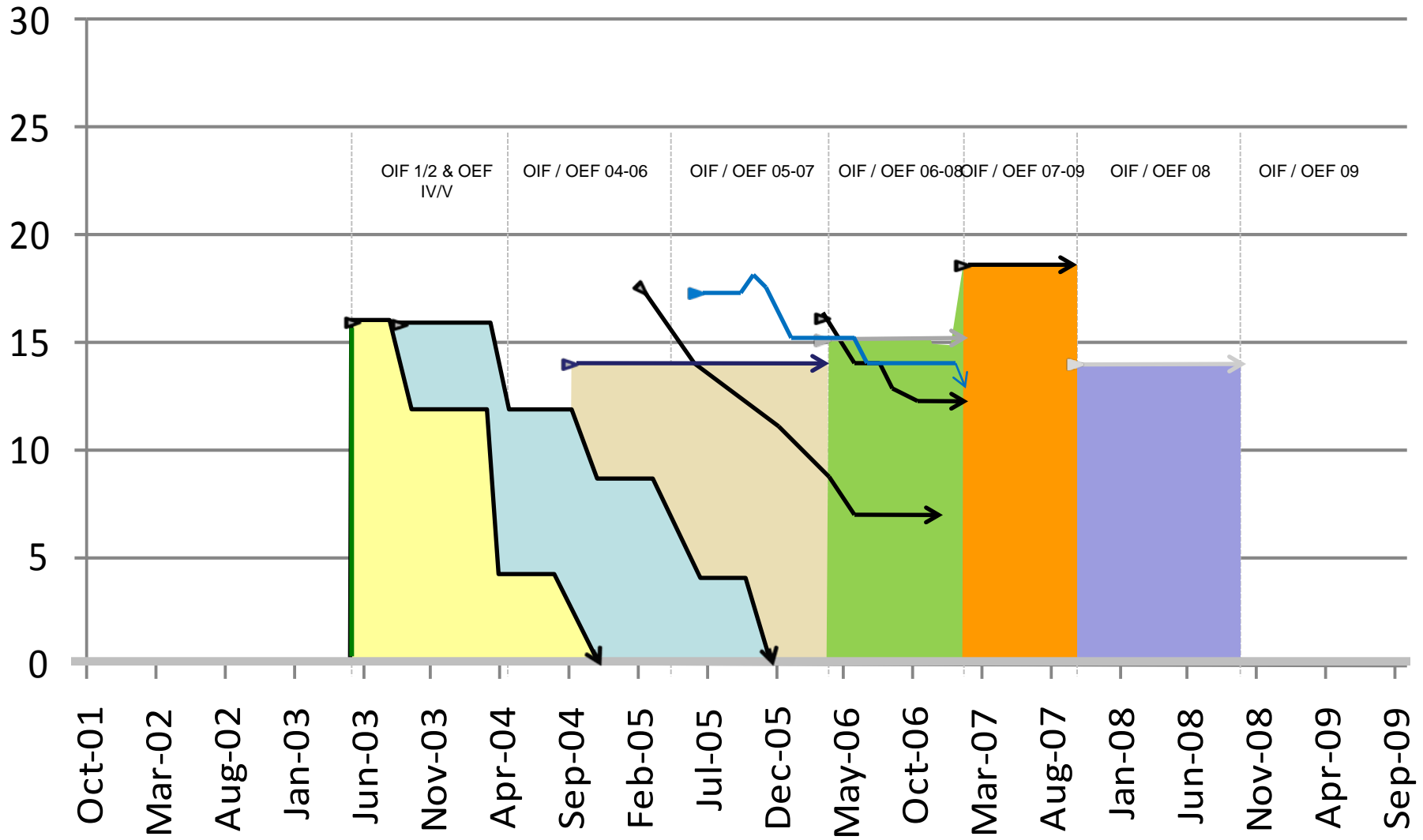


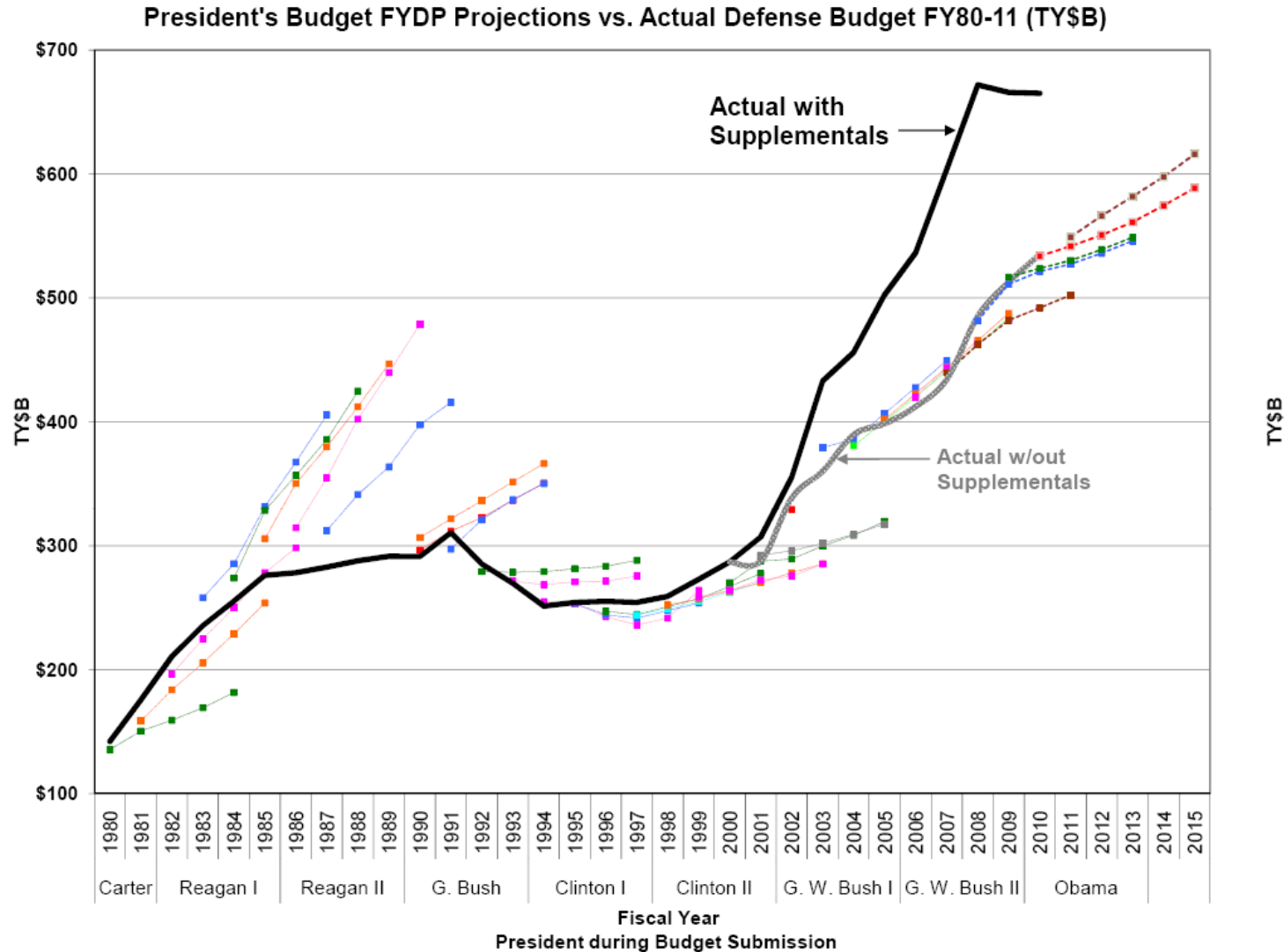


Observations of the Past

- Supply and Demand Challenges
 - Forces View
 - Resources View
 - Requirements View
 - QDR
 - Strategic Context
 - Modernization Strategy
 - Summary
-
- Past
- Present
- Future

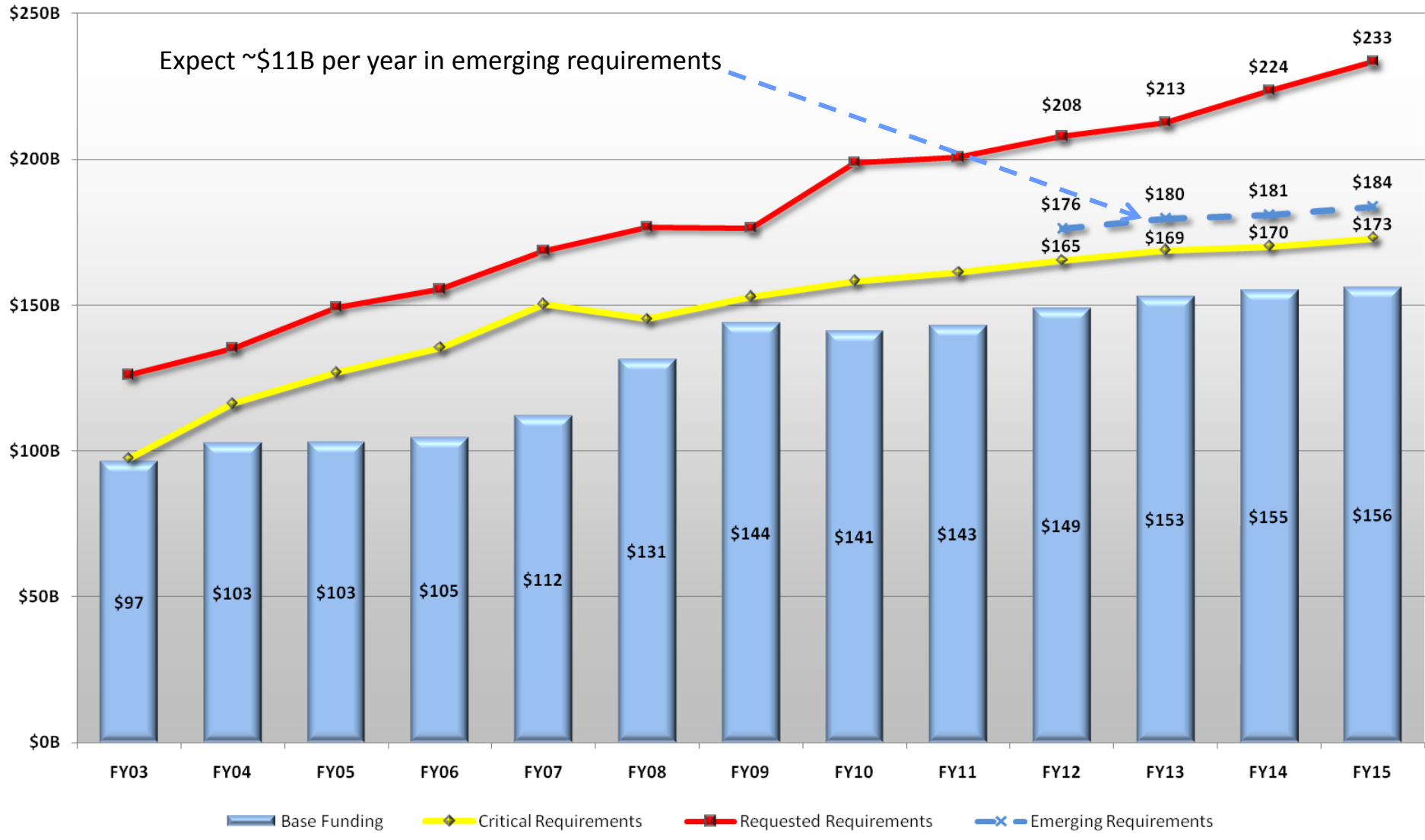


Demand Exceeded Supply Expectations

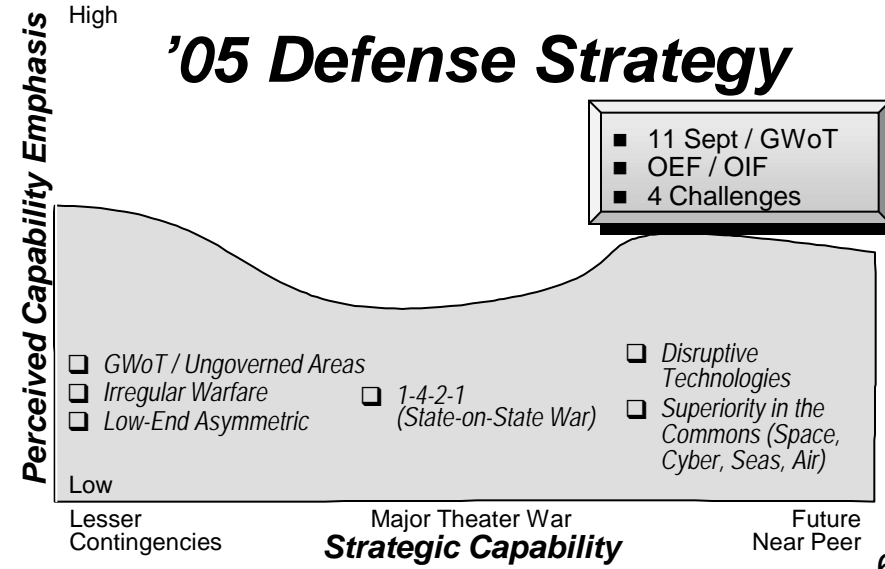
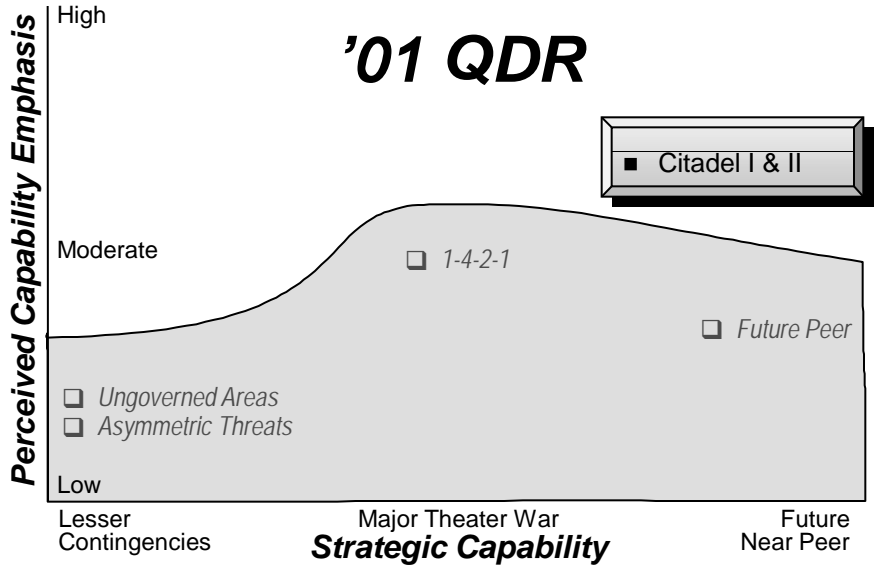
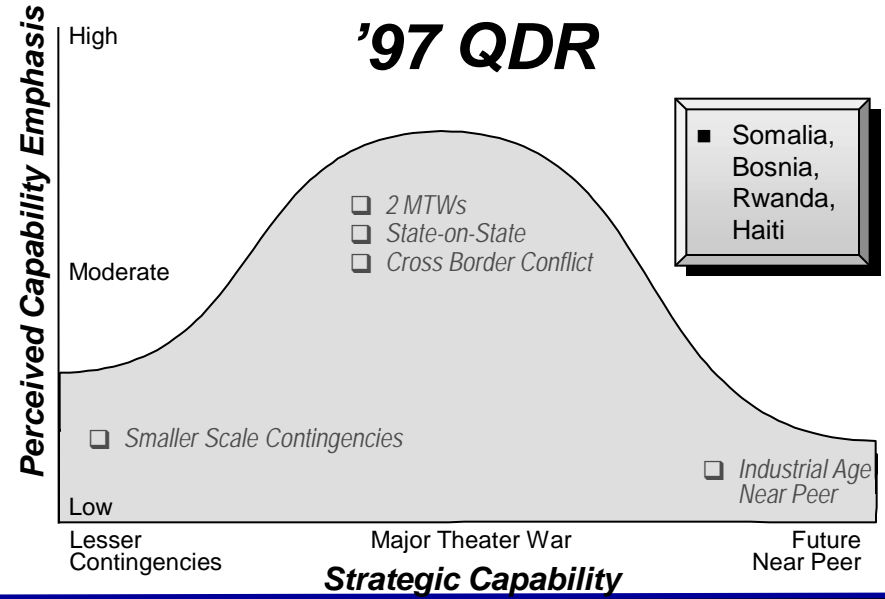
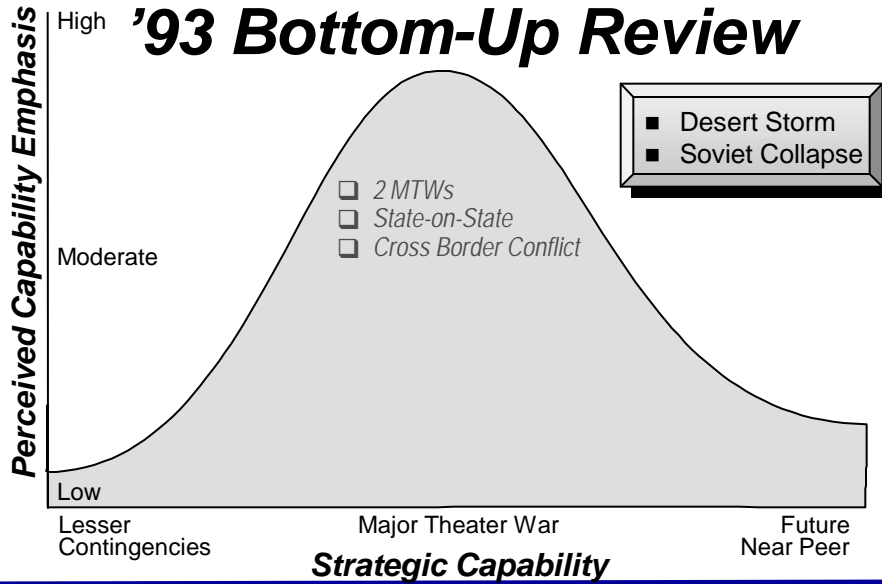


Supply Projections Missed Demand

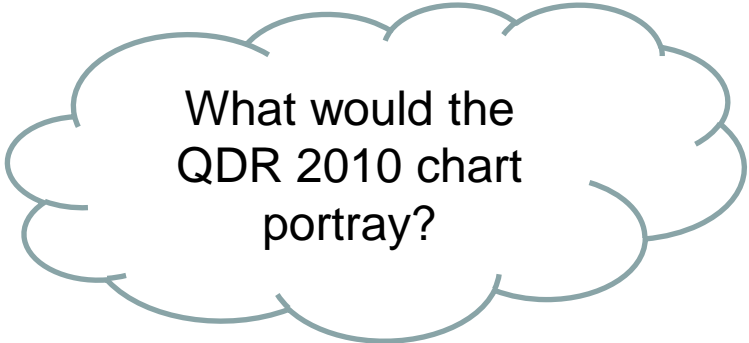
Requirements View Over Time



Demand Exceeds Supply



- Near Term QDR
 - Wartime QDR
 - Priority on current conflicts
 - Broad focus / Broad portfolio
- Supports rotational readiness
- Consolidates resources to create a 12th AC CAB, procures a 13th AC CAB, and converts an HBCT to an SBCT
- Consolidates USCYBERCOM and creates Service component commands for cyber operations



What would the
QDR 2010 chart
portray?

“Our judgment with regard to the overall capacity of the force reflects in part the heavy demands being placed on portions of the force by ongoing operations. As those demands evolve, so too might the appropriate size and mix of forces.”

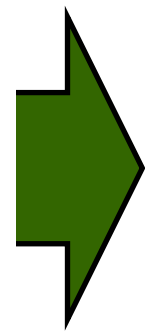
Some Perspective

Pre-2001

POM 12-17

Strategic Inflection Point—"...occurs when the old strategic model dissolves and gives way to the new....a point in time...when fundamentals are about to change." Grove, 1996

Conflict	Episodic	Persistent
Providing Forces	Demand Based	Supply Based
Readiness	Tiered	Cyclic
Reserve Component	Strategic Reserve	Operational Force
Structure	AOE	Modular Force
Operating Concept	AirLand Battle	Full Spectrum Operations
Equipping	Unit	Unit and Pooling
Manning	Individual	Unit
Management	HQDA-Centric	Enterprise



**POM 12-17 transformational?
Yes or No**

**Are we at a strategic
inflection point? Yes or No**

**Answers to these questions
impact the Army narrative for
POM 12-17**

Some Opportunities:

- Opportunity to institutionalize the Army three major initiatives since 2001—Modularity, ARFORGEN, and the RC as an operational force
- Opportunity to continue to gain acceptance of the Army's supply-based ARFORGEN model
- Opportunity to adopt an enterprise approach and reform requirements and resource processes
- Opportunity to restore operational and strategic depth
- Opportunity to meet combatant commander and service-specific requirements while achieving sustainable levels of OPTEMPO and PERSTEMPO across all components

- Today's fiscal realities require a resource-informed and integrated modernization strategy
- Our strategy must be flexible and adaptable to changing missions and requirements
- We must leverage lessons learned from current operations
- We must maximize opportunities to incorporate new and emerging technologies
- Facing an era of persistent conflict, the Army must be able to procure new, upgrade, recapitalize, and divest its equipment in accordance with the ARFORGEN cycle
- A comprehensive Army Modernization Strategy provides a sound foundation for the Army to equip and modernize in a flexible, affordable and sustainable manner

ENDS

- Develop and field affordable and interoperable mix of the best equipment available to allow Soldiers and units to succeed in today's and tomorrow's full spectrum operations

WAYS

- Three major lines of effort :
 1. Develop and field new capabilities to meet capability gaps through traditional and rapid acquisition processes;
 2. Continuously modernize equipment to meet current and future needs through upgraded capabilities, recapitalization, and divestment; and
 3. Field and distribute capabilities in accordance with Army priorities and the ARFORGEN model



MEANS

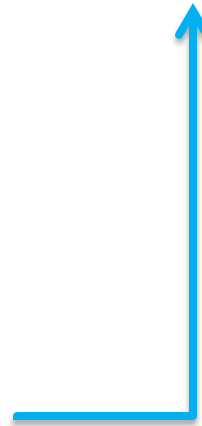
- Predictable fiscal support
- Transparency, fiscal stewardship, and a culture of cost awareness
- Army support, strong industrial base, strategic communication, operational analysis, and leadership

- Army Modernization Strategy Lines of Effort

1. Procure new capabilities
 - BCT Modernization Plan
2. Upgrade / recapitalize existing fleets
3. Distribute capabilities using Army priorities and ARFORGEN

- BCT Modernization Plan Elements

1. Incremental network improvements
2. Development of Capability Packages
3. Incorporation of MRAPs
4. Development of Ground Combat Vehicle
 - Lessons learned
 - Growth potential
 - Cost and sustainability
 - In line with acquisition reform
 - Within 7 years



- The Army is transforming and prioritizing programs and efforts that show the most promise for today and tomorrow.
- The Army Modernization Strategy will ensure our Soldiers receive the best and most modern equipment we can afford—provided as quickly as possible, so they can do their jobs.
- Transforming the generating force maintains focus of providing trained and ready forces to meet combatant commander requirements.
- Significant challenge is predicting requirements and force structure

Questions?