

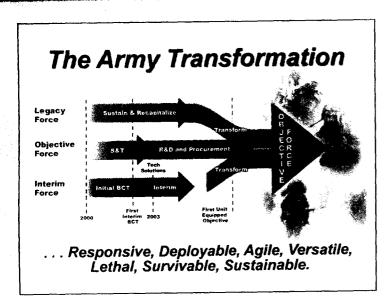


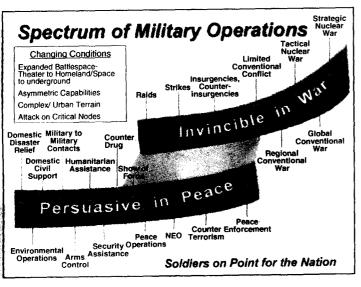
On Point for the Nation . . . Persuasive in Perce, laving the in Par

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
- On Point for the Nation . . . Persuasive in Peace, Invincible in War

Army Transformation

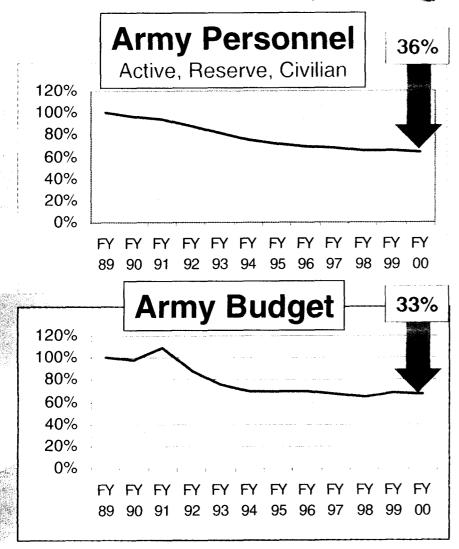


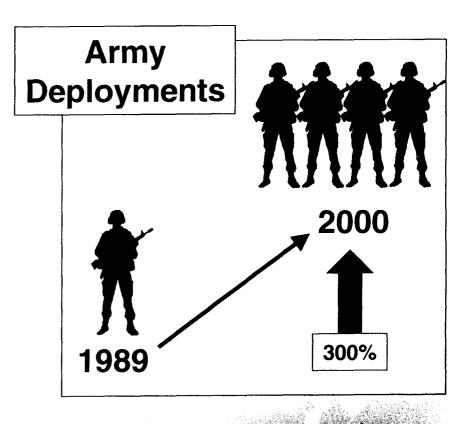


- Consistent with recommendations of the 1997 National Defense Panel, US Commission on National Security/21st Century, and Joint Vision 2020
- Spans QDRs 01 21
- Active, Guard, & Reserve
- Cultural, intellectual, & physical
- Focused on developing leap-ahead capabilities, while preserving adequate capabilities 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

Snapshot ... FY 89 to FY 00

Personnel, Budget, & Deployments





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