



## No Defense Appropriations Bill— What That Means for the Soldier and the Army

*The tactical and strategic success of the Army is dependent on timely defense appropriations and authorization.*

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Letter to Senate Majority and Minority Leaders, 7 August 2006

### Introduction

Timely defense appropriations and authorization bills, along with bills for needed military construction, are essential for the U.S. Army to provide the necessary forces and capabilities to U.S. combatant commanders in support of the National Security and Defense Strategies. For the foreseeable future, the United States must be capable of, and prepared to, prosecute a wide variety of operations—from a global war on terrorism to high-intensity conflicts. The 2006 Quadrennial Defense Review calls for the Army to maintain 70 brigade combat teams—18 of them ready to go at any time and another 18 sufficiently prepared to surge almost immediately after the first 18. The frequently-delayed appropriations stream, which continues to function in unpredictable spurts, impacts the Army's ability to accomplish its mission.

### Where Things Stand Today

The Senate began its traditional late-summer recess on 4 August 2006 without passing the Fiscal Year 2007 Defense Appropriations bill. The House of Representatives had passed its version, totaling \$427.6 billion (to include \$50 billion in "bridge funds" for ongoing operations in Iraq and Afghanistan) on 20 June 2006. The House version increased funding over last year's budget by \$19.1 billion but fell \$4.1 billion short of President Bush's submission. (Note: The remaining \$4.1 billion was instead added to accounts for domestic spending).

According to *Congressional Quarterly*, the Senate version of the defense spending bill calls for less funding for "most major Defense spending accounts" than was requested in the President's Budget.\* Among the reduced accounts are:

- Operation and Maintenance, reduced to \$126.3 billion—\$3.8 billion less than requested (FY 2006 amount: \$148.4 billion);
- Personnel, reduced to \$99 billion—\$608 million less than requested (FY 2006 amount: \$111.3 billion);
- Procurement, reduced to \$81 billion—\$2 billion less than requested (FY 2006 amount: \$78 billion); and
- Research, Development, Testing and Evaluation (RDT&E), reduced to \$73 billion—\$158 million less than requested (FY 2006 amount: \$69.4 billion).

The Senate has added \$7.8 billion for Army reset (the repair and replacement of worn and aging equipment), with \$2.4 billion of that amount earmarked for the Army National Guard and Army Reserve. The Senate also passed an amendment that would allow shifting \$6.7 billion from other Army accounts to support reset. This amount is not an increase in the budget, however, but is merely a shuffling from one part of the Army budget to another.

The Senate bill also includes funds to increase the size of the Army by 30,000 Soldiers and the Marine Corps by 5,000

\* George Cahlink, "Senate Leaders Delay Defense Bill," *CQ Weekly*, 7 August 2006, available by subscription at <http://www.cqpress.com/product/CQ-Weekly.html>.



Marines. (Note: Both the Air Force and the Navy would see cuts in their troop strength, by 23,200 and 12,000, respectively, in line with their requests).

With FY 2007 beginning on 1 October 2006, Congress will have just 25 days after their 5 September return from recess for the Senate to pass the bill and send it to conference, hammer out a compromise bill, present the bill for a vote and, assuming the bill passes both houses in its conference report form, send it to the President for signature. In addition, the FY 2007 Defense Authorization bill awaits conference committee action.

If the budget is not signed into law by 1 October 2006, the military will again have to operate—during a time of war—under a continuing resolution (CR), which provides funding at the same level as the previous fiscal year’s budget, without allowance for new requirements or new contracts.

### **Implications for the Soldier and the Army**

Currently, the U.S. Army has more than 240,000 Soldiers overseas in 120 countries. Many thousands more are on duty defending the homeland. Almost five years into the global war on terrorism, Soldiers (active, Guard and Reserve) remain at the forefront of a continuous, evolving conflict. The Army is depending on Congress to set the conditions for tactical and strategic success in 2007 and beyond.

The three pieces of legislation—Defense Appropriations, Defense Authorization and Military Construction—must meet the Army’s baseline budget in a timely manner. Current indications are that the appropriations bill will fall at least \$1.2 billion short of the Army’s requested \$111.7 billion. Moreover, if left with a CR, the Army would operate at FY 2006 funding levels until the legislation is passed, with no provision for new realities or responsibilities.

In the current fight, Soldiers and their leaders continue to require levels of force protection commensurate with the threat in all theaters. Availability of items such as body armor and up-armored “Humvees” remains critical. Reset dictates a continuous process of reequipping all Army units (active, Guard and Reserve). A significant backlog of reset work already exists, with an estimated \$17.1 billion required in FY 2007 to pay for repair, replacement of battle damages, losses and necessary recapitalization. To restore the Army to full combat readiness, reset operations will likely continue for at least two years past the end of major combat operations.

Without a new budget, long-term modernization programs will inevitably experience disruptions and delays. The Army plans to insert technologies developed for Future Combat Systems into the current force through “spin-outs.” If these spin-outs are delayed, the current force will fight without the latest capabilities. Furthermore, uncertainty in the budget will cause industry partners to lose confidence in the government’s commitment to modernization, leading to increased “risk premiums” being built into new contract bids—with the American taxpayer covering the higher costs.

If the Army does not receive the funding it needs, at the right level and *at the right time*, both ongoing operations and future force capabilities will be placed at risk. At issue is taking care of Soldiers by ensuring the Army receives adequate operational funds in a timely manner to prosecute the long war in which the United States is engaged. Ultimately, the tactical and strategic success of the U.S. Army is dependent on timely defense appropriations and authorization.

Funding the Army’s baseline budget request, along with accompanying supplementals, will address the vital need to take care of Soldiers and families and lead to mission accomplishment.

### **Key Points**

- Timely defense appropriations and authorization bills, along with bills for needed military construction, are essential for the U.S. Army to provide the necessary forces and capabilities to U.S. combatant commanders in support of the National Security and Defense Strategies.
- The Senate began its traditional late-summer recess on 4 August 2006 without passing the Fiscal Year 2007 Defense Appropriations bill.
- A significant backlog of reset work already exists, with an estimated \$17.1 billion required in FY 2007 to pay for repair, replacement of battle damages, losses and necessary recapitalization. To restore the Army to full combat readiness, reset operations will likely continue for at least two years past the end of major combat operations.
- If the budget is not signed into law by 1 October 2006, the military will again have to operate—during a time of war—under a continuing resolution, which provides funding at the same level as the previous fiscal year’s budget, without allowance for new requirements or new contracts.