Army faces flat budgets, tough choices

The Army must move quickly to modernize, equip and train the force so it can maintain an edge over near-peer competitors such as Russia and China, but the service also will soon face some tough choices, senior Army leaders said.

The Army would love to have more money to pay for modernization projects that will ripen over the next two years, but in times of flat budgets the service recognizes it may be forced to pay for something new by getting rid of something old, Army Secretary Ryan McCarthy said Wednesday.

To find money for what he described as “big muscle movements” in the next 18 months, the Army has once again engaged in evaluating existing programs to see what might be cut to pay for things in the future.

McCarthy, speaking at a Defense Writers Group breakfast, expects the Army will face within 18 months decisions about which modernization priorities need more funding.

There isn’t money to press ahead on everything at the same time, he said.

“We will have to make choices. Do we start scaling long-range fires before helicopters, before armored vehicles?” McCarthy said.

Funding availability will also determine how much the Army can afford of various priorities, he said.

Army Chief of Staff Gen. James McConville, speaking Tuesday at the Atlantic Council in Washington, D.C., emphasized the importance of moving ahead with the Army’s ambitious modernization efforts.

“We’re doing better, but we can never be fast enough. We always want to get better,” McConville said.

The Army has fundamentally changed its acquisitions process, including standing up the U.S. Army Futures Command and tasking cross-functional teams to deliver on its six modernization priorities, he said.

The Army also is now working more closely with operators, industry and other partners as it tries to shed a slow and linear acquisitions process that used to drag on for years.

Under this new process, the Army is looking to field “systems that can do very sophisticated, complex things” in just three years, McConville said.

“We’re going to go as fast as we can to get there, but we want to make sure we get there, too,” he said.

As the cross-functional teams start delivering prototypes, the Army has planned for operating in a flat budget environment by finding billions of dollars “to finance our ambition,” McCarthy said.

See Modernization, Page 3
Traveling Abroad Soon?
Get a **Global Roaming eSIM**

Enabled for>> DATA, Voice, SMS, MMS & Chat
Roam Free in 200+ countries | Free incoming Calls in 120+ countries

---

**USA/UK/Global Roaming eSIM**

With +44 UK Tel Number (eSIM)
With +44 UK & 1 US Tel Numbers (Smart SIM)
Coverage in 230+ Countries & Free Incoming Calls in 120+ Countries
Including USA, Canada, Mexico, Latin America, UK, Germany, France, the whole of Europe, Australia, New Zealand, Japan, the whole of Asia, UAE & the Middle East and several other countries
Calls from 5 cents/minute
Browse from 1 cents/MB; MB & GB bundles available 2G, 3G, 3.5G & 4G coverage
No Monthly Fee, No Yearly Fee, No Credit Check & Much More!

+ **Global WiFi® unlimited Roaming in 120+ countries worldwide!**

* New Year 2020 Fabulous Promo Bonuses - $255.99 [eSIM/Smart SIM + Airtime Credit + Global Wi-Fi unlimited]
* Global eSIM Order — $55.99
* Smart SIM : USA Order Shipping - $77.86
* Smart SIM: Canada/Mexico Order Shipping - $89.99
* Smart SIM: International Order Shipping - $133.55

For More Info and to Order, Click here or visit:
[https://www.dualglobalmobile.us](https://www.dualglobalmobile.us)
Email: globalsales@dualglobalmobile.co.uk
The Army is taking very seriously the need to be agile as it tests prototypes, Army Chief of Staff Gen. James McConville said. (AUSA PHOTO)

AUSA president meets with South Korean Army chief


“Gen. Suh honored AUSA by his visit,” Ham said. “He and I had a chance to meet at LANPAC 2019, where I was very impressed by his unwavering commitment to keep the U.S.–ROK relationship as strong as it can possibly be.”

Suh wanted to learn more about how AUSA supports the U.S. Army, so Ham, retired Lt. Gen. Patricia McQuistion, AUSA’s vice president of membership and meetings, and retired Lt. Gen. Guy Swan, AUSA’s vice president of education, had a “wide-ranging conversation with him and his staff,” Ham said.

The meeting at AUSA headquarters was part of a weeklong trip during which Suh was to meet with U.S. Army Chief of Staff Gen. James McConville to reaffirm the alliance between the two nations and find ways to boost exchanges between the armies. Suh also planned to visit the U.S. Army Futures Command in Austin, Texas.

“I view this as the start of a longer relationship,” Ham said, “and we are hopeful that Gen. Suh may be able to join us during this year’s AUSA Annual Meeting, Oct. 12–14 in Washington, D.C.”

Modernization

From Page 1

“It is incredibly difficult. It is easier when you get budget increases,” he said.

It is unlikely the Army will be able to do everything at once as the prototypes appear, he said, anticipating the service will have to continue to cut programs to keep moving in the absence of a bigger budget.

Some “hard choices” were made on the 2021 budget that will be unveiled Feb. 10, McCarthy said.

He was unwilling to provide details, but he offered that the volume of cuts will be less than what was made by the Army when preparing the 2020 budget, when it produced $33 billion in savings to apply over five years.

“We’ve had to be ruthless in prioritization because of flat budgets,” he said.

He expects this process, called “night court” by the Army, will continue for the near future.

The Army is taking very seriously the need to be agile as it tests prototypes, Army Chief of Staff Gen. James McConville said. (AUSA PHOTO)

Defense Secretary Mark Esper, who previously served as Army secretary, is using a similar budget review for defensewide programs.

The Army also is taking very seriously the need to be agile as it tests prototypes and is actively seeking soldier feedback earlier in the process, McConville said.

“Things work very well in PowerPoint, I’ve found, but you have to drive it, you have to fly it, and you get a pretty good indication of what’s required,” McConville said. “It’s not about fighting the last fight better, it’s getting ready for the next fight.”
With 2020 NDAA, budget signed, Army looks ahead to fiscal 2021

By Mark Haaland

Happy New Year, and welcome to the second session of the 106th Congress.

We concluded 2019 on a strong and positive note, with Congress passing and the president signing the National Defense Authorization Act and the defense appropriations bill prior to the Christmas holidays.

These important annual legislative measures included numerous items recommended and supported by the Association of the U.S. Army.

A few of the impactful items approved by Congress include a 3.1% pay increase for service members; broad support for the Army’s readiness and modernization priorities, to include the National Guard and Reserve Equipment Account; ending the Survivor Benefit Plan–Dependency and Indemnity Compensation Offset, also known as the “widows tax;” and approving Tricare Reserve Select health insurance for the National Guard and Army Reserve.

AUSA thanks Congress for providing these very helpful legislative enhancements for the armed forces.

As we begin this new year, Congress has returned and is in session, and the president will deliver his State of the Union address on Feb. 4.

On Feb. 10, the administration and the Office of Management and Budget will release the president’s budget request for fiscal year 2021.

With the release of the new budget request, the Department of Defense and the services will begin to highlight and explain their budget requests.

DoD leaders and the service secretaries and chiefs will testify before the House and Senate to answer questions about their budget priorities.

The hearings haven’t been scheduled, but they could begin as early as late February.

We will outline the Army’s fiscal 2021 budget highlights in the next Government Affairs column, and we are also planning a podcast in March to discuss the Army’s budget.

Looking to the budget release, we remind ourselves that 2020 is an election year, and with the ongoing partisan politics, we do not expect Congress to pass any major new legislation.

However, AUSA will strongly encourage the House and Senate to pass the fiscal 2021 defense authorization and appropriation bills before the new fiscal year begins on Oct. 1.

This will surely be another exciting legislative year—please look for our next update in February.

Mark Haaland is AUSA’s Government Affairs Director.
ASSOCIATION OF THE UNITED STATES ARMY

MEETINGS & EVENTS

AUSA BREAKFAST SERIES - GEN JAMES C. MCCONVILLE
FORT BELVOIR, VA
January 21, 2020

RAMPAGE
MacARTHUR, YAMASHITA, and the BATTLE of MANILA
JAMES M. SCOTT

AUSA BREAKFAST SERIES - LTG THOMAS A. HORLANDER
ARLINGTON, VA
February 18, 2020

LEMNITZER LECTURE & BOOK SIGNING - JAMES SCOTT
ARLINGTON, VA
February 4, 2020

AUSA BREAKFAST SERIES - LTG SCOTT D. BERRIER
ARLINGTON, VA
March 11, 2020

2020 GLOBAL FORCE SYMPOSIUM & EXPOSITION
HUNTSVILLE, AL
March 17–19, 2020

SOFEX
AMMAN
JORDAN
March 30–April 2, 2020

For more details visit www.ausa.org/meet
ACCESS $320,000+ IN MEMBERS ONLY SCHOLARSHIPS

OPEN 1 FEBRUARY

TUITION AND TEXTBOOKS
COLLEGE DEBT REDUCTION
PROFESSIONAL CERTIFICATIONS
STEM STUDIES AND MORE

WWW.AUSA.ORG/SCHOLARSHIPS
McCarthy seeks to delay transfer of military hospitals

The Army wants to delay further transfer of its major military hospitals to the Defense Health Agency in a move intended to temporarily halt a global merger.

Army Secretary Ryan McCarthy said he is not opposed to the health care reform effort aimed at increasing efficiencies and standardizing practices across the Defense Department. What does worry him is the timing.

“"If you do it too fast, you can make a mess,” McCarthy told the Defense Writers Group at a breakfast Wednesday.

He said he would be talking with Congress about his concerns.

“We have 1.2 million people in uniform,” he said. “This is just too important to get wrong.”

The Association of the U.S. Army supports McCarthy’s efforts.

“I wholeheartedly support this move to make sure any transition of Army hospitals and other medical treatment facilities is done in a deliberate, effective manner,” said retired Gen. Carter Ham, AUSA president and CEO. “Secretary McCarthy has it exactly right; this is simply too important to rush into.”

Congress approved a merger that is supposed to be completed by fall 2021.

“This is the health care of our soldiers and their families,” McCarthy said. “How you transition is incredibly important.”

McCarthy was a senior aide to Defense Secretary Robert Gates in 2007 when problems became public about the treatment of wounded warriors at Walter Reed Army Medical Center.

He recalls part of the reason for the problems was several hospitals were merging. “They made some terrible mistakes and affected the health care of wounded personnel,” he said.

This is a big effort that will consolidate thousands of people under a single organization and could eliminate some positions, something McCarthy said involves “cultural dynamics and synergies you are trying to achieve.”

It is important, he said, to fully understand the transition of responsibility before moving ahead.

Army ‘absolutely committed’ to improving housing

Army leaders from 34 installations and representatives from the seven privatized housing companies came together this week for a summit to review the work that’s being done to improve housing across the force.

The summit, held Tuesday through Thursday at Redstone Arsenal, Alabama, was hosted by the U.S. Army Materiel Command. The command assumed responsibility for all Army housing a year ago.

“We are absolutely committed to provide safe and secure housing on every installation and making every installation an installation of choice for our soldiers and families,” said Gen. Gus Perna, commander of Army Materiel Command, in a statement.

“The summit is another step in our commitment to hold ourselves and privatized housing companies accountable to provide a high-quality standard of living and to earn back the trust of our housing residents,” Perna said.

The Army and the other services have been working for months to fix on-post housing after widespread reports of poor maintenance, black mold, pest infestations and other issues.

Since March, the Army and Army Materiel Command have implemented several initiatives to improve housing. These include visits to all housing units, establishing 24/7 hotlines at every installation, hosting quarterly town hall meetings led by installation leaders, hiring more than 100 additional staff members for installation housing offices, and creating mobile apps to help residents submit and track work orders.

Army leaders also sought feedback from soldiers and their families; more than 25,000 residents filled out a satisfaction survey in July.

“We still have much work to do, and, rest assured, this is a continuing priority with Army senior leaders,” Perna said in a statement. “We are in this for the long haul.”
AUSA members support commissioning of lieutenants

Members of the Association of the U.S. Army’s Greater Los Angeles chapter supported the commissioning of five ROTC cadets at California State University, Fullerton, with a breakfast Dec. 13 for the cadets, their parents and friends.

Commissioning as second lieutenants were Zachary Adams (military intelligence), Kevin Alvarez (infantry), Ayush Gulati (Signal Corps), Adam Klien (Ordnance Corps) and Immel Moreira (infantry).

Retired Lt. Col Pete Seitz, the chapter president, was introduced at the ceremony by Lt. Col. Jesus Cruz, CSU-Fullerton’s professor of military science, who praised the AUSA chapter’s support.

The chapter supports four ROTC battalions, each with an assigned point of contact from the chapter who meets regularly with their professors of military science, Seitz said.

“This allows us to stay in good contact and be able to react to their needs,” he said.

“The commissioning ceremonies are very special events, especially for the parents,” Seitz said, noting that he speaks from personal experience as he and his wife watched their son’s commissioning ceremony at Fort Benning, Georgia, four years ago.

“Our chapter is committed to helping our ROTC battalions in educating and developing new officers for the Army,” said retired Lt. Col. Seitz, chapter president. (COURTESY PHOTO)

Chapter honors top five ROTC cadets at annual dinner

The Association of the U.S. Army’s Major Samuel Woodfill chapter held its annual dinner honoring the top ROTC cadets in the region on Nov. 5 at The Golden Lamb Inn in Lebanon, Ohio.

Each year, the chapter asks the professors of military science from local universities to identify the top cadet in their program to be honored.

The 2019 honorees were Malied Scott, University of Cincinnati; Benjamin Sorg, Xavier University; Ragan Tuffey, University of Dayton; Kathleen Reuber, Wright State University; and Kanuta Lesko, Central State University.

Guests at the event included chapter members, ROTC cadre, other cadets and parents.

The Major Samuel Woodfill chapter of the Association of the U.S. Army honors the region’s top ROTC cadets every year. The 2019 honorees were recognized at a dinner attended by chapter members, ROTC cadre, friends and family members. (AUSA PHOTO)

The Major Samuel Woodfill chapter was founded in 1959.

It is an all-volunteer organization that actively supports local soldiers and their families through charitable donations, scholarships, community and veteran outreach and dedicated participation with local, regional and national Veteran Service Organizations.

To learn more about the chapter, visit https://www.ausatristate.org/.
WE SUPPORT OUR ARMY
PAST, PRESENT, AND FUTURE

Scholarships | Community Outreach | Local Events
Army News | Chapter Support | Discounts

ASSOCIATION OF THE UNITED STATES ARMY
JOIN AUSA TODAY!
www.ausa.org/join