These extraordinary and dangerous times in the history of our nation demand an Army capable of dominating any adversary, anywhere, anytime. To meet this demand, your Army is changing—transforming while at war. Each member of AUSA is a Torchbearer, carrying the message to our elected representatives and to the American public.

While the Army willingly accepts and accomplishes every mission, it must have the resources necessary to take care of its people (active, Guard, Reserve, retired, civilian and their families) and properly train and equip Soldiers and their units. The 2nd Session of the 108th Congress has risen to the challenge. In 2005, America will spend 3.6 percent of its Gross Domestic Product (GDP)—up from approximately 2.9 percent in 2000—on defense. For example, for the active Army, endstrength will increase significantly. For the reserve component, legislation makes permanent and expands access to and coverage under selected TRICARE programs. For Soldiers and their families, pay raises above the rate of inflation, increased housing allowances, increased funding for barracks and family housing, and permanent increases in the Family Separation Allowance, Imminent Danger/Hostile Fire Pay and Hardship Duty Pay are among the provisions in the new laws. For retirees, legislation provides phase-out of the age-62 Survivor Benefit Plan offset in 3½ years, immediate full concurrent receipt for 100 percent disabled retirees and permanent ID cards for spouses/survivors age 75 and older. For civilians, there will be increased pay that achieves parity with the military pay raise. Much has been accomplished; however, much more remains.

Some of the major objectives achieved during the last legislative session are listed below. Sustaining and improving upon these accomplishments will require continued diligent effort from all of us.

AUSA and others spoke out for:

- Increasing active Army endstrength to 532,000.
- Closing the pay gap between Soldiers and the private sector and providing pay increase parity for Department of the Army civilians.
- Eliminating the reduction in Survivor Benefit Plan annuities.
- Repealing in its entirety the Department of Veterans’ Affairs offset on retired military entitlement (concurrent receipt).
- Permanently increasing certain special pays.

Congress responded by:

- Increasing active Army endstrength by 20,000 in Fiscal Year (FY) 2005, with a total increase of 30,000 over five years.
- Narrowing the pay gap by approving a January 2005 pay raise of 3.5 percent for the military. This narrows the pay gap between average military and the private sector from 5.5 percent to 5 percent. A 3.5 percent pay raise for federal civilian personnel provides pay parity for federal civilians.
- Phasing out age-62 Survivor Benefit Plan offset in 3½ years, eliminating the reduction.
- Improving on last year’s measure by removing disabled retirees who are rated as 100 percent from the 10-year phase-in period, effective January 2005. While this is an improvement, it still does not include all eligible retirees, so AUSA will continue to press the issue with Congress.
- Increasing maximum amount of Hardship Duty Pay from $300 to $750 monthly; making permanent increases from $100 to $250 per month in the Family Separation Allowance and from $150 to $250 in Imminent Danger/Hostile Fire Pay.
AUSA and others spoke out for:

- Eliminating out-of-pocket housing expenses for Soldiers and their families.
- Raising or eliminating the statutory spending cap on the program to construct and revitalize military housing.
- Providing increased access to health care for reserve component personnel and their families.
- Increasing full-time Army reserve component manning endstrength and Army dual status military technicians.
- Providing permanent ID cards for spouses/survivors.
- Funding the Federal Impact Aid Program in the U.S. Department of Education Budget to preclude the children of military families from being disadvantaged in public schooling.
- Maintaining the Army’s strategic advantage and advancing modernization in its Current Force.
- Funding for Army procurement items deemed essential for continuing operations in Iraq and Afghanistan.
- Ensuring adequate stocks of munitions to support training and the warfighting stockpile.
- Developing the Future Force for the transforming Army.

Congress responded by:

- Authorizing $367 million, thus eliminating out-of-pocket expenses.
- Eliminating the statutory funding cap on the military housing privatization program.
- Authorizing premium-based TRICARE eligibility for Selected Reserve members who have served at least 90 days on active duty since 11 September 2001 and who agree to continue service in the Selected Reserve for at least one year.
- Authorizing an increase of 2.4 percent for full-time Army reserve component manning and 1.5 percent for Army dual status military technicians.
- Authorizing permanent ID cards for spouses/survivors age 75 and older.
- Maintaining the current level of funding for Impact Aid by authorizing $30 million for schools that benefit dependents of servicemembers and Department of Defense civilians and an additional $5 million for schools that benefit dependents with severe disabilities.
- Funding upgrades and modifications for the Apache Longbow, Black Hawk and Chinook helicopters; enhancements to the Abrams (System Enhancement Program) tanks and Bradley Fighting Vehicles as well as combat support and combat service support equipment; and authorizing $118.2 million for Shadow Unmanned Aerial Vehicle systems and $27.1 million for their continued development.
- Authorizing $704 million to armor nearly 5,000 HMMWVs (High-Mobility Multipurpose Wheeled Vehicles); $523 million to replace equipment lost in combat; $421 million for body armor; $332 million for ballistic armor for some HMMWVs and other trucks; and $297 million to rapidly acquire (through the Rapid Fielding Initiative, or RFI) other necessary equipment, plus an additional $219 million in operation and maintenance funds for RFI and up to $100 million in annual transfer authority to the RFI program. This is only a partial solution; significant shortfalls remain.
- Authorizing $1.54 billion for Army ammunition programs.
- Authorizing $2.9 billion for the Future Combat Systems and $2.03 billion for Army Science and Technology Programs.