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**Department of Defense News Briefing on the President's Fiscal Year 2018 Defense Budget for the Army**

Press Operations

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STAFF:  (OFF-MIKE) Major General Thomas Horlander, director for Army Budget, will spend about 30 minutes briefing the Army FY2018 Budget Overview. He will take questions afterward and will be moderating the discussion.  Please limit it to one question and one follow up that allows everybody an opportunity to try to get their question in.  So without further ado, General Horlander.

MAJOR GENERAL THOMAS A. HORLANDER:  So good afternoon.  Great to be back here again and see some familiar faces here and I really appreciate the opportunity to present to you the overview of the Army's 2018 budget request.

More importantly, I will tell you I am even more so please to be able to continue to service our great country in uniform as an Army soldier.  So that's always something that inspires me.  I'll take a few minutes here and – in the process of providing an overview of what the Army is doing today.

I'll sketch out the current operating environment.  What our fiscal posture has looked like over the last five to six years and how this request supports the administration’s and the Army leadership’s priorities.

And then of course, I'll spend some time providing a by-appropriation-review of some of the details at the Army's request.  America's Army is increasingly more and more active in worldwide operations across the globe.

I would offer to you that the current pictorial on the slide before you not only represents some of the current operations where Army forces are heavily engaged.  But it should remind us all of the velocity of instability across the world and how this same pictorial will continue to change in the years to come.

This observation alone makes it increasingly clear that the ability to simultaneously conduct decisive action major combat operations while maintaining our counter insurgency competencies for the current fight represent the most demanding challenge that the Army faces.

Properly resourced and trained, a ready Army can perform successfully across this full spectrum of operations.  But it must also continue to advance its capacity and capabilities for tomorrow's conflicts.
Today ground forces remain the most globally committed U.S. military force with more than 180,000 U.S. Army soldiers from the active component, the National Guard and the reserve committed to combat and command missions in over 140 countries worldwide.

America's soldiers directly contribute to our nation's efforts to defeat ISIS, support governance in Afghanistan and deter conflict throughout Europe, Asia, and the Middle East.  This steady demand for trained and ready Army units provides our nation with ability to defeat adversaries, assure our allies and deter potential aggressors.

While this chart depicts current operations, where America's Army is engaged, the next fight could represent an existential strategic challenged posed by peer powers.  Some with nuclear capabilities, advanced technologies and large and more sophisticated militaries.

While it is difficult to define with precision, the character of future war fare, its broad outlines can be anticipated.  We should plan on all domains of war fare being contested, a technologically-sophisticated, and numerically-superior enemy that initially posses positional advantage.

These anticipated attributes of future war fare demand a continued investment, not only in current competencies but the Army's future capacity and capabilities in order to protect America's national security interests both today and tomorrow.

Conducting current operations, sustaining current readiness and making progress towards a more modern, capable and lethal future Army will require predictable and consistent funding year to year.

The Army's FY18 request takes important steps to improve readiness and close some vulnerability gaps, while supporting the groundwork for a future force ready to face the changing threats of tomorrow.

It's valuable to start by looking at the Army's budget over time and providing a little commentary that may inform your views of the Army's current funding request.

As you can see clearly from the chart, the Army's Base Budget has been on the decline since 2012, while inflation during the same time period has averaged between 1 and 2.5 percent.

The recently enacted FY17 Defense Appropriation Act and the FY18 request represents an upturn in the Army's suppressed top-line funding since the implementation of the Budget Control Act, and starts to arrest the Army's readiness decline and sets the conditions for improving the current and future readiness of the force.

The Base Budget, represented on this chart, and as you know is meant to man, train, equip the nation's Army, has been significantly impacted by the Budget Control Act as this optic depicts.

Fortunately, the Army's been able to maintain some current war fighting readiness with the flexibility provided through two Bipartisan Budget agreements and the OCO funding provided by our government.

The market decrease in our Base Funding level over the past few years had forced the Army to mortgage long-term investments for the benefit of near-term readiness.

Likewise, in OCO, not fully represented on this chart, as large contingency operations have become smaller, the Army's OCO Budget has been reduced consistent with the requirements of the contingency operations we are supporting.

As is clearly portrayed on this chart, the funding levels of the recently enacted '17 Budget and this '18 Base request are consistent with the Administration's goals for the U.S. Army to rebuild readiness, reverse end-strength reductions, and prepare for future challenges.

With this FY18 President's Budget submission, the following are some of the main highlights of our request.  First and foremost, the budget has been formulated to provide the combatant commands with the best-trained, and ready land forces that we can generate.

To do that, we must fully fund the counterterrorism and counterinsurgency competencies necessary for the current fight, while also building decisive action capabilities for potential and major combat operations consistent with the threats that some near-peer nation states may pose.

That requires the Army to increase its global responsiveness capabilities and support regional engagements in partnership activities with our allies.

The budget request further sustains a force of 1,018,000 soldiers across the total Army with realistic and specialized training and the best maintained equipment we can provide.

We were able to focus some of our resources on the Army's installations and infrastructure needs to better support the operations and training of the force.  With this budget, we were able to sustain the Army's modernization programs and invest in programs to advance soldier and technological overmatch capabilities.

We do all this while seeking to achieve the highest levels of accountability and stewardship to maximize the purchasing power of the Army's budget.

This budget and those that follow should provide the Army the necessary resources to conduct current operations, improve current readiness, and make progress towards a more modern, capable and lethal future army provided predictable and consistent funding is available in a timely manner and at a funding level commensurate with current and future demands on the force.

The topical discussion that follows highlights both the priorities we use to formulate the budget and the components of this 2018 budget request to achieve senior leader priorities and objectives to achieve the U.S. Army's ultimate goal of remaining the best led, equipped and most ready ground force in the world.

The Army's base budget request is $137.2 billion, an increase of almost $7 billion over the FY17 enacted amount for the base.  As you should observe, with that margin of growth there are notable increases in military pay, O&M, or operations and maintenance, and infrastructure to support the larger in-strength.

This slide represents funding requirements for all three components of the Army, the regular Army, the National Guard and the Army Reserve.  And as a breakout in the aggregate across the major defense appropriations we will talk about each appropriation in more detail on subsequent slides.

However, I take this opportunity to point out at the aggregate level where much of the growth is represented.

The 2017 National Defense Authorization Act reversed the previously planned end-strength decline and authorized a total Army end-strength of 1,018,000 soldiers, a much appreciated start to ensuring the Army has fully-manned formations.

The increase in this FY18 request goes to covering the readiness requirements of that growth, both military pay and funding for training the force.

Additionally, the Army was able to leverage the growth to address recurring readiness shortfalls, primarily in our own in-funded operations in the areas of training and infrastructure.

Only a small portion of the growth remain to apply to our future modernization accounts.  I will walk you through the details in subsequent discussions.

So I'll start with our MILPERs account, this slide provides you a clear picture of Army end-strength and how they remain stable from '17 as the land force requirement could presumably continue to increase the demands on the land force requirement.

Many of you are aware that the U.S. Army in-strength has declined markedly across all three components.  The Army, accordingly, had to reduce its force structure to avoid building a hollow Army.

With the recently authorized increase to the 1,018,000 level, the Army has been able to increase personnel readiness – fill some holes in its formation since some of the necessary force structure changes.

The FY18 budget request maintains this increased in-strength.  The Army will achieve this increase through enlisted and officer accessions and retention.  Funding associated with these necessary retention efforts is represented on the following slide.

Military personnel appropriation accounts for the largest portion of the Army's base budget.  Our request funds a multi-component army of just over a million soldiers and covers pay, allowances, recruiting and retention incentives, permanent change of station moves and man days for some training and the reserve components.

Given our initial in-strength ramp in FY17 and subsequent reversal and full sustainment in '18 of the 1,018,000 force level – you can see that our request is a full $2.8 billion higher than the FY17 enacted amount.

Both the Army's increased end-strength and the rate increases in our soldier's base of pay, housing allowance and subsistence account for this growth.

I will now transition to the Army's operation and maintenance appropriations.  I mentioned earlier, this is one area where we are requesting growth from the current year's budget.  Starting with the regular Army, the 2018 budget request totals $38.9 billion, and seeks to resource a more balanced readiness across the force.  This readiness is more than being prepared for current day contingency operations, but includes readiness for decisive action missions, with the capability to conduct major combat operations.

This fuller spectrum of readiness is reflected in the Army's 19 combat training center rotations, for which we are seeking funding.  These rotations are focused on decisive action training for both regular Army and reserve components.

The Army's request also provides for critical funding for regional engagement activities with our allies, and strategic partners for training missions, such as Pacific pathways, of which some of you are familiar with.  This request will cover the sustainment of the Army's equipment, and represents a small increase in depot maintenance to help bring our equipment to a greater level of repair, and by enhancing Army preposition stocks that will improve global responsive capabilities.

This request strongly supports base operations support requirements on the Army's 74 major installations, funding it at a 98 percent – at 98 percent of the critical requirement.  Fortunately, we were also able to increase facility sustainment funding from 67 percent of the critical requirement of last year, to 75 percent for this –s for this year.

These funding levels are consistent across all three Army components, and while they represent an improvement over recent years, we still assume risk across our installations.  There's a large amount of backlog maintenance still exists across the force.

The Army's 2018 budget request supports a $10.2 billion O&M requirement for the Army National Guard, and U.S. Army Reserve.  For the Army National Guard, its 2018 O&M request is also not only higher than its 2017 funding level; consistent with the regular Army, it seeks to restore readiness and base operations support, as well as provide funding to continue supporting family and social programs that promote the wellbeing of the Army's most valuable asset, our people.

For the U.S. Army Reserve, their $2.9 billion O&M budget request supports 77 functional brigades.  Its three installations, over 840 reserve centers, and the professional education and specialized skills training for its 199,000 soldiers.

Having spent a few minutes discussing Army near-term readiness and manning the force, let's now transition to Army modernization.

The Army's FY-18 research, development and acquisition budget request of $26.8 billion represents an increase of $600 million from the FY-17 enacted level.  That's an enacted level that includes a pretty sizable uptick because of the amendment that was recently included in the FY-17 Appropriation Act.  However, I would say that the majority of this increase is more so in research, development, testing, and evaluation than it is in the procurement accounts, as you'll see.

This budget request represents the modernization priorities that we must pursue in order to advance material solutions that enable the Army to retain our advantage against advanced adversaries, and to address a broader range of potential threats.  This request prioritizes the requirements necessary to deter, and if required, defeat near-peer adversaries.  The Army is accepting risks in developing of new capabilities in order to prioritizing incremental upgrades of our grounded air systems so that we can put in the hands of our soldiers in the near term a greater and more lethal capability.

In the upper right hand quadrant of the chart, you will see a list of the Army's top 10 modernization priorities.  And, I'm going to break script here, this is a really important list here that as I go through the remainder of this briefing, you're going to see me kind of go in order here based upon these top 10 priorities.

But, these are really important as you try to understand how we made some choices across our modernization portfolios.  These were developed as a result of the Strategic Portfolio Analysis Review process to prioritize limited modernization funding in order to balance near term readiness requirements against long term force development.

We call this the SPAR.  The SPAR process allows Army leaders to review and address our most critical capability gaps in order to make informed decisions within the existing resources.  In the next two charts, I will highlight how our budget requests supports these priorities.

The lower right pie chart shows the Army's 11 largest equipment portfolios.  What I'd ask you to take away from this is that the Army requires a broad, comprehensive set of modernization efforts in order to successfully execute the diverse missions the combatant commanders require.

So, let me transition to the procurement portion of our research development and acquisition or our modernization portfolios.  Our FY18 request of $17.4 billion is consistent with what we saw in 18 if not just slightly below that – 17 excuse me.

As mentioned in the previous slide in this budget request the Army has focused its modernization efforts within the 10 priority areas.  These priorities will ensure we allocate resources to sustain and upgrade the most important weapon systems, munitions and other critical equipment our units required for a near-peer fight.

I will now highlight – I will now provide highlights for these 10 priorities.  Starting with air and missile defense, the air and missile defense and the long range fires represent the Army's most urgent and pressing capability needs.

Given the possibility of confronting a force with substantial Anti-Access and Arial Denial capabilities the Army needs to advance its short range air defense and long range fire capabilities.

This budget requests includes funding for several critical air and missile defense systems to include procurement and installation of 131 PATRIOT modification kits and the investment in the Avenger surface to air missile systems supports and interim modernization plans.

In the area of long range fires to improve our ability to respond effectively to surface to surface fires for cannon and rocket artillery and missiles, this budget request includes funding for three of the Army's most critical fire system.  The surface life extension of 121 expired ATACMS missiles adding another 10 years of service life to them.

The procurement of 6,000 guided Multiple Launch Rocket Systems and the continued low rate initial production of 93 PATRIOT missile segment enhancements.  The budget accounts for both the Army's operational and training munitions requirements.

Consistent with the efforts to increase our inventory of munitions in 2017, the 2018 request will help ensure the availability of critical munitions for the combatant commands.

Three areas to highlight include the increased production of over 88,000 unguided Hydra 70 rockets, 480 rounds of war reserve inventory replenishment for the Excalibur, and the modernization of ammunition industrial facilities to improve munition production, replace depleted stocks and create capacity for increased future demand.  For example, the Army's pursuing a multiyear effort to improve the Holston Army Ammunition Plant in Tennessee, which will benefit all of the Armed Services.

In the area of mobility, lethality and protection of our maneuver formations, the Army has developed a combat vehicle modernization strategy for the Abrams, Stryker, Bradley, Armored Multi-Purpose Vehicle, or the AMPV, and the Howitzer fleets.  This includes upgrades to both the Bradley and Abrams platforms, and procurement of 42 low-rate initial production AMPVs.

Additionally, for the Paladin Integrated Management System, the request procures full-rate production of 59 sets comprised of the self-propelled Howitzer and the tracked ammunition carrier.  The request procures commercially available accu-protective systems for the Abrams tanks for the installation of vehicles within our armored brigade combat team in Europe.

On today's battlefield, the Army requires a greater ability to conduct electronic warfare against its near-peer adversaries, and requires an electronic warfare capability of brigade level and below.  The Army's needs for EW are primarily funded with RDT&E dollars.  However, this request does include some other procurement funding to support the integration of the Profit system on Stryker and MRAP vehicles.

The Army is committed to eliminating network infrastructure capability gaps within the next 24 months, and will procure new systems, when possible, to support network modernization.  These include the Joint Battle Command Platform, and the Warfighter Information Network Tactical, which will enable more secured communications from company to corps level.

The budget request sustains the Army's aviation portfolio capacity and capability to address near-term threats and improve overall aircraft survivability by procuring AH-64s, [CH-]60s and [CH-]47 aircraft.  With AH-64 Echo Apache, this request procures 13 new builds.  And it also funds – provides advanced procurement and full-rate production 48 reman[ufactured] aircraft, excuse me.  The UH-60M Black Hawk's funding will procure 48 reman[ufactured] aircraft.  And the request for the CH-47 Chinook funding will procure four G-model and two F-model new builds.

So, now let me transition to RDT&E.  Our Research, Development, Testing and Evaluation appropriation for the Army is requesting a $9.4 billion request.  And as you can see, that's about $1 billion above what was enacted in FY17.  This enables the Army to prioritize the incremental upgrade of existing systems over new starts so that we can put technologically-advanced equipment and more lethal weaponry in the hands of soldiers sooner.

The FY18 request includes $2.4 billion for science and technology funding for weapons and munitions advanced technology, which will demonstrate a mobile high-energy laser system to defeat multiple threats at the tactical range.  It will fund advances in combat vehicles, and automotive technology which will inform the next generation of combat platforms.  And, it funds aviation advanced technology efforts, which will provide transformational capabilities and component technologies for future vertical lift.

Turning toward engineering manufacturing development efforts, here are some important focus areas within the top 10 priorities that we described.  In the area of integrated air and missile defense, again, our number one priority for air and missile defense for the tactical forces in a contested environment.  Within the RDT&E portfolio, we are investing in the Stinger Product – the Stinger Product Improvement Program, the PATRIOT Product Improvement Program to continue software improvements, and the ongoing risk-reduction tests, limited-user tests, and upgrades to existing assets to support developmental testing at White Sands Missile Range in New Mexico.

To advance the Army's long-range fires capability, we're investing RDT&E funds to increase the range, volume of fire, and the precisions in guidance of our cannon and missile systems, and to further enable precision fires in a GPS-denied environment.  This includes a next generation common low drag guided hyper velocity cannon artillery projectile capable on multiple missions across different artillery systems.  It includes an ATACMS product improvement program that focuses on safety, cost reductions, reliability, deficiency corrections, standardization, and a new improved operational capability.

To improve mobility, lethality and protection of vehicles and weapon systems, we are pursuing cost-effective replacements of obsolete vehicles and improvements of proven platforms.  These leading efforts in this area are prototyping and system-level testing of the AMPV, a third generation forward-looking infrared and ammunition data link for advance multiple purpose rounds for both the Abrams tank and the Bradley fighting vehicle – vehicle, excuse me.

Our commercial and military Global Positioning Systems are susceptible to jamming and spoofing.  The Army requires both standalone and imbedded capabilities to ground-and-air platforms, communications, weapon systems, and munitions to combat this threat.  And the assured positioning, navigation and timing can provide these capabilities.

In the area of electronic warfare, I covered previously when I spoke about the procurement portion of our portfolio.  But in the area of electronic warfare, any response to the U.S. Army Europe's operational needs, we will provide planning capabilities to coordinate, manage, and de-conflict the use of electromagnetic spectrum and synchronized spectrum operations.

The new – the newly established Rapid Capabilities Office is working with program managers and other stakeholders to rapidly deliver an integrated electronic warfare capability to the tactical force and accelerate the development of assured P&T capabilities as well to enable ground maneuver in a GPS-denied environment.

Defensive cyber operations enables global, regional, and local cyberspace defenders to conduct mission planning and protection measures.  In the area of cyber, our RDT&E efforts are centered on the persistence cyber training environment, program that supports cyber training ranges for both initial and unit-level training, proficiency, and certification.

In this final RDT&E priority category of vertical lift, we are continuing to improve the Turbine Engine Program, the Chinook Product Improvement Program, and the Apache Product Improvement Program that continues the development of the AH-64E capability version six configuration.

This chart lists programs valued at greater than $200 million that represent the Army's major investments and the top 10 modernization priorities with the requested procurement quantities for each.  So, I – I'll leave that for your study.  But, I just wanted to give you an appreciation for some of the – the – the procurement quantities here.

So, let me transition to our facilities.  One of the key – one of the keys to readiness is installation readiness and investing in the Army's infrastructure.

I discussed previously during the O&M portion of this briefing, the Army's investment in the restoration and modernization of its existing facilities.  The Army's MILCON, or new construction, continues to be funded at a comparatively low level, although markedly more than last year.  As you can see, there is growth in the FY18 level, compared FY16 and '17, but it is still one of the smallest MILCON budgets in recent years, as the Army will fund 37 construction projects, totaling $1.2 billion with this request.

In the Army family housing account, which totals $529 million, there is some growth, primarily to support an additional six projects, totaling $183 million at various locations.

And lastly, the Army's FY18 BRAC funding supports environmental cleanup, restoration, and conveyance of excess properties at previously BRAC locations.

Within the Army's budget request are several requirements that are managed and funded separately, outside the main appropriations.  This year's request includes almost $71 million for the Arlington National Cemetery.  This goes to funding its day-to-day operations, and there are 29 restoration and modernization projects for this, for the Arlington National Cemetery.

The Army is also requesting $962 million for the Congressionally-mandated Chemical Demilitarization Program.  FY18 funds support continued plan operations in both Pueblo, Colorado, and Bluegrass, Kentucky.

As many of you are aware, the Army's been managing large overseas contingency operation budgets since – since 2001.  This has been an account that has ebbed and flowed as contingency operations have expanded and contracted over time.  The Army's 2018 OCO budget request represents requirements in military personnel, operations and maintenance, and research, development and acquisition.  This year's multicomponent request totals $28.9 billion.  The 2018 OCO request supports Operation Freedom Sentinel, and the CENTCOM AOR; Operation Spartan Shield; Operation Inherent Resolve in Iraq; the European Reassurance Initiative in Europe; and the request also includes $4.9 billion for the Afghan Security Force fund; and $1.8 million for the Counter-ISIL Train and Equip requirements.  This is a fund that now replaces both the Iraq and the Syria Train and Equip fund.  The $2.9 billion MILPERs portion of this OCO request primarily supports mobilized reserve component soldiers, and maintains the current in-strength levels in Afghanistan and Iraq.  So I know there was some discussion – in the previous, with – with Mr. Roth and General Ierardi up here.  Right now, this – this request just covers what is currently authorized, and we have there in theater.

The operations and maintenance portion represents almost two thirds of the Army's OCO request, and supports theater operations in support, transportation, force protection, support contracts, mobilization requirements, and resetting of equipment returning from theater.  And a smaller portion of the request in our procurement accounts is for replacement of battle losses, ammunition consumption, and pre-positioned stops in Europe, so in support of ERI.

So I'd like to take a moment, because ERI has become such a – a pretty sizable portion of the OCO request, so I provided you a pictorial there.  But this '18 request represents about $3.2 billion to continue investing in the European Reassurance Initiative, of course, demonstrating the United States is resolved in commitment to the territorial integrity of the 28 NATO member nations.

The request – excuse me, the request increases Army's presence in Europe by rotating a full armor brigade combat team, a combat aviation brigade minus a divisional mission command element and its key supporting enablers.  Additionally, the Army is enhancing European posture by continuing preposition equipping efforts that were started in FY17 to eventually achieve and end state of two full ABCTs at division headquarters and key enabler equipment sets.

These prepositioned equipment sets increase the Army's strategic mobility and reduce U.S. response time in the event of a contingency operation.  The Army is also resourcing additional European training exercises aimed at demonstrating U.S. capabilities to deploy combat power to Europe on short notice and seamless integration operational capabilities with our NATO partners.

As you can see from this request, the budget addresses a vast complexity of requirements needed to restore and rebuild America's Army for today and tomorrow's missions.  It represents a balance between the size of the force, the current readiness requirements, and the necessary investment in modernization to ensure our army remains the premiere ground force of the future capable of protecting the national security interests of our country.

Ladies and gentlemen, your army's FY '18 request seeks to satisfy the objectives and the themes laid out previously in this briefing and restated on this final slide.  I thank you for your attention and I welcome your questions at this time.

Q:  You mentioned you're moving kind of towards updating legacy platforms and away from new starts.  Is that the ground mobility vehicle and mobile protected firepower vehicles, last year were new starts that were supposed, I guess, priorities for infantry brigades.  Are those gone now, has that been terminated?

GEN. HORLANDER:  No, no, no.  They're not gone, they're just not a new start any more for this year so there is some funding for those.

Q:  So it sounds like you're focusing a bit on at least the things you mentioned, updating armor brigades as opposed to anything else.  Is that fair?

GEN. HORLANDER:  Well, it's consistent with, you know, not just maintaining the counterterrorism and counterinsurgency competencies that we have but we really need to have a more robust capability for a major force on force combat operation with near peer competitors and those that have some pretty sizable armor formation.

Q:  Thank you, General.  Aviation programs, I mean there's a little bit of a cut in a few of the programs.  Was that necessary to fund the – the other priorities like air defense and munitions?

GEN. HORLANDER:  So you're absolutely right, there was a balance and a balance that was meant to satisfy in priority order those top 10 priorities so, you know, our aviation portfolio is one of the biggest of our entire modernization program.  I think it accounts for about 25 percent so yes, when, you know, we were balancing between all of these – the complexity of all these different priorities, so there were certainly a couple of things there that we chose to find as opposed to more aviation capabilities.

Q:  As far as the priorities in general, I know that the leadership always says that the size of the force is not as important as how trained and – how well-trained and equipped they are.  So at what point do you have to stop growing the size of the Army to be able to get the resources to train and equip the forces?

GEN. HORLANDER:  So, I would tell you, you should ask that question probably after we complete the strategic readiness review that's ongoing.  I believe we'll have some better information on what the true size of the force needs to be once we complete that and I understand that'll be probably later in the summer when we actually have that.  Yes sir.  I'll get everybody, I promise.

Yes sir?

Q:  Scott Maucione, Federal News Radio.  Where does the readiness money at this point get you to where – to fulfill your needs?  You know, I mean obviously this readiness is not a -the motif through this, it's not a one year thing.  So where does this get you to, could more money get you somewhere else, or is this what you've been just doing here?

GEN. HORLANDER:  So, more money could do better for us.  However, I would tell you it is not just money.  Its – its time; so it takes a lot of time to – because readiness is – is very much an accumulative dynamic, right accumulative dynamic.  What we more need than anything else is to have a consistent funding from year to year at a level that is consistent with the readiness we're trying to achieve.  So right now, if we continue to perpetuate this – this funding level over a continuum of time, then we'll be able to achieve the level of readiness that we're trying to get to by 2021, '22 timeframe.

STAFF:  Sir?

Q:  Yes, Dan Parsons with Defense Daily.  If your goal is to increase the armor capabilities of your brigades for a peer on peer fight, why the reduction in Abrams mods from 60 to 20?  Is that because availability of platforms, or is that a true reduction?

GEN. HORLANDER:  So, I'll have to get to you.  We – but I'll have to get back to you on that – on that specific answer, OK?  Yes, ma'am.

Q:  I wanted to as what the total dollar amount might be for funding the two security force assist brigades that are mentioned?  I saw a line item that mentioned the $848 million for combat and command support, so I wondered if that might it, or – or where to find the...

GEN. HORLANDER:  So, that – that – that's not it.  So, these two SFABs are a list – are a little over 1,000 people, so basically when you talk about a – a SFAB brigade, or two of them, you're basically just talking about the pay and entitlements and – of – of the – of the individuals.  There's not a sizable amount of equipping or anything that is associated with build SFAB right now.

Q:  Do you know if you have the total dollar amount...

GEN. HORLANDER:  I do.  I had it with me earlier today.  I'll get it for you at the end of this briefing.

Q:  Is there a plan in the POM potentially to create more of these brigades or do you...

GEN. HORLANDER:  So we – we've had a lot of dialog about that.  I will tell you that I think – once again, we need to wait until the Department of Defense finishes its strategic readiness review before we can talk about anything beyond what's actually in the FY18 budget request right now.

Q:  And just quick point of clarification, you – you had said that the Iraq train and equip fund was zeroed out; it basically moved to...

(CROSSTALK)

GEN. HORLANDER:  Both that and the Syria train and equip fund.

Q:  So that's now lumped as well.

GEN. HORLANDER:  It's all lumped into one.  Yes sir?

Q: Yeah hi, James Drew from Aviation Week.  The Lakota – the – it attracts about, I think $100 million or so in the – in the procurement budget.  Are you able to say how many aircraft that buys and maybe what the Army's strategy is going forward for that light utility helicopter program?

GEN. HORLANDER:  I – I – I can get you the exact number.  The number 19 comes to mind but I'm not – don't – don't take that as a bona fide certainty right now.

Q:  Over and above the original report that – that the Army originally had.  So you're continuing to buy Lakotas going forward?

GEN. HORLANDER:  We – I think – I think there is a move afoot here to buy more than we'd initially projected to – to – to acquire.

You had – Courtney, you had a question?

Q:  Yes, I'm just wondering what the rationale is for placing so much of the vehicle funding in the OCO account, particularly if Bradley – if all the Bradley mod funding is there, along with a substantial share of the Abrams upgrades.

GEN. HORLANDER:  So – because our – our – our primary focus is for the Brads and the Abrams, there in Europe and building out to – to ABCTs.  So putting it – putting it there is probably the right – the right place to put it, because it's going to initially be applies to those – those fleets.

Q:  So those will be applied to APS in Europe – for Europe as opposed to going into units that (inaudible) in or?

GEN. HORLANDER:  So I think it initially yes, it'll go towards the – the – the ABCTs there in Europe.  I'll get you – probably need to look a little deeper into that before – to give you a more complete answer.  But right now, I know that's where the priority is.

STAFF:  General, this will be your last question.

GEN. HORLANDER:  OK.  Yes sir.

Q:  Could you talk a little bit about, what was the bill, what's the in the ‘18 budget to grow the Army – Congress directed to grow by 50 grand – 50,000 I guess, 26 in the active.  What's the bill this year and what's the bill it in the FYDP?  Dollar for – I mean, how much more does the Army have to get to sustain the – the growth in this year?

GEN. HORLANDER:  So to grow – to grow the Army – as – as – as you're well aware, we were in a – we were in pretty – well we were going to down to 450, 476.  And so right now, the fully burden cost we projected to be about $2.8 billion for the entire 26,000 that you're referring to.  That – that include the training money, the installation support, and the – that was what we costed out to be.

Q:  18 – And is that annual within...

(CROSSTALK)

GEN. HORLANDER:  So, we – we'll – obviously we'll have to have an increased – or a – a – funding level commensurate with growth in – in the continued years.  So I don't see it – it won't grow more.  But it'll – certainly to sustain that level, we have to have that – that – that increased amount of money.

Q:  Because that's the bill going forward that you're going to have to keep – you're going to have to pay for in the budget, in future year budgets.  That roughly 2.8 billion.

GEN. HORLANDER:  Yes.

Q:  OK.  On the AM – the AMPV, the AMPV, is the plan still to accelerate about 65 of those to Europe as part of the European insurance...

GEN. HORLANDER:  There is – yes, there is an acceleration component in this – in this request for '18.  I don't know if it's exactly 65 but I think you got the number right.

Q:  And you say from, you know, from X 2020 to 28 – '19 or you know, or you know, what day your acceleration is or...

GEN. HORLANDER:  So let me double check.  I think – I think it was a one year acceleration increment.  But let me – let me double check on that for you.

STAFF:  All right.  Ladies and gentlemen, thank you for coming.

If you have follow up questions, please see Mr. Wayne Hall, and he will work those for you to get back to General Horlander.

Thank you.

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