



WASHINGTON UPDATE

A MONTHLY NEWSLETTER



Vol. 20 No. 3

Published by the Association of the United States Army

March 2008

Army seeks \$141 billion for FY 2009

The Army will seek about \$141 billion for Fiscal Year 2009, including a 3.4 percent military pay raise and 2.9 percent pay raise for department civilians and \$15.5 billion to increase the size of the Army by 7,000 soldiers.

The request calls for a 5 percent increase in the Basic Allowance for Housing and 3.8 percent increase in Basic Allowance for Subsistence. Some of the Basic Allowance for Housing will be going into privatizing an additional 2,455 units of Army Family Housing.

The Defense Department is also seeking \$42.8 billion for the health program but calls for \$1.2 billion in higher fees and copayments for military retirees under 65 and their families. A defense news release on the budget said the move "aligns military health care premiums and copayments for retirees under age 65 with general health" insurance plans to ensure the sustainability of a high quality health care system.

This has been a highly contentious issue in Congress for the past several years. Tina Jonas, defense comptroller said, like other employers, "health care has been a cost challenge."

The Army request includes \$51.8 billion for military personnel, \$40.2 billion for operations and maintenance, \$24.6 billion for procurement, \$10.5 billion for research and development and testing and evaluation and \$11.4 billion for construction for base realignment and closure and Army family housing.

Army budget officials said, the coming year "is a big year for military construction" to grow the force, keep base realignment and closure on track and provide for soldiers and their families returning to the United States from Germany and Korea. They said that the usual request in these areas had been between \$2 billion and \$3 billion. "We're trying to meet BRAC guidelines ... and grow the Army."

That includes the Army National Guard and Army Reserve. The Army National Guard will be seeking \$5.4 billion in operations and maintenance and the Army Reserve, \$2.5 billion. The guard will be seeking \$539 million in military construction, an increase of about \$2 million, and the reserve \$282 million, an increase of \$134 million. The largest part of the \$134 million is going to "grow the Army spending."

The request is part of the Defense Department's request of \$515.4 billion for its base budget, \$35.3 billion—7.3 percent—more than the \$480.1 billion Congress appropriated for FY

2008. The Army's share of the total request is about 27 percent. This would be the 11th consecutive year of increased defense spending.

Vice Adm. Steve Stanley, a senior Defense Department official, said one reason for the above the rate of inflation increase in defense spending is: "The department is moving toward putting items in the base budget" that had been included in emergency spending bills.

Jonas cited as examples of this shift to the base budget the placing of funds to grow the Army and Marine Corps in personnel and operations and maintenance accounts. For example, Army military personnel accounts were set at \$4.3 billion to pay for the larger force in the coming fiscal year.

Lt. Gen. David Melcher, military deputy for the Army budget, said growing the Army was critically important. "We really have to get a handle on dwell time," the time back at home station before a new deployment, that would be alleviated as the Army grows its active and reserve forces. Active-duty soldiers now are spending 15 months deployed and 12 months at home station. The goal in the force generation model is to have soldiers deploy for 12 months and then spend 24 months at home station.

Army budget officials added that \$376 million was being sought for Army National Guard training and facilities and another \$256 for Army Reserve training facilities.

The defense budget also seeks \$9.1 billion to meet the requirements of the Base Realignment and Closure law, a process of shifting infrastructure for the future by September 2011. An additional \$649 million is being sought to shift more forces from overseas to the United States.

The president's budget also proposes to spend \$389 million to establish a new command focusing on U.S. interests in Africa. The command is headquartered in Stuttgart, Germany and is headed by Army Gen. William Ward.

Separately, the budget calls for nearly \$11 billion to cover the costs of training, recruiting and retention. Plans are to increase the number of the active duty Army, Army National Guard and Army Reserve soldiers by 74,000 overall, with the active duty force growing by 65,000 to a total of 547,000. Army leaders plan to complete the increase by 2010, and about half of the 65,000 has already been achieved.

Gates seeks speedy action on pending emergency war funding bill. In urging quick congressional action on a pending \$102 billion emergency war spending bill for this fiscal year, Defense Secretary Robert Gates said, "Delay is degrading our ability to operate and sustain the force at home and in theater, and is making it difficult to manage this department in a way that is fiscally sound." Adding, "The Department of Defense is like the world's biggest supertanker."

Speaking at a Feb. 6 hearing before the Senate Armed Services Committee, he also said, "It cannot turn on a dime and cannot be steered like a skiff."

In answer to a series of questions, he said that to avoid the roller coaster rides of falling and rising defense spending in between wars, that 4 percent of the gross domestic product (GDP) would be a good figure to spend on national security.

Reflecting on the base budget request of \$515.4 billion and the \$70 billion in emergency war spending, "There is no question it is a huge amount of money," Gates told the House Armed Services Committee later in the day. He told both committees that this would be the largest defense budget since World War II. Gates said that defense spending was likely to decline in the future.

"I think we need to leave [the next administration] a budget that we have put together that sets some markers in terms of what needs to be done," he said. Adding, "Going forward, we should not leave the next administration a budget that has negative growth in the Defense Department and I think we're going to have to address some of those issues," including the cost of the Future Combat Systems, the Army's largest procurement program.

Gates defended the decision not to seek more than \$70 billion in emergency war spending for the coming fiscal year because "there are significant variables in play."

Among the variables are reports from Gen. David Petraeus and Ambassador Ryan Crocker on the security situation in Iraq that will come out in April meetings and hearing in Washington; a report from U.S. Central Command on its assessment of the security needs in the region that also includes Afghanistan; and an assessment of overall security needs from the Joint Chiefs of Staff.

"It's clear that General Petraeus' view will have a very strong impact, but the president will need to hear other views as well," before deciding on troop levels for Iraq and its impact on a future emergency spending request, Gates said. "Remember three quarters of that money will be spent by the new administration."

Levin, Warner express pessimism on Iraqi political progress. The chairman of the Senate Armed Services Committee said Feb. 6 that the U.S. troop buildup in Iraq has failed because it hasn't achieved its primary goal of sparking political reconciliation among that country's rival sectarian groups. His pessimism was shared by senior Republican John Warner, R-Va. He said, "The level of progress has fallen far below what our nation expected" and agreed that any solution had to be political.

The two senators spoke at the beginning of a hearing on the Pentagon's \$515.4 billion budget request for Fiscal Year 2009 and a \$70 billion request for emergency war spending.

"For years, the Iraqi leaders have failed to seize the opportunity our brave troops gave them," Sen. Carl Levin, D-Mich., committee chairman said. Adding, "It is long past time that the Iraqi leaders hear a clear simple message: We can't save them from themselves. It's in their hands, not ours, to create a nation by making the political compromises needed to end the conflict." Levin said that message is "not the language of surrender" but "common sense pragmatism."

Defense Secretary Robert Gates said that Iraq's government was not stalemated over questions of sharing energy revenues, executing a national budget, deBa'athification and holding provincial elections, "but it's pretty slow." Adding, "They are beginning to act on some of these pieces of legislation."

Senators also sought assurances that the upcoming status of forces agreement with Iraq, due in July, would be brought to Congress for approval before enactment.

Levin said guarantees of security protection were made in a declaration of principles signed recently by Bush and Iraqi Prime Minister Nouri al-Maliki. He said that would require Senate approval. "We certainly do not consider the declaration of principles a security commitment," Gates said and would not promise that the agreement would be sent to the Senate.

For the latest developments on Capitol Hill, check out the AUSA website: www.ausa.org. For AUSA's electronic legislative newsletter, e-mail Bill Loper at: bloper@ausa.org.

WASHINGTON UPDATE is published monthly by the Association of the United States Army to highlight current events of significance to the Army and Defense Department from the Washington perspective. Reproduction and distribution of this newsletter is encouraged.

For all address changes, e-mail Marny Willey at: mwilley@ausa.org or fax changes to 703-841-3505.

John Grady—Editor
2425 Wilson Blvd., Arlington, VA 22201
Phone: 703-841-4300, ext. 213
Fax: 703-841-3505

Defense secretary presses NATO allies on Afghanistan.

Defense Secretary Robert Gates said, "I am not particularly optimistic" about most NATO allies doing more militarily to defeat the Taliban and al Qaeda in Afghanistan, but he told the Senate Armed Services Committee at a Feb. 6 hearing that he intends to continue pushing the issue.

"I worry a great deal about the alliance becoming a two-tiered alliance," he said, with a few nations contributing much, and most little or nothing. He added that worry was one of the reasons he agreed to send 3,200 marines to Afghanistan to meet the requirements set by U.S Central Command and coalition military leaders in Afghanistan.

He also wrote his counterparts in the alliance asking them to work with their governments on sending more forces to Afghanistan and ending restrictions on their use. To date, Gates said none had answered his letter.

"There are allies that are doing their part and are doing well." He cited the British, Canadians, Dutch and Danes in the NATO alliance and Australia.

Gates specifically cited the growing drug trade from the poppy fields of Afghanistan that provides revenue to the Taliban and al Qaeda and its impact on European citizens as a reason why NATO countries should contribute more forces under fewer restrictions. "I do not believe our allies do not take this as seriously as we do."

"We're being successful in the military areas," he said. "The Taliban has had some real setbacks" recently with the capturing or killing of 50 senior leaders. "They are turning more now to suicide bombers, terror and IEDs [improvised explosive devices]."

Gates said the biggest challenge is to coordinate the military, political and economic efforts of the United States, its allies, other foreign governments and non-governmental organizations in rebuilding Afghanistan. There is no one person who can say: "you need to focus on electricity; you need to focus on roads."

The Hamid Karzai government rejected Ambassador Paddy Ashdown from the United Kingdom, who oversaw coalition efforts in Bosnia, to fill such a role in Afghanistan.

"NATO needs a three- to five-year strategy of where do we see Afghanistan" after that time.

Committee members also wanted Gates' and Chairman of the Joint Chief of Staff Adm. Michael Mullen's assessment of Pakistan's efforts to control the insurgency in its North-west Tribal Areas, bordering Afghanistan, and its efforts to root out Taliban and al Qaeda forces using that region as a safe haven.

Sullivan: Debate needed on future national security needs.

The president of the Association of the United States Army said, "Outside of Iraq, there is no mention of national security" in the already yearlong presidential campaign.

Delivering the keynote address at the winter meeting of the Reserve Officers Association in Washington Feb. 11, Gen. Gordon R. Sullivan, USA, Ret., said the question should be asked of the candidates: "What will you do about the national security needs of the United States? I think this is a huge issue. ... Getting out of Iraq is not the answer and it is certainly not the answer regarding: What are you going to do about national security? National security is a much larger issue," involving the military, other agencies of the federal government and economic development.

Adding, "Certainly it is no surprise to me" that criticisms are being hurled at the Defense Department's request for \$515.4 billion in its base budget and another \$70 billion in emergency spending to pay for operations in Afghanistan and Iraq.

It echoed an earlier experience of his, Sullivan said. He said when he first came to Washington in 1989 as the Cold War was ending, similar criticisms were being made about defense spending and there was a call for taking money from defense—"the peace dividend"—and applying those funds to domestic programs.

But what followed was the deployment of American forces to the first Gulf War, Somalia, Haiti, Rwanda and the Balkans, he said. "We had all kinds of aviators turning cold air into hot over Baghdad and the southern part of Iraq. ... and many of you in this room participated in that in that so-called era of peace," Sullivan said.

Adding, it was during this time "we began to see kinks in the armor. Money disappeared" and a number of service members began to leave active and reserve service voluntarily and involuntarily. "In 1992, in the midst of a horrible draw-down, we were taking the Army down from 1 million five in uniform to 1 million and we had to do it in four or five years. ... The cuts had to come from the Army, all the services, the active and reserve components."

When asked at Fort Leavenworth, then what he would preserve in the Army [as the serving chief of staff], he said it would be the service's essence—"selfless service to nation in the causes of the nation" and "serve something larger than themselves."

Ten years ago when Sullivan assumed the AUSA's presidency, he said he began talking about three points to focus attention on national security: "The Army and the other services as well were over committed, under-resourced and underpaid, pretty simple."

Commission calls for ‘fundamental changes’ in training, equipping, using reserve components. The chairman of the congressionally-created Commission on the National Guard and the Reserve said the panel is calling for “fundamental changes” in how these forces are trained, equipped, used domestically, paid, promoted and supported if they are to become an operational reserve rather than a strategic reserve.

Arnold Punaro, a retired Marine Corps Reserve brigadier general, said Jan. 31 in a meeting with reporters in Washington, “Without these 600,000 guardsmen and reservists” mobilized for operations in Afghanistan and Iraq “the nation would have had to go back to the draft.” In its 400-page report, the commission said it sees “no reasonable alternative to the nation’s continuing increased reliance on the reserve components” for missions at home and abroad.

Punaro said at the start of the commission’s work about 2 ½ years ago that “we were skeptics” about the changing nature of the reserve components’ role in military operations abroad and in providing military support to civilian authorities. He said that it was a natural fit to have the reserve components take the lead in responding to weapons of mass destruction being used in the homeland, massive earthquakes and catastrophes such as the destruction wreaked by Hurricane Katrina along the Gulf Coast. “They have a huge skill set that the active duty do not” in these kinds of crises. He added they also have the equipment and training for that kind of mission. “We need to enhance DoD’s role” in providing this support to local and state governments.

Wade Rowley, a commission member who served 23 years in the California Army National Guard and Army Reserve, said, “Today, the U.S. is part of the battlefield,” but “nowhere is it spelled out the National Guard’s role in homeland security and civil support” missions.

Punaro said the commission found the Army National Guard less ready now than it was seven months ago when the panel said 88 percent of units were not ready for deployment.

Rowley said the commission is recommending that Northern Command have a significant increase in guard and reserve membership and be included by statute in the command’s leadership. It also was calling upon the Department of Homeland Security to tell the Department of Defense what it would be expected to provide in terms of personnel and equipment in domestic crises. “We believe the National Guard and Reserve should be the tip of the spear in homeland security and civil support” and that federal forces in those situations should be placed under the governor’s control.

Defense Secretary Robert Gates said earlier he would not recommend that federal forces be placed under local control.

Panel not alone in seeing ‘gap’ in domestic security. The ranking member of the Senate Homeland Security Committee said she shared the concerns of the Commission of the National Guard and Reserve that “there is an appalling gap in readiness” in preparing for another terrorist attack in the United States or a natural disaster on the scale of Hurricane Katrina.

Speaking at a Senate Armed Services Committee hearing Feb. 7, Sen. Susan Collins, R-Maine, said the commission was not alone in this assessment, which has stirred heated response from the Department of Defense, the National Guard Bureau, U.S. Northern Command and the Senate National Guard Caucus. She added other reports and testimony provide “convincing and compelling evidence” that the congressionally-created panel was correct in drawing that conclusion.

Arnold Punaro, chairman of the commission and a retired Marine Corps Reserve major general, said, “If you look at these catastrophic scenarios, we have an extremely, extremely long way to go.” He and other commissioners testifying at the first hearing on the report said that to meet the recommendations called for would take a great deal of time, require more personnel in the reserve forces and add additional training and equipment for a wide range of homeland missions.

Paul McHale, assistant secretary of defense for homeland defense, at a Feb. 1 press conference at the Pentagon, said, “We believe the National Guard has a primary role to play in domestic disaster response, but that mission assignment should not be to the exclusion of the National Guard’s traditional warfighting mission overseas.”

“The active Army would have to grow by over a third immediately, which is impossible,” Lt. Gen. H. Steven Blum, chief of the National Guard Bureau, said at the press conference. Adding, “We would not have 28 combat brigades. We would lose 40 percent of the combat power of the entire United States Army, and I’m not sure we could replace that.”

McHale also said the recommendation shifting capabilities in the National Guard and other reserve components is “sharply at odds with the position we have taken in our strategy for homeland defense and civil support.”

Sen. Robert Byrd, D-W.Va., chairman of the appropriations committee, said at the Feb. 7 hearing, there was a \$54 billion shortfall in equipment for the reserve components due to the continuing military operations in Afghanistan and Iraq and the cost of closing that shortfall and expanding training for broader missions “may be very daunting.”

Sen. John Warner, R.-Va., said, “We better get on with it” in clarifying these issues, particularly in cases that involve more than a single state.