort Carson and three additional sites. In response to these Congressional concerns, The Army added \$278 million in traditional AFH funding

back into its Military Construction (MILCON) program for FY2001 through FY2005. We have implemented a privatization initiative at Fort Carson, Colorado, and are pursuing three pilot RCI sites: Fort Hood, Texas; Fort Lewis, Washington; and Fort Meade, Maryland. The Army supports the DoD legislative proposal to extend the housing privatization authority for an additional five years, and The Army intends to seek Congressional approval for additional privatization once there is sufficient evidence that the current efforts are successful.

Army Family Programs

There is a saying in The Army: "We enlist soldiers, but we reenlist families." Studies conducted during Operations Desert Storm, Restore Hope, and Joint Endeavor confirmed that soldier readiness is directly related to the family's well-being. The Army has a number of Army Family Programs that are important contributors to the well-being of soldiers and their families. Allow me to highlight just three of these.

One of the innovative ways the Army harnesses the volunteer spirit of its members is through Family Readiness Groups (FRGs). Comprising family members, soldiers, and civilians, FRGs are volunteer organizations designed to provide mutual support, both social and emotional, among those affiliated with the military unit. They act as information clearing houses to disseminate official command information while simultaneously providing feedback to the chain of command on the state of the unit's families. When a unit deploys, its FRG becomes a mechanism for leveraging community support to assist and provide peace of mind for deployed soldiers as well as for their families.

The Army Family Team Building (AFTB) Program enhances personal and family preparedness for soldiers, civilians, and families through training on Army community resources. It promotes self-reliance for people new to The Army by teaching them the "nuts and bolts" of Army life. AFTB also prepares those in leadership roles within Family Readiness Groups and units to assist others with problems. Since 1994, more than 250,000 soldiers, family members, and Army civilians have attended AFTB classes taught by more than 3,500 volunteer trainers worldwide.

Operation READY (Resources for Educating About Deployment and You) prepares soldiers and their families for the challenges of deployment. Its approach is pre-emptive education about separation and subsequent reunion, which thereby fosters predictability and helps to alleviate associated stresses.

Readiness

While people are an indispensable component of readiness, there are other elements as well, including training. The Army's training management system provides a framework that enables units to conduct training on key tasks

with enough frequency to sustain units' ability to perform their missions in spite of personnel turnover. One function of this system is to identify resource requirements, based on the desirable frequency for conducting mission-essential task training. To meet worldwide requirements with available resources, Army units are assigned to one of four resource-priority tiers based on their anticipated order of commitment to MTWs. Each tier, or force package (FP), consists of both active and reserve component forces. The FY2001 President's budget request funds operations tempo (OPTEMPO) for AC units at 100 percent of validated requirements. Ground OPTEMPO is funded at 100 percent for enhanced Separate Brigades and for ARNG units in FP1 through FP3. Divisions in FP4 are funded at 94 percent of validated requirements, while all other ARNG FP4 units are funded at 100 percent. USAR units in FP1 through FP4 are funded at 100 percent of validated requirements. Thus, we have funded training readiness at a high level across The Army.

Contingency Operations

The Army is proud of the work its soldiers and civilians are doing in support of smaller scale contingencies (SSCs) around the world. Ongoing operations offer clear examples of The Army's central role in engagement. For our people, participation in activities that are reshaping the international security environment is a source of pride and valuable experience.

Sustaining these operations presents a challenge for readiness resourcing. Since SSCs are generally unforeseen, the expenses associated with the initial operations are paid from the same accounts that fund Army training. Therefore, in the absence of timely reimbursement, SSCs negatively affect training scheduled for late in the year. Passage of supplemental funding for operations in Kosovo by April 1, 2000, will preserve the increased investment in training reflected in FY2000 defense legislation. For FY2001, the President's budget request includes provisions for non-offset funding of all known SSCs.

Funding Infrastructure

The Army has excess infrastructure that is inadequate for mission requirements. Base Realignment and Closure (BRAC) and the Facilities Reduction Program (FRP) are two tools for reshaping and eliminating excess infrastructure. Having completed the closures and realignments authorized under three of the four BRAC rounds, The Army supports the DoD request for additional BRAC authorizations. Annual recurring savings from BRAC have exceeded the cost of implementing authorized actions since FY1997. Under the FRP, The Army disposed of approximately 68 million square feet of excess infrastructure from FY1992 through FY1999. The FRP is on schedule to meet the DoD Defense Reform Initiative target by eliminating an additional 32.6 million

square feet of excess infrastructure by the end of FY2003. Eliminating excess infrastructure conserves scarce real property (RPM) dollars for essential facilities.

In addition to its excess, unusable infrastructure, The Army also has significant requirements for modern infrastructure to support training, enable force projection, and enhance well-being, recruiting, and retention. For FY2001, the President's budget requests \$1.0 billion for the MILCON accounts. The main focus of the AC investment is to continue the upgrade of barracks to the approved standard for all permanent-party barracks by FY2008. The request also continues The Army's investment in strategic mobility by funding six projects, including improvements to rail yard infrastructure and an ammunition holding area. These investments are part of an ongoing effort to complete major strategic mobility enhancements by FY2003. The USAR request, \$81.7 million, will fund six USAR Centers, four of which will have organizational maintenance shops. The USAR request also includes a Joint Reserve Complex and a land acquisition. The ARNG is requesting funding for 28 facility projects, totaling \$59.1 million. The projects include a regional training institute, five readiness centers, and alterations to the maintenance facilities to support the fielding of ARNG Division Redesign Study units scheduled to activate by FY2003. These projects are an important part of the overall program to match Army infrastructure to mission requirements.

To balance all readiness accounts in FY2001, RPM is funded at 69 percent of the annual requirement. Since RPM has been funded at a percentage of actual requirements for many years, The Army faces a facilities maintenance backlog. Army implementation of BRAC and the FRP is reducing the annual facilities maintenance requirement.

Transformation

The Army Vision is "Soldiers on point for the Nation...Persuasive in Peace, Invincible in War." The Vision's goal is to ensure that The Army fulfills its Title 10 responsibilities, continuously meeting the requirements of the NMS. To do this will require The Army to transform itself into a full spectrum force capable of dominating at every point on the spectrum of operations. At present, we have heavy forces that have no peer in the world, but they are challenged to deploy rapidly. The Army has the world's finest light infantry, but it lacks adequate lethality, survivability, and mobility once in theater in some scenarios. We must change. The Army's Transformation Strategy will result in an Objective Force that is more responsive, deployable, agile, versatile, lethal, survivable, and sustainable than the present force.

The Transformation Strategy

Since The Army must maintain the capabilities required to fight and win the Nation's wars throughout this transformation, implementing the profound changes called for in the Vision will require careful planning, sustained support, and periodic reassessments and adjustments. A Transformation Campaign Plan will enable The Army to complete its evolution into the Objective Force while remaining trained and ready to meet NMS requirements at all times. To do this, the strategy synchronizes the transformation by establishing intermediate objectives and conditions that must be met before implementing subsequent changes. Changes to the operational forces will be the most visible aspects of the strategy. The simultaneous transformation of the Institutional Army, along with The Army's concepts and doctrine, are essential to sustaining required capabilities and are an integral part of the strategy. In general, The Army's transformation strategy will go forward along three major paths: the Legacy Force, the Interim Force, and the Objective Force.

The Army will begin fielding two Initial Brigade Combat Teams (BCTs) this fiscal year. These Initial BCTs, the first steps toward the Interim Force, will validate an organizational and operational model for Interim Force brigades while also giving The Army an initial operational capability that can be employed to meet worldwide requirements. Based on the Initial BCT-validated structure, The Army will field the Interim Force: a force with the characteristics of the Objective Force but within the constraints of available and emerging technology. The surrogate equipment used to equip the Initial BCTs will be replaced by an Interim Armored Vehicle (IAV), a yet-to-be-selected, off-the-shelf system which The Army will begin procuring in FY2000. The IAV will be used to equip Interim Force units until The Army is ready to begin fielding the Objective Force.

At the same time, we will retain portions of The Army as we know it today—the Legacy Force—and modernize it through recapitalization and fielding of new, already-programmed equipment. Thus, the Legacy Force will maintain the capabilities we currently have, to maintain warfighting readiness, to retain our ability to execute the National Military Strategy as the transformation goes forward.

The Institutional Army will begin transformation immediately. This transformation will address the systems, organizations, and processes by which the Institutional Army supports training, leader development, infrastructure management, sustainment, combat and materiel development, and well-being. The transformation of the Institutional Army is essential to sustain readiness while developing and fielding the Objective Force.

Taken together, the Interim Force, the Legacy Force, and the transforming Institutional Army will give us interim capabilities, more advanced than today's Army, especially in terms of greater responsiveness, agility, versatility, and

deployability. These interim capabilities will enhance readiness as well as allowing us to develop doctrine, training, and organizational structures for the Objective Force.

The critical path of the Transformation leads to the Objective Force. Today, the science and technology community is working hard to develop answers to questions we have asked. How do we reduce armored volume in combat vehicles while increasing survivability? How do we increase deployability without sacrificing survivability and lethality? How do we reduce in-theater support needs, and thereby reduce strategic lift requirements? These and other questions guide a major research and development (R&D) effort to develop technologies that will give the Objective Force its desired characteristics—responsiveness, agility, versatility, deployability, lethality, survivability, and sustainability. Our challenge to the science and technology community is to come back with a comprehensive set of technological answers and R&D plans by 2003.

When the technologies are mature and when the production lines are ready, we will begin to field the Objective Force in unit sets. Organizations will field complete suites of new equipment, thoroughly integrated systems; the whole designed to give us all of the capabilities outlined in The Army Vision. The Legacy Force will transform directly to the Objective Force, and the Interim Force will follow. And over the course of years The Army will transform itself into the Objective Force.

Modernization

Based on its Vision, The Army is revising its modernization strategy to support the transformation to the Objective Force. The Army will develop the enhanced capabilities of the Objective Force by combining the information technologies that have been part of Army modernization programs for several years with advanced science and technology still under development. The integration of information technologies, known as digitization, greatly enhances unit effectiveness. Anticipating this enhanced capability, The Army has redesigned its mechanized divisions. This redesign, to be implemented over the next few years, makes mechanized divisions more deployable by reducing their size, yet maintains their current lethality and survivability. In addition to these continuing efforts, The Army has made significant adjustments to its modernization strategy.

Planned adjustments to The Army modernization strategy include acceleration of a number of programs designed to improve strategic responsiveness and increase the lethality of light forces. Acceleration of logistical command and control systems and software will facilitate the deployment and support of Army units by making it easier to prepare and

execute movement plans, ensuring integration with joint logistical systems, and providing the ability to track shipments in transit. Efforts to improve light force lethality include anti-armor systems and indirect fire systems.

Since much of the technology to provide Objective Force capabilities is still under development, The Army will focus on science and technology efforts until it becomes possible to develop systems that will give desired characteristics to the force. The Future Combat Systems program will develop systems far lighter than today's combat vehicles with improved capabilities. In all of its modernization efforts, The Army strives to sustain interoperability between components as well as with other Services and allied forces.

Funding the modernization component of The Army's transformation will require the continuing support of the Administration, Congress, and the Office of the Secretary of Defense (OSD). We have struggled to balance the requirements of near-term readiness and modernization throughout the last decade. From FY1989 to FY1999, Army buying power decreased by 37 percent. At the same time, the pace of operations increased significantly, forcing some tough choices between near-term readiness, modernization, and infrastructure requirements. The Army accorded near-term readiness a higher resource priority, and this has allowed us to meet the requirements of the NMS while meeting our most critical investment requirements. But Army modernization funding has decreased by nearly 41 percent since FY1989, and roughly 90 programs have been terminated or restructured during this period. Even with adjustment for the decrease in the size of The Army, this decrease in modernization funding is significant: The Army in FY2000 will spend about \$5,000 less per soldier for modernization than it did in FY1989.

The budget request provides sufficient funds to support continuation of The Army's transformation in FY2001. Since the announcement of the Vision in October 1999, The Army has worked closely with OSD to resource this requirement. We have restructured the FY2001 budget to fund the Transformation. The \$100 million provided by Congress to assist with our initial efforts is greatly appreciated. It provides The Army with important flexibility as we move forward with this critical endeavor.

Fielding the Objective Force while sustaining decisive capabilities will require significant resources throughout this transformation. Given current funding trends, we estimate that The Army has identified funding for approximately half of the additional costs associated with transformation. We will continue to work with the Administration and Congress to request the necessary support.

Conclusion

With the support of the Administration and Congress, The Army has charted a course that will better align The Army's capabilities with the requirements of the international security environment, enhancing responsiveness while sustaining dominance at every point on the spectrum of operations. Implementation of the Vision is underway, but it will take a sustained effort to transform The Army into the force America needs to secure its interests in the 21st century. The FY2001 budget request will enable The Army to ensure the well-being of our people, to maintain warfighting readiness in the near term, and to continue its initial steps towards transformation. In conjunction with the speedy approval of a non-offset Kosovo supplemental, the budget request will sustain the positive momentum begun with last year's defense legislation.

Mr. Chairman and distinguished members of the Committee, thank you once again for this opportunity to report to you today on the state of your Army. I look forward to discussing these issues with you.