

**RECORD VERSION**

**STATEMENT BY  
THE HONORABLE MARK T. ESPER  
SECRETARY OF THE ARMY**

**AND**

**GENERAL MARK A. MILLEY  
CHIEF OF STAFF  
UNITED STATES ARMY**

**BEFORE THE**

**SENATE APPROPRIATIONS COMMITTEE – DEFENSE**

**SECOND SESSION, 115TH CONGRESS**

**ON THE POSTURE OF THE UNITED STATES ARMY**

**MAY 15, 2018**

**NOT FOR PUBLICATION  
UNTIL RELEASED BY THE COMMITTEE**

## **Introduction**

America's Army is lethal and effective. Our lethality provides the assured capability to defeat enemy ground forces through sustained land campaigns in defense of our vital national interests. To maintain our land power dominance, we will concentrate our efforts on our priorities—Readiness, Modernization, and Reform—to ensure America's Army is always ready, now and in the future. We also live by enduring priorities to take care of our Soldiers, Civilians, and their Families; to re-commit to the Army values and warrior ethos that guide us; and to strengthen relationships with allies and partners.

We thank Congress for its strong support, which has enabled the Army to halt the decline in our warfighting readiness. Importantly though, the Army needs timely, predictable, adequate, and sustained funding to preserve these readiness gains now and in the future. The Army's fiscal year 2019 (FY19) budget prioritizes our resources based on the President's guidance, and our strategy is consistent with the National Defense Strategy. This year's budget allows us to continue to build readiness for high intensity conflict and begin building our future force through key modernization efforts. It also enables us to continue to take care of our people and institute reforms across the Army to free up time, money, and manpower. Army leadership, with congressional support, is committed to ensuring America's Army is ready now and modernizing for the future.

## **Strategic Environment**

Our Army faces a complex and demanding strategic environment. This will require the Army to remain ready for a wide range of missions to defend American interests. We must build readiness for high-intensity conflict and modernize our forces to ensure overmatch against near-peer competitors, while sustaining irregular warfare as a core competency.

Our competitors are seeking to alter global strategic realities for their own benefit, often at the expense of U.S. interests and those of our allies and partners. Russia and China continue to assert themselves in an effort to gain dominance in key regions, and are developing advanced weapons to achieve parity both strategically and in close combat. North Korea has pursued nuclear weapons and ballistic missiles for decades with significant advances over the last year. Iran is attempting to expand its regional influence by developing more advanced ballistic missiles and supporting insurgent groups against U.S. allies in the region. Additionally, these state actors use a range of actions short of armed conflict, from

cyber-attacks to irregular warfare through proxies that destabilize regions without attribution. Finally, terrorist groups continue to threaten the U.S. homeland, U.S. citizens, U.S. interests abroad, and our allies and partners.

Soldiers directly contribute to our Nation's efforts to counter these challenges by serving combatant commanders worldwide with over 178,000 Soldiers operating across a wide array of missions. The Army is committed to maintaining peace, stability, and security in the Asia-Pacific with nearly 80,000 Soldiers assigned, deployed, and forward-stationed throughout the region. 24,000 Soldiers continue to deter North Korean aggression, with the Army focused on building readiness to respond to any contingency, including potential conflict. In Europe, the Army has over 30,000 forward stationed and rotational forces. In the Middle East, the troop increase in Afghanistan has already begun to advance the train, advise, and assist mission at the tactical level. In support of homeland defense, the Army provides over 15,000 Soldiers as well as a Global Response Force of 9,500 personnel, capable of deploying anywhere in the world within 96 hours. Over the last year, Army forces were critical in disaster relief efforts in Puerto Rico and the U.S. Virgin Islands resulting from Hurricanes Maria and Irma, the California wild fires and mud slides, and widespread flooding in the central United States.

The Army's competitive advantage is our Soldiers' ability to rapidly deploy when and where required, gain and maintain overmatch, and achieve decisive victory against any adversary. This produces a combat-credible deterrent against potential adversaries who are hostile to our Nation's interests. Sustained, predictable, adequate, and timely funding will secure the Army's ability to continue to defend our Nation's interests.

### **The Army's Budget Request**

The Army's total FY19 budget request totals \$182.1B which consists of \$148.4B in the base budget and \$33.7B for Overseas Contingency Operations (OCO). This represents an eight percent increase over our total FY18 President's Budget plus amendments. Our request reflects the Army's priorities: grow and maintain a ready high-end force; build our future force through key modernization efforts; continue to take care of our people; and institute reforms that lead the Army to be even better stewards of taxpayer dollars.

## **Readiness to Fight Tonight**

Ready forces ensure that the Army can compete against our adversaries, deter conflict, and win decisively. FY17 and FY18 authorizations and FY17 appropriations provided critical support to fill manning requirements, fund important gains to training such as increasing combat training center rotations, increasing equipment operational readiness rates, building and modernizing Army Prepositioned Stocks, and beginning to address munitions shortfalls. Barring a significant increase in demand for land forces, the Army will attain our Total Force readiness recovery goals in 2022. To ensure that we meet this goal, we need predictable, adequate, sustained, timely funding, enabling us to sufficiently organize, man, train, and equip our formations.

We are growing the Army by both recruiting and retaining physically fit, mentally tough Soldiers without lowering standards. Increased end strength has enabled the Army to fill manning shortfalls in key formations. Soldiers within the ranks are also increasingly deployable, with a four percent decrease in Regular Army non-deployable rates over the past year, and an overall goal of a five percent non-deployable rate by FY21. Contributing to this is increased holistic fitness, improved medical tracking, unit injury prevention and physical therapy programs, and leveraging end strength increases to raise operational unit manning levels. These are accompanied by new policies intended to rebuild a culture of deployability across the force. As a result, the number of brigade combat teams (BCTs) in the highest state of personnel readiness has more than doubled.

Tough, realistic training is key to maintaining our competitive advantage in the current security environment. In order to increase Soldiers' opportunity to conduct training focused on lethality, we have reduced, and will continue to reduce, ancillary mandatory training, requirements, and distractions at home station. We are also using virtual simulations to increase training repetitions for small units, creating greater proficiency at unit collective tasks. Leaders across the Army are taking steps to ensure a predictable training management cycle, and returning our training focus to preparation for a high-end fight validated at combat training centers. However, these units can only remain ready if they remain together, so we must also find innovative ways to meet combatant command demand without breaking apart our baseline combat formations.

An important part of the Army's effort to maintain the readiness of the Army's BCTs for major combat operations is the security force assistance brigade (SFAB). The SFAB will provide combatant commanders with a skilled advisory force to team with our security partners worldwide. Previously, we assigned BCTs to conduct advisory missions, breaking those formations apart. The first SFAB deployed to Afghanistan in the spring of 2018. We request congressional support to man, train, and equip six SFABs: five in the Regular Army and one in the Army National Guard.

In addition to improved training, our Army must have sufficient equipment. We are modernizing our equipment, refining our supply distribution systems, and enhancing our Prepositioned Stocks to balance our capabilities across multiple threats and theaters. However, we continue to have shortages of some critical preferred munitions. As a result, Holston Army Ammunition Plant in Tennessee is expanding production capacity, and Pine Bluff Arsenal in Arkansas and McAlester Army Ammunition Plant in Oklahoma are beginning repair and upgrade programs. We request congressional support as we continue to reform and align requirements and resources within the Organic Industrial Base.

### **Modernization: Ready for the Future Fight**

Over the past decade, the Army made necessary but difficult choices to defer modernization in order to support combat operations. We upgraded current weapons systems rather than acquire new or next generation technologies. However, we can no longer afford to delay modernization without risking overmatch on future battlefields. Thanks to congressional support, the Army now has the means to modestly increase investments towards modernization and lay the groundwork for increased funding in the coming years. To improve modernization we will focus on three things. First, we will establish the Army Futures Command to reform our acquisition process through unity of command, unity of effort, and increased accountability. Second, through the efforts of eight cross functional teams, we will focus these additional resources towards six modernization priorities to ensure future overmatch. Third, Army leadership will strengthen our relationship with industry, our allies, and the top intellectual and innovative talent our Nation has to offer. Collectively, these improvements and others will help ensure our lethality and future readiness.

The Army must adapt quicker than our adversaries to maintain our competitive advantage. This is the rationale for the Army Futures Command. The formal establishment of

Army Futures Command in the summer of 2018 will represent the most significant organizational change to the Army's structure since 1973. The new command will consolidate the Acquisition process under one organization with a mission to deliver integrated solutions for increased lethality and capabilities to the Soldier when and where they are needed.

The FY19 budget coupled with our reforms will enable the Army to accelerate upgrades to critical capabilities, managing current risk while we innovate and prototype with a goal to begin fielding the next generation of combat vehicles, aerial platforms, and weapons systems by 2028. These vehicles and weapons must be better than anything our adversaries will deploy in the future. We will focus modernization, science and technology, and research and development efforts on six modernization priorities, managed and assessed by eight cross functional teams:

- Long Range Precision Fires—modernize a cannon for extended range, volume, and increased missile capabilities to restore Army dominance in range. Systems like the Extended Range Cannon Artillery, which has been accelerated to FY23, and the Long Range Precision Fires Missile, accelerated to FY21 protect and ensure freedom of maneuver to forces in contact with the enemy in deep, close, and rear operations. The Army has included \$73.7M for Long Range Precision Fires in the FY18 Enhancement Request, with \$22M in additional requested funds in the FY19 President's Budget.
- Next Generation of Combat Vehicles—develop prototypes that lead to the replacement of our current fleet of infantry fighting vehicles, and later tanks, in manned, unmanned, and optionally manned variants. A next generation vehicle is needed to enhance Soldier protection, increase mobility, and make our forces more lethal. Prototypes for both manned and robotic vehicles will arrive in FY21, with \$13.1M requested in the FY18 Enhancement, and \$84M in the FY19 President's Budget.
- Future Vertical Lift—incorporate manned, unmanned, and optionally manned variant vertical lift platforms that provide superior speed, range, endurance, altitude, and payload capabilities. These include the Future Unmanned Aircraft System, which is undergoing experimentation and will be prototyped in FY24, and the Modular Open System Approach, a software prototype that has been accelerated from FY28 to FY26. \$25.1M is included in the FY18 Enhancement Request for Future Vertical Lift, with additional funds included in the FY19 President's Budget.

- Network—develop expeditionary infrastructure solutions to fight reliably on the move in any environment. The Army Network should incorporate electronic warfare; resilient, secure, and interoperable hardware; software and information systems; assured position, navigation, and timing; and low signature networks. \$180M is included in the FY18 Enhancement Request to conduct Network related experimentation next fiscal year, including an Infantry Brigade at the Joint Readiness Training Center this summer, and a Stryker Brigade by early 2019.
- Air and Missile Defense—ensure our future combat formations are protected from modern and advanced air and missile delivered fires, including drones. We are focusing on capabilities that include Mobile Short-Range Air Defense with directed energy and advanced energetics. We are also accelerating the fielding of existing air defense capabilities over the coming years.
- Soldier Lethality—develop the next generation of individual and squad weapons; improve body armor, sensors, and radios; and develop a synthetic training environment that simulates the modern battlefield, allowing our Soldiers multiple iterations before they ever deploy. The FY18 Enhancement Request includes \$81M to experiment and procure Enhanced Night Vision Goggles by FY21.

These modernization priorities illustrate how our Army will adapt to future threats. The cross functional teams are the driving force for the modernization priorities. Each cross functional team uses technical experimentation and demonstrations, in conjunction with increased engagement with industry and commercial sector partners, to inform prototype development and reduce the requirement process.

The Army remains concerned about preserving key skills and capabilities for our original equipment manufacturers and their key supplier bases. Collaboration with our private sector partners early in the process helps reduce risk. Efforts such as the Army Manufacturing Technology Program have provided affordable and timely manufacturing solutions that assist our industry partners to address manufacturing risks. Collectively, congressional support for the Army Futures Command, implementation of the future recommendations of the cross functional teams, and a strong relationship with the commercial base has one simple goal: make Soldiers more lethal and ready for the future.

## **Reform**

To achieve these objectives, we are assessing everything we do across the Army, looking for ways to free up time, money, and manpower for our top priorities. In support of DOD reform efforts, we have placed increased emphasis on a number of business reforms and stewardship initiatives. Specifically, we are instituting Army-wide programs that address Acquisition Reform; Contract Management; Budget Execution; divestiture and consolidation of legacy information technology systems; and auditability of our resources.

The Army's Acquisition Reform Initiative shortens the development timeline and approval process of capabilities requirements. This reform initiative directs the consolidation of two oversight groups into one and provides Army leadership with access to decisions earlier in the decision cycle. The Army is creating strategic enterprise metrics through policies and procedures intended to drive significant savings from the reform of contracted services per year from 2020 to 2024. We are also monitoring de-obligating funds through the Command Accountability and Execution Review to increase Army annual buying power. Additionally, we are improving our auditability. This year, we plan to complete an independent audit that will further enable the Army to improve our business practices and management of our resources.

Another key area of reform is in Army institutions. We are undertaking efforts to optimize non-divisional two-star headquarters and above to enable faster decision making. We are beginning by optimizing key essential tasks at the Army Secretariat, Army Staff, and Army Commands to address manning requirement needs at the division level and below. Next, revised experimentation and war gaming will accelerate new Army warfighting doctrine, providing a comprehensive framework to underpin how we train and how we fight. And finally, a new talent management based personnel system will optimize individuals' effectiveness and professional development, and ensure we develop and retain exceptional Leaders and Soldiers of unmatched lethality.

## **Soldiers, Civilians, and Families: Our Greatest Asset**

The United States Army is composed of Regular Army, Army National Guard, and Army Reserve Soldiers, Civilians, and Family members serving the Nation at home and abroad. The quality of Soldiers the Army attracts and retains is extremely high. Quality metrics for Army recruits are at their highest point, exceeding every DOD-mandated



education and aptitude threshold for the eighth year in a row. Waivers for recruits are down nearly eight percent over the past decade. The Army's long term success depends on developing smart, innovative leaders of character who bring a wide range of skills and experiences to our ranks. We will remain a standards-based organization and maintain the values that we have established for those who enter and serve the Army and for those Soldiers who remain for a career. We will not lower standards to meet our end strength goals.

The Army is committed to taking care of our Soldiers, Civilians, and their Families by maintaining opportunities for promotions and schooling, providing attractive career options, and continuing quality of life programs. We ensure the well-being of our people through world-class medical services, quality facilities to live and work, and child care and youth services. New civilian hiring initiatives for spouses promise to accelerate work opportunities on Army installations, while other reforms may allow them to sustain careers by reducing the frequency of moves. The cumulative effect of these programs is to increase retention through increased satisfaction with Army life.

We also take care of individual Soldiers and strengthen teams through Sexual Harassment/Assault Prevention and Response initiatives, active Suicide Prevention measures, Army Warrior Care, and transition assistance through our Soldier for Life program. In particular, a new task force is addressing suicide reduction in the Army National Guard and Army Reserve. Taking care of our people ensures Soldiers and Families have the support they need to focus on preparing to deploy, fight, and win our Nation's wars.

## **Conclusion**

On behalf of the entire Army, we thank Congress for their support that allows us to continue to improve readiness and make an increased investment in our future Army. Our current security environment continues to have numerous challenges, and they are growing. With predictable, adequate, sustained, and timely funding, we will increase capacity, train advisory forces, close critical munitions gaps, improve modernization, and take care of our Soldiers, Civilians, and their Families. We are a standards-based organization accountable to Congress and the American people. We know that the only acceptable result of our efforts is a lethal Army, ready now, and prepared for the future.