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## Request is \$143.4 billion, plus \$102.2 billion for overseas operations Army budget.

The Army is requesting \$143.4 billion for Fiscal Year 2011 and an additional \$102.2 billion for overseas contingency operations. These requests were part of the overall defense request of \$549 billion in its base budget and \$159 for overseas operations, primarily in Afghanistan and Iraq. “This represents 1.8 percent real growth,” Adm. Michael Mullen, chairman of the Joint Chiefs of Staff, told reporters Feb. 1.

It also includes a request to pay for an additional 22,000 active duty soldiers in the overseas contingency operations request. The base budget has active Army end strength at 547,000; the Army National Guard at 358,200 and the Army Reserve at 205,000.

The overseas contingency requests money for the mobilization of 28,700 Army Reserve soldiers and 52,800 Army National Guard soldiers in the coming fiscal year.

The base budget also requests a 6 percent increase to \$6.3 billion for Special Operations Command to expand by 2,800 service members, primarily soldiers.

The request calls for 1.4 percent increases in military and civilian pay, an increase of 4.2 percent in Basic Allowance for Housing and the Basic Allowance for Subsistence and an increase of \$500 million to \$8.1 billion in military family support programs, including about \$440 million to build and repair DoD schools.

A Defense Department press release added, “The FY 2011 budget does begin a five-year plan to replace and recapitalize more than half of the 194 DoD schools. Funding will address schools in poor or failing condition.”

The Army is asking for over \$400 million for selective reenlistment bonuses in the military personnel account. From its operations and maintenance accounts, the Army is seeking \$544 million for recruiting and other advertising. About \$42 million is requested for the Comprehensive Soldier Fitness program from the operations and maintenance account.

The operations and maintenance account also pays for training rotations. Two are requested for Europe and 12 each from the Joint Readiness Training Center at Fort Polk, La., and the National Training Center at Fort Irwin, Calif.

The Army’s request is for \$43.9 billion in operations and maintenance, up from \$40.6 billion in FY 2010.

Vice Adm. Steve Stanley, J-8, called the personnel programs “a strategic asset to our nation and [reflect] an enduring commitment to the men and women in uniform, our wounded warriors, our fallen heroes and their families.”

It also seeks \$1.1 billion for treatment, care and research of Traumatic Brain Injury and psychological health issues, \$50.7 billion to fully fund the Military Health System without an increase in fees and co-pays and \$16.9 billion for military construction and \$1.8 billion for family housing, slight decreases from last year.

Looking at the health care portion of the budget, Gates said, “There has not been an increase in premiums since [TRICARE] was founded in 1995.” He said that a family of three in the TRICARE system was paying \$1,500 in premiums while a family of three in the Federal Employee Health Benefits Programs was paying about \$3,300.

He added the department wants to work with Congress on costs because they’re “only going to keep going up.”

DoD said health care costs in its facilities are rising about 4 to 5 percent annually. In the purchased care system, costs are rising about 6 percent per year. The budget reports 9.5 million beneficiaries in the Military Health System.

Kathleen Miller, acting director of the Army budget, said the reason for the decline in military construction is most of the projects for Base Realignment and Closure have been accounted for. BRAC is to be completed by September 2011.

For example more than \$5 billion was spent on BRAC-related activities last year and about \$800 million for family housing. The Army BRAC-related request is for \$1.1 billion and \$610 million for family housing.

Defense Comptroller Robert Hale said, “We hope to have everyone out of [the National Security Personnel System] by the end of the year” and is seeking \$296 million to cover the costs. “If you’re between two steps [in the general schedule] you will go to the higher step.”

**Afghanistan becomes main focus at first budget hearing.** The Senate Armed Services Committee's first hearing on the Defense Department's request for \$708 billion in base budget and to pay for overseas contingency operations most often focused on military operations in Afghanistan.

Testifying Feb. 2, Adm. Michael Mullen, chairman of the Joint Chiefs of Staff, said, "Right now the Taliban believe they are winning." In 18 months when 30,000 additional American forces and 7,000 to 10,000 NATO forces are in place, "they will know they are not."

He called the border region between Afghanistan and Pakistan, "the epicenter of terrorism." Adding, "The outcome of today's conflicts will shape the security environment for decades. This is no mission of mercy. This is from where we were attacked."

Sen. Carl Levin, D-Mich., and chairman, said setting a July 2011 date to begin reducing the number of the American forces in Afghanistan has "energized Afghan leaders" to step up their recruiting efforts for the nation's security forces. By reaching out to tribal leaders, the number of recruits increased 2,000 in November to 11,000 in January.

"I remain very concerned that we will not meet" the goal of having 400,000 Afghans in the security forces by 2013, Sen. John McCain, R-Ariz., and ranking member, said. He added, "There is great uncertainty [among Pakistan leaders] that we are going to stay" past July 2011.

Defense Secretary Robert Gates said, the 2011 date is controversial, but it does not mean it is a terminal date of withdrawal. The situation on the ground in Afghanistan will also be reviewed at the end of 2010, Mullen said.

"I think there is definitely a deficit of trust with Pakistan" in the United States long-term commitment to the region that can only "be rebuilt over time, effort and action," Gates said. He added that the United States has to demonstrate to both countries that the commitment is going to be decades-long and not solely confined to military operations.

A key part of the Afghan strategy is to have American and NATO troops training security forces and after that, partnering and mentoring them. The goal is to have Afghan units that will eventually take the lead in operations.

Levin said so far only 37 percent of the required number of trainers is in place. NATO has sent about 200 soldiers to provide basic training for the Afghans. The alliance was to provide 2,000. That is "simply inexcusable."

Mullen said his NATO counterparts "all agree it is unacceptable" and he expected the number of trainers to increase as the alliance continues to add forces to Afghanistan.

**DoD begins yearlong study of 'Don't Ask, Don't Tell' policy.** The chairman of the Joint Chiefs of Staff told the Senate Armed Services Committee in his mind it was time to end the "Don't Ask, Don't Tell" policy regarding gays and lesbians openly serving in the military.

Testifying Feb. 2, Adm. Michael Mullen said, "For me, personally, it comes down to integrity, theirs as individuals and ours as an institution. He added it is wrong to have a policy that causes people "to lie about who they are in order to defend their fellow citizens."

When pressed by Sen. Jeff Sessions, R-Ala., on whether the repeal was going to happen even before the study began, Mullen said, "This is about leadership, and I take that very, very seriously."

At the same hearing, Defense Secretary Robert Gates announced the Pentagon's yearlong study lead by Jeh Johnson, DoD's general counsel, and Gen. Carter Ham, the Army's commander in Europe, on the effects of repealing the 15-year-old policy.

Lines of study include reaching out to the force and families for their opinions, reviewing the personnel system and benefits available if the law is changed, gathering the opinions of outside experts including an update of the 1993 RAND study that helps guide Congress in its deliberations. "The overarching imperative is to get this right."

He also said the department is reviewing over the next 45 day aspects of the policy that could be changed under existing law. At the suggestion of Sen. Carl Levin, D-Mich., and chairman, that review includes a possible moratorium on discharges until the more detailed study is complete.

Gates said he fully supports the president's position on repealing the law.

Mullen and Gates and a number of senators acknowledged how controversial the subject is. The secretary asked that deployed service members not be involved in the study."Keep the impact it will have on our forces firmly in mind," Gates added. "The guiding principle of our efforts will be to minimize disruption and polarization within the ranks," he said.

Gates said, "It's critical this matter be settled by vote of Congress;" and if Congress approves the repeal, he said it would take at least a year to implement.

Levin, in his opening statement, said the armed forces have led the way in matters of fairness and equality. He added the committee will hold a series of hearings on the policy, including questioning the service chiefs and combatant commanders on their views during their posture statements' appearances.

## **Funding necessary for combat vehicle design and aircraft procurement.**

While the Army does not expect to let a contract in Fiscal Year 2011 for a new ground combat vehicle, the service is requesting about \$3.2 billion to spin-off technologies from the Future Combat Systems to today's units and continues working on vehicle design.

In aircraft procurement, the Army is requesting \$459 million for 26 Sky Warrior unmanned aerial vehicles; \$1.35 billion for 72 UH-60 and HH-60M Black Hawk helicopters; \$887 million to modernize 16 AH-64 Block III Apaches; \$326 million for 50 UH-72A Lakota Light Utility helicopter; \$505 for 46 Shadow UAVs; and \$1.15 billion to convert or build 40 CH-47 Chinook D to F model.

The aircraft request is \$6 billion, up from \$5.3 billion.

At the same time, the Army is requesting \$1.8 billion for research, development, test and evaluation accounts to improve aircraft and vehicle survivability and improve intelligence collection.

Funds are also being requested to stand up two aviation brigades and step up air crew training. The increase in the Army's aircraft account reflects Defense Secretary Robert Gates' drive to balance the force to succeed in current military operations that need more intelligence, surveillance and reconnaissance platforms and helicopters.

"We have stripped the other combatant commanders of their ISR capabilities" that have shown their value not only in military operations but in counter-narcotics and disaster relief operations.

In missile and ammunition, the Army is requesting \$480 million for 78 Patriot Advanced Capability-3 missiles; \$164 million for 750 Javelin missiles; \$291 million for 2,500 Ground Multiple Launch Rocket Systems; \$350 million for 23 Non Line of Sight Launcher Systems; \$1.1 billion for critical training ammunition.

In weapons and tracked combat vehicles, the Army is requesting \$300 million for 83 Strykers; \$231 million for 87 M1A1 Abrams situational awareness kits; \$215 million for 58 Bradley situational awareness kits; \$147 million for survivability enhancements on Strykers; \$105 million for 18 Paladin integrated management systems; \$80 million for 5,900 M2 .50 cal machine guns.

The weapons and tracked combat vehicle request is down to \$1.7 billion from \$2.5 billion in FY 2010.

The budget also ends Army-only buys of Humvees.

The Army is also seeking about \$1.47 billion to modernize its light and heavy tactical vehicles. The Brigade Combat Team modernization program is requesting \$2.5 billion.

## **Quadrennial Defense Review's top priority is to prevail in 'today's conflicts.'**

Defense Secretary Robert Gates said he believed that construct of having the armed forces positioned to wage two major regional wars "was out of date."

Speaking to reporters on the release of the Defense Department's budget and the Quadrennial Defense Review Feb. 1, he asked "What if we had a major domestic disaster ... a Haiti?" He said the department was doing just that now and fighting two regional wars.

Michelle Flournoy, deputy under secretary for policy, said the review and the budget "put top priority in prevailing in today's conflicts." It stresses intelligence, surveillance, reconnaissance, aircraft and language skills as combat enablers.

The enablers "include rotary-wing aircraft, unmanned aircraft systems, intelligence analysis and foreign language expertise, and tactical communications networks ... as well space-based assets, more effective electronic, attack systems, more resilient base infrastructure ... for effective operations against future adversaries."

The review is designed to "preserve and enhance the All-Volunteer Force" in a changed security environment, Flournoy said. "We must be able to project power in a number of regions." Adding, the spending priorities in the review maximize "versatility across the spectrum of conflict."

The review also called for a Defense Department adopting a "more sophisticated" relationship with industry, "one that takes into account the rapid evolution of commercial technology, as well as the unique requirements of the department."

DoD will not "underwrite sunset industries and prop up poor business models," the review said.

It also noted that defense industry consolidation "contracted around 20<sup>th</sup> century platforms rather than developing the broad and flexible portfolio of systems that today's security environment demands."

## **Army asks for \$20 billion to support operations in Iraq and Afghanistan.**

The Army is requesting \$20 billion in supplemental spending to support operations in Afghanistan and Iraq for this fiscal year.

About \$11.7 billion will be targeted to operations and maintenance—including \$7.6 billion for theater operations and support and base camp expansion.

An additional \$1.8 billion is being sought in procurement accounts for force protection and base camps and \$1.7 billion in military personnel accounts to finance reserve component mobilization, special pays and subsistence.

**Robert Hale, the Defense Department comptroller, said congressional approval was needed before Memorial Day.** The overall DoD supplemental request is \$33 billion. Task force recommends end to 'dual' disability ratings. Among recommendations to streamline the Medical Evaluation Board (MEB) process made by an Army-sponsored task force led by retired Gen. Frederick Franks Jr. is the elimination of "dual" disability ratings.

In the past, disability ratings were issued independently by the Army and the Department of Veterans Affairs.

The Army's ratings were often much lower than ratings the VA ended up giving wounded, ill and injured soldiers. This created mistrust and confusion, Franks said in a 42-page report on the MEB and Physical Evaluation Board process.

The Army, by law, could base its disability ratings only on the injury or condition that disqualifies a Soldier from service, while the VA conducts a "full body" diagnosis that often ends up determining higher disability levels.

Franks was asked to research the MEB/PEB process by Army Chief of Staff Gen. George W. Casey Jr., in July 2008. The report contains three strategic recommendations and 43 supporting recommendations in the areas of command emphasis, education & training, policy, and process.

Recommendations stem in part from a survey to wounded warriors and their family members and interviewed experts. Many of the recommendations require legislation to change existing laws. The report explains that the current Physical Disability Evaluation System is based on a complicated "patchwork" of laws and amendments with some that date back to World War II.

"Certain sections of law are nearly unfathomable in meaning," states an annex to the report, adding that some of the laws were also "inconsistently amended." He recommends creating "a simpler, more transparent, and less adversarial disability evaluation system," but admits this will require a major revision of disability and compensation law.

Franks' study found that many injured Soldiers and their families do not fully understand the complicated MEB/PEB process. As a remedy, he recommends extensive education beginning with basic combat training.

The report recommends immediately beginning MEB/PEB training in pre-command and leader courses at all levels in both officer and NCO schools. It also recommends accelerating an effort started late last year at Fort Leavenworth, Kan., to collect and analyze lessons from the healing and rehabilitation process of wounded warriors.

**6,200 participating in pilot disability evaluation program.** More than 6,200 service members have participated in the pilot Disability Evaluation System, and it is taking between 220 and 295 days to complete the process.

Lt. Cmdr Walter Elias, speaking at the Military Health System 2010 meeting in suburban Washington, said, "It's a longer process for the service member" than the existing service and VA physical rating system, but they receive "VA benefits upon separation" from active duty. He said that was about 57 percent faster than the current system.

The Army has found that the time for the medical evaluation is the most significant reason for the longer than expected processing. The goal is to have the evaluation completed in 45 days or less, but the average is over 67 days. "Missed appointments means delays," Elias said.

The pilot began two years ago in and around Washington and has spread to six other installations. The system will be operating on all installations in about two years.

Because it is taking longer to process service members who are ill, injured or wounded, there is an immediate impact on the installation's housing and the military hospital or clinic on it.

In addition because Veterans Affairs' personnel are doing the evaluations, there will be more workers coming to the base with their own set of information technology needs, coded access cards requirements, designating office space for them, sharing information technology information on the service member and assuring them installation access.

"The second order impact includes their ongoing medical care needs, especially mental health care."

### **DoD working to reduce number of contractors.**

The Defense Department is working to reduce the number of contractors it uses and replace them with government employees.

Testifying Feb. 2 before the Senate Armed Services Committee, Defense Secretary Robert Gates said the goal is take the number from 34 percent of the workforce to 26 percent, the same percentage as before the 9/11 terrorist attacks.

Gates said that includes converting 10,000 acquisition positions and 10,000 new hires through 2014. The step also re-creates an acquisition career path for Army officers.

Adding, "We probably should not have contractors evaluating contractors."

He repeated a pledge to ask the president to veto a defense bill that keeps the C-17 production line open and provide a second source for the F-35 strike fighter engine.