

FOREWORD

The U.S. Army is facing many challenges. It is fighting the Global War on Terrorism (GWOT), with large commitments to ongoing operations in Afghanistan and Iraq as well as to homeland security. It is in the middle of a historic reorganization, its corps, divisions and battalions transforming to modular units, all without any diminishment in operational tempo. It is repositioning its forces, pulling units back from overseas bases under the Integrated Global Presence and Basing Strategy and anticipating the relocation of Soldiers and families under the Base Realignment and Closure process.

Even with all of today's challenges, the Army is keeping a firm focus on the future. It is pursuing the Future Combat Systems, developing new weapons, communication, surveillance and security technologies, and recapitalizing facilities for Soldiers and their families.

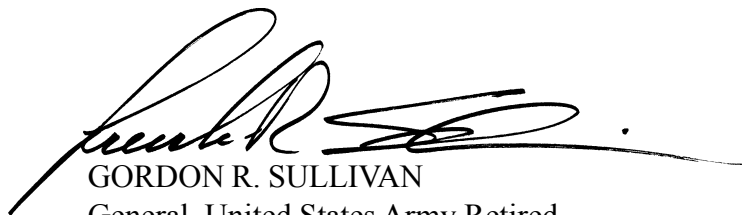
The Fiscal Year 2006 President's Budget submitted to Congress supports the Army's needs in establishing the following priorities for the nation's military:

- supporting the GWOT;
- restructuring U.S. forces;
- managing demand on the force;
- restructuring America's global defense posture;
- developing and fielding joint military capabilities; and
- taking care of our forces.

The *Fiscal Year 2006 Army Budget—An Analysis* provides a full accounting of what the Army needs to accomplish its missions today and tomorrow. It examines the Army's proposed budget in the context of the federal and Department of Defense budgets and breaks down requests according to funding authority and programs, from Soldiers' pay to research and development. The *Analysis* explains budget terminology and procedures, including the supplemental funding process that could increase the Army's initial budget submission by more than 50 percent.

At this point we can't begin to measure the impact of Hurricane Katrina on the federal, defense and Army budgets and on support for Army transformation. This year's budget and assuredly that of Fiscal Year 2007 will be affected by the storm and its devastating and expensive aftermath.

The Association of the United States Army fully supports the Army—active, Army National Guard, Army Reserve, Army civilians and the families and communities who stand behind them all—as it faces its many challenges. *Fiscal Year 2006 Army Budget—An Analysis* is just one of many ways we speak out on issues important to the American Soldier, American landpower and the security of the nation and the world.



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