Since QDR 97 ...

- **US economy remains robust** … but Defense spending is down as percentage of GDP … 3.3% to 3.0% … and still falling

- Increasingly chaotic and unpredictable geostrategic environment … with abundant opportunities to shape and influence our future

- **US Armed Forces’ OPTEMPO remains high**

- Increased reliance on reserve component forces

- Recognition of the need for US Armed Forces to be capable across the full spectrum of operations

- Growing recognition of the value of joint force solutions

- **Focused and accelerated Army transformation**

2  *On Point for the Nation . . . Persuasive in Peace, Invincible in War*
Army Transformation

- Spans QDRs 01 - 21
- Active, Guard, & Reserve
- Cultural, intellectual, & physical
- Focused on developing leap-ahead capabilities, while preserving adequate capabilities to defend Nation's interests in the near-to-mid term
- Near-term fielding 6-8 Interim Brigade Combat Teams (FY 02-07) with utility across the full spectrum of operations

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Snapshot ... FY 89 to FY 00
Personnel, Budget, & Deployments

Army Personnel
Active, Reserve, Civilian

Army Deployments

Army Budget

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Assumptions

- World will remain chaotic, unpredictable, and dangerous
  ✓ Principal threats result from failed states, transnational elements, competition for resources, intra-state conflict, and ideological differences
  ✓ Conflict increasingly will be urbanized with intermingling of combatants and non-combatants
  ✓ Global or near-peer competitor unlikely in 2000-2020 ... regional competitor(s) more likely
- Elements of the National Military Strategy -- shape, respond, & prepare now -- will remain constant, although relative emphasis may shift
- US Armed Forces will continue to be employed frequently to shape and preserve the peace
- Single-dimensional responses will be the exception, rather than the rule
Objectives

- Do what’s right for the Nation ... today & tomorrow
- Get the strategy right ... clearly articulate the role of land forces
  - Fighting & winning the Nation’s wars
  - Shaping and preserving the peace
  - Responding rapidly to crises ... at home & abroad
- Take care of our soldiers and civilians, their families, and our veterans ... our heritage and our future
- Strengthen the Army & Joint teams ... Active, Guard, & Reserve
- Ensure joint requirements are derived from the new strategy
  … jettison any remaining unnecessary Cold War capabilities
- Ensure endstrength reflects active strategy of engagement
- Fully fund the strategy ... low-to-moderate risk
- Accelerate Army transformation
Principal Issues

- Defense strategy
  ✓ Force-sizing construct
  ✓ Risk ... definition, metrics, mitigation
- Transforming the force ... while fulfilling current and near-term responsibilities
- New operational concepts ... projecting & operating
- People ... PERSTEMPO, recruiting & retention, quality of life, military & civilian
- Resources

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