The United States Army, still at war, continues its transformation to a new modular force—a campaign-quality Army with joint and expeditionary capabilities. The effectiveness of the Army's combat forces results from a national commitment to properly recruit, train and support Soldiers, as well as to invest in their equipment and in the facilities and infrastructure that will deploy and sustain them.

After a decade of insufficient modernization investments, many units (especially in the reserve component) were underequipped and not immediately ready for deployment. With help from Congress through supplemental appropriations, the Army has addressed many equipment shortfalls but still has much to accomplish to ensure force readiness and mitigate risk.

The 1st Session of the 109th Congress has provided many of the needed resources. For Soldiers and their families, pay raises above the rate of inflation, increased funding for barracks and family housing, and a permanent increase in Hardship Duty Pay are among the provisions in the new laws. For the reserve component, legislation expands access to and coverage for selected TRICARE programs. For retirees, legislation provides a shorter delay before receipt of full concurrent receipt for 100 percent disabled retirees deemed unemployable. For civilians, increased pay achieves parity with the military pay raise. Much has been accomplished; however, much more remains.

The pay gap between Soldiers and the private sector must be closed. Erosion of benefits, especially in health care, must be resisted to ensure continued success of the all-volunteer force. Survivor Benefit Program (SBP) inequities must be corrected. Each member of AUSA is a Torchbearer, carrying the message to our elected representatives and to the American public.

Listed below are some of the major objectives achieved during the last legislative session. Sustaining and improving upon these accomplishments will require continued diligent effort from all of us. Fiscal Year (FY) 2007 will be a pivotal year for the United States Army.

**AUSA and others spoke out for:**

- Permanently increasing active Army endstrength to 550,000 within Army base budget.
- Closing the pay gap between Soldiers and the private sector and providing pay increase parity for Department of the Army civilians.
- Ending the two-tier death gratuity and enhancing life insurance benefits.
- Repealing in its entirety the Department of Veterans' Affairs offset on retired military entitlement (concurrent receipt).
- Permanently increasing Hardship Duty Pay.

**Congress responded by:**

- Temporarily increasing active Army endstrength by 10,000 with an allowable total increase of 30,000 over five years.
- Narrowing the pay gap by approving a January 2006 pay raise of 3.1 percent for military personnel and federal civilians. This narrows the pay gap between the military and private sector from 5 percent to 4.5 percent and provides pay parity for federal civilians.
- Implementing the $100,000 death gratuity for all active duty and mobilized reserve component personnel line-of-duty deaths and increasing Servicemembers' Group Life Insurance (SGLI) coverage to $400,000—both retroactive to 7 October 2001.
- Changing the phase-in period from 10 years to three years for unemployable retirees who are rated as 100 percent disabled. While this is an improvement, it still does not include all eligible retirees, so AUSA will continue to press the issue with Congress.
- Increasing the maximum amount of Hardship Duty Pay from $300 to $750 monthly.
AUSA and others spoke out for:

- Providing housing allowance at the higher BAH1 rate for reserve component Soldiers who are mobilized for more than 30 days.

- Protecting commissary system funding and access.

- 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.

- Funding the Federal Impact Aid Program to preclude children of military families from being disadvantaged in public schooling.

- Funding active and reserve component recruiting initiatives to attract high-quality personnel to military service.

- Maintaining the Army's strategic advantage and advancing modernization in its Current Force.

- Funding 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 full housing allowance for reserve component members called to active duty for more than 30 days.

- Prohibiting for three years any studies proposing commissary privatization.

- Authorizing premium-based TRICARE eligibility for all drilling reserve component members with three levels of cost sharing.

- Authorizing a 2.6 percent increase for both Army reserve component full-time manning and Army dual status military technicians.

- 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, as well as an additional $10 million for districts experiencing a change in student load due to rebasing or base realignment.

- Authorizing a doubling of the active and reserve component enlistment bonuses and significant increases in active and reserve component reenlistment bonuses.

- Authorizing helicopter upgrades and modernization for Abrams tanks and Bradley Fighting Vehicles; $333.4 million to recapitalize and modernize tactical and wheeled vehicles; $93.9 million for Army night vision equipment; $2.8 billion for procurement of Army aviation assets; $904 million for Stryker vehicles.

- Authorizing $440 million to up-armor additional High-Mobility Multipurpose Wheeled Vehicles (HMMWVs) and $363 million for improvised explosive device jamming equipment. Funding $8 billion to replace equipment lost in combat and $1.2 billion for personal protection and gear such as body armor.

- Authorizing $1.8 billion for Army ammunition programs.

- Authorizing $3.3 billion for the Future Combat Systems but with some limitations on spending and structure of the program.