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ARMY AND MARINE CORPS RESET STRATEGIES FOR GROUND EQUIPMENT AND ROTORCRAFT

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
ONE HUNDRED NINTH CONGRESS
SECOND SESSION

HEARING HELD
JUNE 27, 2006

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CONTENTS

CHRONOLOGICAL LIST OF HEARINGS

2006

	Page
HEARING:	
Tuesday, June 27, 2006, Army and Marine Corps Reset Strategies for Ground Equipment and Rotorcraft	1
APPENDIX:	
Tuesday, June 27, 2006	43

TUESDAY, JUNE 27, 2006

ARMY AND MARINE CORPS RESET STRATEGIES FOR GROUND EQUIPMENT AND ROTORCRAFT

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Hunter, Hon. Duncan, a Representative from California, Chairman, Committee on Armed Services	1
Skelton, Hon. Ike, a Representative from Missouri, Ranking Member, Committee on Armed Services	2

WITNESSES

Hagee, Gen. Michael W., Commandant of the Marine Corps, U.S. Marine Corps	7
Schoomaker, Gen. Peter J., Chief of Staff, U.S. Army	4

APPENDIX

PREPARED STATEMENTS:	
Hagee, Gen. Michael W.	50
Schoomaker, Gen. Peter J.	57
Weldon Hon. Curt	47
DOCUMENTS SUBMITTED FOR THE RECORD:	
[There were no Documents submitted.]	
QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD:	
Ms. Bordallo	67
Mr. Shuster	67
Mr. Taylor	67

ARMY AND MARINE CORPS RESET STRATEGIES FOR GROUND EQUIPMENT AND ROTORCRAFT

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, DC, Tuesday, June 27, 2006.

The committee met, pursuant to call, at 2 p.m., in room 2118, Rayburn House Office Building, Hon. Duncan Hunter (chairman of the committee) presiding.

OPENING STATEMENT OF HON. DUNCAN HUNTER, A REPRESENTATIVE FROM CALIFORNIA, CHAIRMAN, COMMITTEE ON ARMED SERVICES

The CHAIRMAN. The committee will come to order.

Today, the Armed Services Committee meets to receive testimony on how the Army and Marine Corps plan to fund equipment reset on military equipment coming back from Iraq and Afghanistan. This process includes maintenance, recapitalization, and replacement of a majority of the mission-capable equipment belonging to the two services.

After we follow the adjournment of this open portion of the hearing, the committee will meet in 2212 for a classified briefing on equipment reset; and at that point, we will be able to talk about a few things off camera that relate to this subject.

Operation Iraqi Freedom and Operation Enduring Freedom have placed severe demands on ground and aviation equipment supporting our Army and Marine Corps forces; and, therefore, resetting the force is an essential element in maintaining our ability to conduct this war, as well as preparing for any future threats.

We have got a panel of two very distinguished witnesses with us today, who are going to discuss how equipment reset is currently managed, what will be necessary to fully accomplish reset now and in the future, and what funding the services will require. And, of course, we use this term "reset" to basically mean "get ready for the next contingency."

And we know we are going to have one, and we don't want to have the legacy of the operations in Afghanistan and Iraq be that we wore out our equipment and didn't replace it. So at this critical juncture in this conflict in these two warfighting theaters, I think it is appropriate that we figure out how we are going to get ready; how we are going to replace this, in some cases, heavily worn equipment and, in other cases, more lightly worn equipment, but get ready for the next one. Being ready is the key, and we don't want the legacy of these operations to be that we wore out the platforms and didn't replace them or didn't repair them.

So we know that you folks have to dedicate sufficient priority and resources to reset despite the fact that you have got current budgetary pressures and ongoing requirements. I look forward to the witnesses' testimony and the discussion that will follow, and I am sure that we are going to learn a lot about this very crucial issue. And it is one that is going to require, I think, some pressure from you folks and some understanding and cooperation from the White House and from the Office of Management and Budget (OMB).

In my estimation, this isn't the type of an exercise that requires an obligatory net down as the Marine Corps and the Army give their evaluation on what it is going to take to reset the forces, to move that number to OMB and have them shave that number and cut that number back without hard evidence to justify why it should be less than the number that you folks give them.

So this is going to require, I think, the cooperation of OMB, it is going to require some push from you, and I think it is going to require some work on our part.

So, gentlemen, thank you for being with us today. And I don't have to introduce these two gentlemen to the committee, but they are Peter J. Schoomaker, the Chief of Staff of the United States Army; and General Michael W. Hagee, the Commandant of the United States Marine Corps.

Thank you for being with us.

And before we take off, let me turn to my colleague, Mr. Skelton, for any remarks he would like to make.

STATEMENT OF HON. IKE SKELTON, A REPRESENTATIVE FROM MISSOURI, RANKING MEMBER, COMMITTEE ON ARMED SERVICES

Mr. SKELTON. Mr. Chairman, thank you very much.

General Schoomaker, General Hagee, welcome back.

Mr. Chairman, before I make my remarks about the readiness of the Army and Marine Corps equipment, I would like to share my thoughts on the recently released information of a possible plan for troop redeployment from Iraq.

Let me say that I am incensed that General Casey's recommendation to the President and Secretary Rumsfeld for possible force redeployment in the coming months were leaked by someone obviously in the administration to the New York Times. The options presented to the President for a successful operation end should not be on the front page of a major paper. Such a leak does not benefit the considered deliberation of military operations; it can only serve a political purpose. And we Members of Congress in overseeing the Department of Defense should have been kept informed of our senior military commanders' best thinking and administration decisions in the appropriate forum.

That said, Mr. Chairman, I am pleased to hear that the Iraqi and the American people may begin to see a correlation between the increasing numbers and capability of Iraqi battalions on the one hand and some reduction in the American combat power on the other. This, I have suggested for some time.

This apparent consideration of options could not come at a better time, considering the poor readiness posture of the Army and Ma-

rine Corps equipment. Over the last several years, we have seen readiness rates plummet as the operations tempo in Iraq has climbed. Readiness rates for equipment have fallen so far that I fear they now present a strategic risk to respond to contingencies we may face beyond our current commitments in Iraq and in Afghanistan.

Nearly 40 percent of the Army and Marine Corps ground equipment is deployed to the Central Command theater. That equipment is suffering terribly due to battle losses and damage, increased operations and, of course, the harsh climate.

Since the start of the war, the Army has bought over 1,000 wheeled vehicles and nearly 100 armored vehicles. Increased usage and the weight from extra armor are wearing out equipment in Iraq up to nine times the peacetime rate. That means that some equipment has had the equivalent of 27 years' worth of wear since the start of the war in Iraq.

To keep this equipment serviceable, the Army and Marines have had to expend extraordinary effort. To their credit, the readiness rates for equipment deployed to Central Command remain high, with spare equipment and repair parts flowing quickly to the fight.

Unfortunately, theater readiness has come at the expense of equipment here in the continental United States, or CONUS. Readiness reporting from nondeployed Army units shows that equipment readiness continues to fall with very few CONUS units rated as fully mission capable. These low mission-capable rates disturb me greatly, as they are an indicator of a military under great stress.

Nondeployed units are our strategic base. They are the units we will call if a crisis emerges that requires United States military intervention. Looking at these readiness rates, I truly wonder if these units will be able to answer if the call comes.

The cost of all this repair and maintenance is enormous. With the Army spending $13.5 billion in 2006 alone, as General Schoomaker's testimony will point out and as reported in today's Washington Post, the Army will require a stunning $17 billion next year for reset.

Even more disturbing is that the largest bill for reset will not come due until after combat operations end, when the Army and Marine Corps are fully able to repair and replace their ground equipment and rotary aircraft. At that point, future budget pressure may make it difficult to afford the reset, leaving us with significant shortfalls of equipment to fill a transforming military.

This Congress has the responsibility to provide for our force, for the battles they are in today and those they may fight tomorrow. To do that and to budget responsibly, we must know the true and full cost of the bill that will come due.

Mr. Chairman, the Army and Marine Corps have been involved in prolonged combat under the harshest of conditions. This combat has taken an enormous toll on troops and, of course, on their equipment. We have a strategic interest in Iraq, but we may have strategic interests around the world that we must be prepared to defend or deter or fight. We cannot afford to allow the war in Iraq to destroy our ability to fight and win in other contingencies, should they arise.

Our Army and Marine Corps must have what they need to fight and win. We must understand what it will take to provide our forces what they need, what the costs are, and over what time horizon.

These are tough questions, Mr. Chairman. Our future security, however, rests on them. Thank you.

The CHAIRMAN. I thank the gentleman.

And, gentlemen, thank you for being with us today.

I might comment to my colleague that the plans that are being developed, that are now coming forth on the handoff of forces and the security burden in Iraq, are appropriately a function of the judgment of the combat commanders on the ground in Iraq and not the judgment of a Senator from Wisconsin or a Congressman from California. That is the way it should be. And we are meeting today to do exactly what the gentleman stated, which is to ascertain what it is going to take to reset these forces and make sure that we are maintaining a ready Army and a ready Marine Corps.

So General Schoomaker, General Hagee thanks again. It looks like you have got a full backup team there.

General Schoomaker, why don't you tell us what you need.

STATEMENT OF GEN. PETER J. SCHOOMAKER, CHIEF OF STAFF, U.S. ARMY

General SCHOOMAKER. Mr. Chairman, thank you very much.

The CHAIRMAN. And, without objection, your statement will be taken in the record in full, as will General Hagee's, so feel free to summarize.

General SCHOOMAKER. Thank you very much.

And, Congressman Skelton, thank you and the distinguished members of the committee.

Normally, when I testify here, I am very brief as an opening statement, but I am going to be a little bit more lengthy right now, because I want to make sure that we get everything into the context of what we are talking about.

America's Army remains at war, and we will be fighting this war for the foreseeable future. This is not just the Army's war. Yet, in light of the scale of our commitment, we bear the majority of the burden, serving side by side with the Marines and our other sister services and Coalition partners.

To prevail in the long struggle in which we are now engaged, we must maintain our readiness by resetting those who have deployed through a disciplined, orderly reconstitution of combat power. Our soldiers' effectiveness depends upon a national commitment to recruit, train, equip, and support them properly. This commitment must be underwritten by consistent investment.

Historically, as I have testified here on many occasions, the Army has been underresourced, and it is a fact that the decade preceding the attacks of September 11, 2001, was no exception. Army investment accounts were underfunded by approximately $100 billion and 500,000 soldiers, active, guard, and reserve, were reduced from the total Army end strength.

There were about $56 billion in equipment shortages at the opening of the ground campaign in Iraq in the spring of 2003. In contrast, at the height of the Second World War, defense expenditures

exceeded 38 percent of the gross domestic product. Today, they amount to about 3.8 percent, and are projected to shrink.

We are going the direction of our North Atlantic Treaty Organization (NATO) allies. In this extraordinarily dangerous time for the Nation, we can and must reverse this trend.

Today, I am here to discuss the magnitude of the Army's reset challenge and our strategy for resourcing this critical requirement. Our plan will enable us to properly reset our Army while supporting our strategy to transform, to modernize, and to realign our entire global force posture and infrastructure to deal with the challenges we will face as required by the 2006 Quadrennial Defense Review.

For the last 5 years, a period longer than World War II, the Army has had as many as 18 to 20 brigade combat teams deployed on a rotational basis in combat conditions. When you count the military and police training transition teams, base security forces which are in addition to the brigade combat teams, the Army currently has nearly 35 brigades' worth of soldiers, leaders, and equipment deployed in our current theater of operations, more than our estimates over the past 2 years.

Supporting these combat arms formations are an additional group, a substantial number of command and control organizations, for instance, the Multinational Force-Iraq, the Multinational Corps-Iraq, the Combined Forces Command-Afghanistan, et cetera, and a large and complex foundation of combat support and combat service support to furnish the entire theater level operational fires, intelligence, engineering, logistics, and other forms of support for joint and Army forces.

This sustained strategic demand has placed a tremendous strain on the Army's people and equipment which have been employed in the harsh operating environments of Iraq and Afghanistan. In Operation Iraqi Freedom, for example, crews are driving tanks in excess of 4,000 miles a year, five times more than programmed annual usage rate of 800 miles.

Army helicopters are experiencing usage rates roughly two to three times programmed rates. Our truck fleet is experiencing some of the most pronounced problems of excessive wear, operating at five to six times programmed rates. This extreme wear is further exacerbated by the heavy armor kits and other force protection initiatives.

The compounding effect of increasing tempo and severe operating conditions in combat is decreasing the life of our equipment. We require greater funding for depot maintenance, an area with unused capacity and a growing backlog.

Since 9/11, we have reset and returned over 1,900 aircraft, over 14,000 track vehicles, almost 111,000 wheel vehicles, as well as thousands of other items to our operational units. By the end of this year, fiscal year 2006, which will end in three months, we will have placed approximately 290,000 major items of equipment into reset. Approximately 280,000 major items will remain in theater and will not redeploy to be reset until a drawdown is implemented.

Our requirement for reset in fiscal year 2007 is $17.1 billion. This includes the $4.9 billion which was deferred from our request for fiscal year 2006. In accordance with Office of Management and

Budget and the policy of the Defense Department, we rely on supplemental funds to pay for our reset program, because reset costs are directly tied to damage and wear resulting from contingency operations.

There is an invalid belief on the part of some that the Army is getting well on supplemental funding. That is an incorrect statement. Supplemental funding is paying for the cost of the war; it is not correcting the hole in the force that existed at the start of the war. That must be paid for under our base program.

Reset costs in future years will depend on the level of force commitment, the activity level of those forces and the amount of destroyed, damaged, or excessively worn equipment. Unless one of these factors changes significantly, the Army expects the requirement beyond fiscal year 2007 to be $12 billion to $13 billion per year through the period of the conflict, and for a minimum of 2 to 3 years beyond. What goes unfunded in 1 year carries over to the following year, increasing that following year's requirement and, thus, reducing readiness of the force.

Reset actions include repair of equipment and replacement of equipment lost to combat operations or worn to the point of being uneconomically repairable. Reset also includes recapitalization of equipment where feasible and necessary. Resetting the force takes time, takes money, and the full cooperation of our joint and industrial partners. We seek to do this efficiently and effectively in order to use resources wisely and maintain preparedness for future deployments. Resetting units is not a one-time event; it is required for all redeploying units.

In simplest terms, our reset program is designed to reverse the effects of combat stress on equipment. Our deployed fleets are aging about four years on average for every year deployed in theater, dramatically shortening their life.

Reset is a cost of war that must not be borne at the expense of our modernization efforts. We must not mortgage the future readiness of the force by focusing our resources solely on the current challenges. This is a very important point. We will not escape the tyranny of rising manpower costs without modernization.

With the exception of the Future Combat Systems, the Army has not had a major start in modernization in almost four decades. Additionally, our soldiers rely on and deserve the very best protection and equipment the Nation can provide. Our enemies will continue to adapt their tactics. We must remain ahead of them and place our soldiers in a position of advantage by providing them the best equipment, training, and support our Nation can provide.

I would like to conclude, as I began, with a message about our soldiers who are serving in defense of the United States and allied interests around the globe deployed in more than 120 countries. Over the past five years at war, in joint and combined environments, soldiers have carried the lion's share of the load. Since 9/11, more than 1 million Americans have served in Iraq and Afghanistan; many are returning for their second and third tours. Our soldiers understand that this is a struggle in which we must prevail. Despite hardships and dangers, they continue to answer the call of duty, and enable America to put boots on the ground,

which is the Nation's most visible signal of its commitment to defending national interests.

And as an aside, I will just note that we are now in our 13th month of success in exceeding our recruiting goals for the United States Army; and the reenlistment rate of the two deployed divisions in Iraq right now is about 146 percent, which exceeds that rate that the Third Infantry Division set as a standard the previous year.

American men and women and children hold our soldiers and other members of our Armed Forces in the highest regard. They value the commitment of these young men and women to defending the freedoms we enjoy and to defeating enemies who challenge the values that form the bedrock of our society. I am proud to serve with our soldiers who volunteer to serve our Nation.

To be successful, these soldiers deserve the best equipment, training, and leadership our Nation can provide. Soldiers and their families deserve our support. It is my belief that we can and must afford it.

The Nation has paid a heavy price for its historic pattern of unpreparedness at the start of major wars or conflicts. The investment in reset at this time is critical. America cannot afford to allow its Army to fall behind in either its readiness or modernization as a result of our patterns of "upside" and "downside" investment in its defense.

Today, we are on a path to modernize and transform the total Army into a modular force that is fully trained, manned, equipped, and supported in a manner that will enable sustained operations in theaters of operation like Iraq and Afghanistan, and those that loom on the horizon. It is critical to have your support on the progress we have made.

Moreover, in light of the Nation's historic record of uneven investment in our Army, it is vital that we not allow our past to become our prologue. Or, in the words of George C. Marshall in his letters, by avoiding the same predicament in which war has always found us.

And, with that, I will close my statement. And I look forward to your questions.

Thank you very much, sir.

The CHAIRMAN. General, thank you.

[The prepared statement of General Schoomaker can be found in the Appendix on page 57.]

The CHAIRMAN. General Hagee, thank you for your service and for those great Marines that are working in very difficult areas of operations (AO) in both theaters and around the world. What do you think here? Are we providing enough money?

General HAGEE. We can always use more money, sir.

The CHAIRMAN. Tell us how.

STATEMENT OF GEN. MICHAEL W. HAGEE, COMMANDANT OF THE MARINE CORPS, U.S. MARINE CORPS

General HAGEE. Mr. Chairman, Congressman Skelton, other members of this distinguished committee, I am really happy to be here this afternoon with my good friend and joint partner, Pete Schoomaker. And I would like to associate myself with the general

thrust of his comments, that we need to provide proper resources for these great young men and women that we have out there and ensure that we maintain the best fighting force the world has seen.

Today—actually today, 88 years ago—the Fourth Marine Brigade, commanded by an Army general, exited out of a small place in France called Belleau Wood. They had been fighting in that wood for 20 days, stopped five German counterattacks. It was a brigade of about 8,000. They lost over 1,000 Marines, and over 3,000 were wounded. But they stopped that attack 45 miles from Paris, along with U.S. soldiers in the vicinity of Chateau-Thierry, literally changing world history.

My sense is that that is what servicemen and servicewomen are doing today, literally changing world history. And, like General Schoomaker, I am really quite proud of them.

I just returned from a trip to Iraq and to major Marine bases both inside the continental United States and outside, and I can report to you that the morale of the individual Marine is really quite high. Those Marines in Iraq know they are well equipped, well trained, well led, and they know they are making a difference. Marines in support back here and their families also know they are making a difference. And they can put up with quite a bit as long as they know they are properly resourced and their mission is important.

Our equipment is not quite as resilient. And, as General Schoomaker has laid out here, we have used our equipment; it has actually held up relatively well, but we have used some very good equipment. We have aged it, as the chairman mentioned, five, six, seven times more than we thought that we would, and we have used it in a very harsh and unforgiving environment.

As of 1 October 2005, our estimate was that we needed $11.7 billion to reset Marine Corps equipment that had been used, consumed, in either Operation Iraqi Freedom or Operation Enduring Freedom. Based on execution challenges, we asked for $6.7 billion of that reset in this year's supplemental, and $5.1 billion was approved, which means that we still need $6.6 billion to reset us as of 1 October 2005.

Based on current operational tempo in theater, we need an additional $5.3 billion for both reset equipment that is used during that particular year and normal operation and maintenance that goes on. So you add those up, and you come out with $11.9 billion that is needed in fiscal year 2007. That is just to manage the equipment that we have used in Operation Iraqi Freedom and Operation Enduring Freedom.

That equipment that is being used and modernized here in the United States also needs to be reset, and we need to ensure that we provide maintenance for it. And, of course, that is taken care of under the normal budget process, under our normal top line; the point here being that we must keep that top line up.

Any reset that we don't get one year will have to pick it up the following year. And just because we get the funding does not mean that that equipment, of course, is readily available. In some cases, it will take 2 or 3 years after we obligate the funds in order to get the equipment. Once again, it is absolutely critical that we get the funding and that we get it early in the budget process.

Our top line for fiscal year 2007 is $18.2 billion. Obviously, there is no way that we could absorb the reset costs in our top line without almost a doubling of our top line.

Like General Schoomaker, I share your commitment to our servicemen, servicewomen, and their families to ensure that we have the proper resources. And I look forward to your questions.

[The prepared statement of General Hagee can be found in the Appendix on page 50.]

The CHAIRMAN. Thank you, General Hagee and General Schoomaker.

General Schoomaker, I have got here that we had $4.9 billion unfunded in the 2006 requirement and $13.5 billion in the fiscal year 2007 requirement; and that comes up, by our calculation here, to $18.4 billion that should be requested for fiscal 2007. You just gave us 17.1. Are we making a mistake there in that calculation?

General SCHOOMAKER. Sir, my information is, we requested $13.5 billion in the 2006 supplemental; 4.9 of that was deferred to 2007.

Our request for 2007 was 12.3. If you add the 4.9, it goes to 17.1.

The CHAIRMAN. So you are adding that to 12.3?

General SCHOOMAKER. 12.2, sir.

The CHAIRMAN. Okay.

And General Hagee, you laid out that you have an execution problem if you try to reset, if you try to capture all your reset backlog fairly quickly; Is that right?

General HAGEE. That is correct, sir.

The CHAIRMAN. Why don't you give us, for the committee, an understanding that—we know that your equipment is going through a lot of wear and tear out there, and you want to get a highest rate of readiness possible and you have got fleets of platforms that need repair, and in some cases need replacement. What is the profile?

Kind of educate us on what the profile of this equipment, what the state of the equipment is.

If you have got a reset requirement of $11.9 billion, that that, in theory, if it was executable—you could take 11.9 billion this year, and you could go out in depots if it was executable, if you had all the material and all of the personnel and all of the time, and you could bring the Marine Corps platforms up to an acceptable reset level. Is that right?

General HAGEE. That is correct, sir.

The CHAIRMAN. That is what you have got.

Explain to us what the condition of the force will be as you bite off this reset in what I would call "bite-size" or executable chunks. What kind of readiness level does that leave you with?

Do you understand what I am driving at?

You are not going to do it all. You are not going to get all this done. Where does that leave the part of the fleet and the part of the inventory that is not attended to?

General HAGEE. Well, as you mentioned, even if we had the money, we would not build up immediately. It is going to take—for example, an MB–22 takes 2 years; a light armored vehicle takes 3 years to build.

But what the funding does right now, as we obligate it, it stops the downward trend, and then it starts to turn us back up. And it would still take a couple of years for us to get all the way back

up to where every single unit has all the equipment that it needs and it is in A–1 condition.

The CHAIRMAN. General Schoomaker, why don't you tell us what in an ideal world we would need to fund this year and how we would fund it, i.e., supplemental, regular bill, to handle the total reset problem. What is the profile?

General SCHOOMAKER. Just to tag on to the tail end of General Hagee's statement there, part of the problem in execution is when we get the money.

As you know, we get the first part of the 2006, the first part of the Global War on Terror (GWOT) supplemental was around December of this year. We just received last week the 2006 supplemental. That gives us less than two months in the fiscal year to complete—to spend it. So part of our problem is, as this thing rolls forward, we get it late.

We have been cash-flowing ourselves now for two years, trying to reach over. And I am sure you are aware of the levers that we have had to pull to cash-flow ourselves just to get us to the 2006 supplemental this time, in terms of contract termination, release of employees, and all the rest of it, to do it.

So it really has a lot to do with how it gets flowed to us.

But I think, to answer your question, we have five major depots—Anniston, Red River, Tobyhanna, Corpus Christi, and Letterkenny. Every one of these depots has a backlog, and every one of these depots is operating at less than 50 percent of its capacity. So funding will move this forward. This is not a matter of execution if we get the funding with enough time to execute it.

For example, M–1 tanks, small arms, and howitzers are done at Anniston. Right now, we have over 500 M–1 tanks backlogged at Anniston; we have 9,400 small arms, and over 500 other track vehicles backlogged there. Anniston is operating in 2006 at a little over 6 million direct labor hours. Its capacity is 13 million direct labor hours.

If you look at Red River, High Mobility Multipurpose Wheeled Vehicles (HMMWV), Bradleys, and heavy and medium trucks, we have 250 HMMWVs, 700 Bradleys, 450 heavy and medium trucks there. It is operating at 3.4 million direct labor hours. Its capacity, over 11 million.

Take a look at Corpus Christi with all of our aviation. We have eight helicopters and 355 UH–60 rotor blades backlogged there. They are operating at 50 percent of capacity.

Tobyhanna, 5 million of 11.4 million direct labor hours. We have five finder radars, communications security (COMSEC) and tactical security (TACSEC) terminals backlogged there. Over 1,000 COMSEC items.

And down at Letterkenny, HMMWVs, Patriots, generators, we have over 1,000 HMMWVs backlogged at Letterkenny, over 40 Patriot launchers, and over 550 generators; and they are operating at about two-thirds of their capacity.

So my view is—and I would be glad to stand corrected if I don't have the right view here; but my view is, we have the capacity to do it, we have stuff in line. We have got more stuff coming back in huge numbers as I read and as I said at the beginning of this thing; and if we have the money in time and the money in suffi-

cient numbers, we will get ahead of this that both of us, I think, are quite concerned of, which is the lead time that is required to get this going.

So I don't know what better answer I can give you, other than we are submitting our true numbers that we require for reset.

As you know, this is linked to our base, and of course, we have got pressures against our base budget, as you know; and these compound each other. And as you take a look at the compounding of the base and the supplemental, then you look at the timing, it is very difficult to efficiently and effectively manage the flow of reset and recapitalization and modernization with the way that this works.

The CHAIRMAN. Okay. Thank you.

Mr. Skelton.

And I will get back to some further questions on this as we get to the end of our testimony and our hearing.

The gentleman from Missouri.

Mr. SKELTON. General Hagee, you might be interested in knowing that my high school Latin teacher, James M. Sellers, Sr., recipient of the Navy Cross, was a Marine lieutenant at Belleau Wood; and it was a pleasure to know him all the time, except during Latin class.

General Schoomaker, you have three challenges that cost money. Number one is the wars in Iraq and Afghanistan. Number two is your modernization effort, which to your great credit you are pushing ahead. And number three is the reset.

How short are you if you add all three of those up? The wars, the modernization, the reset; how short are you in the dollars that you will be receiving?

General SCHOOMAKER. I am going to have to ask for some help here. I think the reset, we have stated, we anticipate being about 10.7 shy of what we know right now.

Mr. SKELTON. Modernization?

General SCHOOMAKER. On modernization, I probably am going to have to give you the details for the record. What I am told is, what we have in the near term is sufficient for modernization; it is the outer years that are the challenge.

And I think our third challenge—the cost of the war is reset; modernization is another challenge. I think the third challenge, that perhaps what you meant was in transforming the Army——

Mr. SKELTON. That is correct.

General SCHOOMAKER [continuing]. Into the future. And our requirement there has been $5 billion a year. That is what we estimate is required.

Mr. SKELTON. We have how many Army brigades deployed in Iraq and Afghanistan, as we speak?

General SCHOOMAKER. Let me look at my thing here just to be exact.

Today we sit at 16 brigade combat teams.

Mr. SKELTON. That is what I mean.

General SCHOOMAKER. We have requests for a couple others. And as I have stated, because of the leadership to fill out the military training transition teams, to train the Iraqis and the Afghan army, and our individual augmentees—our security requirements that we

have, security companies, over 50 security companies that are not in brigade combat teams, but they come from other brigade combat teams.

We have a total equivalent of—35 brigades equivalents.

Mr. SKELTON. How many brigade combat teams are there still left in the United States?

General SCHOOMAKER. Pure brigade combat teams?

Mr. SKELTON. Yes, sir.

General SCHOOMAKER. Not equivalents, but brigade combat teams? Twenty-three.

Mr. SKELTON. Are you comfortable with the readiness level for the nondeployed units that are in the continental United States?

General SCHOOMAKER. No.

Mr. SKELTON. Would you explain that?

General SCHOOMAKER. I would like to in closed session. I would be glad to go into it in detail.

Mr. SKELTON. Thank you very much, General.

The CHAIRMAN. I thank the gentleman.

The gentleman from New York, Mr. McHugh.

Mr. MCHUGH. Thank you, Mr. Chairman.

Gentlemen, as always, it is both a pleasure and an honor to be with you and to salute you and those brave men and women in uniform that we have all had the opportunity to see in action in both Iraq and Afghanistan. We are enormously proud of them. And, obviously, a part of our challenge here is to do the right thing by them.

General Schoomaker, I want to go back to your prepared statement. And you highlighted this yourself before you spoke this sentence, and I want to make sure I understand it. You said, "We will not escape the tyranny of the rising manpower costs without modernization."

Put that another way for me. Are you saying that modernization has to come first, and that end strength, manpower is a subset of that? I don't want to put words in your mouth.

General SCHOOMAKER. Our personnel costs, the United States Army—active, guard and reserve; I am talking now about our active force, our civilians, and our reserve force—in 2008 will be approximately 81 percent of our budget, about 81 percent.

I can provide you some detail for the record, but from my memory I will tell you that from 2001 until 2008 the cost of active forces, fully burden now, personnel costs in 2001 was 0.7 billion for 10,000 soldiers. I am not talking about their equipment now, I am just talking about the personnel aspects of it—health care, bonuses, salary and all—about three-quarters of a billion dollars for 10,000 soldiers in 2001.

It is now 1.2 billion. That is an increase of 60 percent in personnel costs since 2001.

Reserve soldiers have doubled from 0.17 billion to 3.4. Civilians have gone from 0.58 to 0.75, or a 29 percent increase. So the reality is, unless we are able to escape the tyranny of this escalation—and the way we do that is by doing things that give us more capability out of our people.

For instance, I have testified before on the Future Combat System (FCS) as an example. If you compare the FCS brigade to the

heavy brigade that it is replacing, you end up with double the number of soldiers, in infantry squads primarily; and even though that brigade is smaller—in other words, the heavy brigade that it replaces is almost 3,800 soldiers, as we know it today; the Future Combat System brigade will be around 2,900 soldiers.

The big savings is in support personnel because of the common chassis, because of the technology that is in there that gives you precision and all the rest of it. It allows you to put more soldiers into things like infantry squads.

And we can give you all the details on this. But if we don't move in that direction, what we end up with is a force that prices itself out of business.

Mr. MCHUGH. So, if I may, I think you are arguing, we should resist, as a Congress, the temptation that may exist to cut FCS or other modernization efforts to become a bill-payer?

General SCHOOMAKER. Well, I personally believe that is exactly right. But I can also tell you that if we cut FCS totally, it wouldn't pay 50 percent of our shortfall. It is not a bill-payer that is going to do that.

Mr. MCHUGH. Thank you.

General SCHOOMAKER. So we are being foolish in the long run is what I am saying.

Mr. MCHUGH. I just wanted that very clear on the record. You were very eloquent, very literary, in the written testimony; but I wanted to make sure that we had your very point spoken in words on the record. And I appreciate it.

A couple of quick questions, I hope, General, and maybe you can help me understand whether—this universe of what we are talking about. The reset for both the prepos, the prepositioned equipment was pretty big in this latest Iraqi incursion. A lot of us had a chance to visit that stuff before we started using it.

Are the figures you are citing also—do they also include replenishment and resetting of those stocks as well, or is that another part of this puzzle?

General HAGEE. For us, sir, they include the prepo. Both our three squadrons, maritime prepositioning squadrons, and the equipment that we have in Norway.

Mr. MCHUGH. Thank you.

General Schoomaker, the same answer?

General SCHOOMAKER. Ours also includes it.

Mr. MCHUGH. I see my time has expired, Mr. Chairman. I yield back.

The CHAIRMAN. I thank the gentleman.

The gentleman from Arkansas, Dr. Snyder.

Dr. SNYDER. Thank you, Mr. Chairman. The time flies, Mr. McHugh, with these kinds of questions.

General Schoomaker, I have some questions I want to ask about the Iraqi army I want to get to, but you caught my attention, too, with your statement, both written and oral, here today about when you were talking about what has happened in the past and the reduction in our overall funding of the military; and you specifically mentioned the drop in end strength.

Do you have a number in mind by which you think that we should increase Army end strength? I mean, there has been sup-

port for many years, bipartisan, on both sides of this committee, by members who thought that there should be a substantial increase in Army end strength. On June 11, on Meet the Press, Retired General Barry McAfree said he thought the Army end strength was short 80,000. Is that a number that you agree with?

General SCHOOMAKER. Not necessarily.

Dr. SNYDER. What is your number?

General SCHOOMAKER. Let me talk about it in a couple ways.

First of all, we have asked to grow the Army by 30,000 soldiers using supplemental funding, because it is going to take a long time to grow it, as I said 3 years ago when we started it; and as you take a look at where we are, you will see it does take a long time to grow soldiers.

Second, we have to transform the Army, which we are doing, to get more out of the soldiers we have. So we need to grow our operational force by about 40,000 soldiers, and that is what we are trying to do. And we are trying to write some insurance for ourselves by continuing to fund the additional soldiers on the side, so if we need them, we will have them.

So if Barry McAfree is right, then we will be pretty close to his number. But the reality is—is what I was just talking about here: There is no way we can afford 80,000 more soldiers.

Dr. SNYDER. Well, we can do what we decide as a country to do together and what priorities we set as a country.

General SCHOOMAKER. And I agree with that, sir.

Dr. SNYDER. And over the last several years there has been resistance from the administration when this committee talked about increasing Army end strength numbers.

I want to talk about another topic, if I might, General Schoomaker, and this may be something that Mr. McHugh wants to pursue in our Personnel Subcommittee.

We have got the expense of the Iraq war, the expenses that you all are talking about today with the recapitalization and reset, you have got the modernization expense. The one I want to talk about is the expense of equipping the Iraqi army, which is clearly smaller than these other things; but, to me, there are two parts of the critical path to success in Iraq. One of them is a functioning government of reconciliation that seems to be under way now. But the second part of it is a well-equipped, well-functioning, well-supplied Iraqi army, committed to preserving that government and giving the Iraqi people the opportunities that we all want for them.

I mean, anyone that I have talked to about the Iraqi army says it is abysmally equipped, miserably equipped. In Afghanistan, we have similar problems. One person I rely on considers the Taliban to be better equipped than the Afghan army.

Now, according to the committee memo that was put out here, you all still have not made a decision about leaving equipment behind for the Iraqi army. I mean, we have been there for three and a half years. What is our intent with regard to setting up a system of getting the Iraqi equipment up to where it needs to be so—because we are not just talking about replacing people. You have to replace a well-equipped, -supplied, and -trained American soldier with not just well-trained, but -equipped and -supplied Iraqi sol-

dier. And while training may be going well, equipment and supply is not going the well.

So where are we with regard to that, and how are we going to get that on line after having been there for almost three and a half years?

General SCHOOMAKER. I couldn't agree with you more that we have to equip the Iraq and Afghan army, but it is not the United States Army's job to do that. And I think what we need to do is perhaps direct that to Central Command.

But I will show you what we have given, if you put those charts up there.

Dr. SNYDER. Well, now, but there is—who is going to be making the decision then about—who is making the decision about what equipment gets left behind?

General SCHOOMAKER. The decision will be made in the Office of the Secretary of Defense (OSD) in terms of what equipment gets left behind. But the requirement——

Dr. SNYDER. Well, this has got to be a vital part of your all's planning, is it not, when you are—take Anbar Province, which is a million people spread out over something the size of one of our Western States; it is going to take very sophisticated equipment to do a good job of controlling that area in a meaningful manner.

And so it is not going to be just enough to replace an American troop with an Iraqi troop. They are going to have to have, I assume, close air support and supply lines. And it is rough terrain and equipment. I mean, isn't that part of what the Army must think about when we are talking about who is going to, what troops are going to get swapped out with Iraqi troops?

General SCHOOMAKER. This is part of what General Casey and General Abizaid must think about. The Army may be part of the bill-payer.

And if you would hold that chart up so that people can see it, what we have already given, 250 one-track vehicles, almost 2,200 wheel vehicles, 153,000 small arms, 16,000 night vision devices, 601,000 uniforms, 242,000 sets of body armor, 56 pieces of engineer equipment, 195 generators, 170,000 Kevlar helmets, 17 pieces of materials handling equipment, and on and on. This is what we have already given in part of the deal.

Dr. SNYDER. We have another hearing after this. But you did not disagree with the folks I quoted who said both the Afghan army and the Iraqi army are poorly equipped today.

General SCHOOMAKER. I am not sure I would say they are not as well equipped as the Taliban, because I don't believe that is the case. But I will tell you that they need to be better equipped than they are. And it is a combination of what they are going to buy through foreign military sales (FMS) cases, what we are going to give as excess defense articles, and a variety of other programs.

But, remember, the equipment we give up, we have to replace.

Dr. SNYDER. That is why it is an additional expense.

General SCHOOMAKER. And that is the challenge we have got.

The CHAIRMAN. The gentleman from New Jersey, Mr. Saxton.

Mr. SAXTON. First, let me associate myself with the remarks that Vic Snyder just made when he said we can afford what we decide it costs to fund our priorities. But I am afraid, at this point, maybe

we haven't made that decision, as evidenced by the workload that is ongoing at the depots that General Schoomaker correctly pointed out.

But that is not my question. Let me ask this question.

I am told that it will cost nearly $70 billion over the next 5 years, certainly a significant investment by any measure. What is the Army's strategy to prioritize and balance the reset effort with other simultaneous needs of the force, like these: A, reequipping reserve component units that permanently transferred equipment to the active Army or were directed to leave equipment in theater; B, conducting transformation to modular brigades; C, developing and fielding the Army's FCS; D, maintaining ready prepositioned stocks of strategic war reserve equipment ready for future contingencies?

If the current level of supplemental appropriations were to be reduced, here is the question: While operations continue at near the same level globally, how might the Army tackle these efforts to include the reset of equipment?

General SCHOOMAKER. The reset money that we have requested covers active, guard and reserve equipment consumed by the war. On top of that number, inside of our base budget, inside of our program, we have approximately $21 billion in ground equipment for the National Guard, that is fenced and identified to fill in the hole that existed and to modernize the National Guard; plus, about just short of $2 billion worth of aviation equipment for the Guard and about $3.9 billion for the Army Reserve.

So it is a combination of both our base budget and what we have got in there that is fenced for the Guard and Reserve; and they are included in the reset of that equipment that has been consumed and left behind in the war inside of our request for reset.

I am sorry. On our Army pre-positioned stocks (APS)—you mentioned APS—we have reset our prepositioned stocks into a modular set, formations. We have improved it by adding and resourcing the combat support and combat service support components of that. It is a much more usable, much more—in fact, its readiness rate is much higher.

It is in standard brigade sets. It is conducive to training on, and it has got improved combat service support capability. So that is a good news story. We have put a lot of money and effort into that.

Mr. SAXTON. Let me just use this opportunity, Mr. Chairman, to say that it has been my feeling for quite some time that many of us have the notion that we can proceed along the lines that we have been, relative to some questions that Vic asked about force size, relative to questions about modernization, relative to questions about replacing worn-out equipment or fixing worn-out equipment. And it has been my notion for quite some time that we were going to come up against a wall where we could no longer continue without increasing the—without making the decision that Vic made about our priorities.

This is a serious matter, and I am glad that General Schoomaker is here to bring these matters to our attention.

The CHAIRMAN. I thank the gentleman. That is why we are here.

And the gentlelady from California, Ms. Tauscher, is recognized.

Ms. TAUSCHER. Thank you, Mr. Chairman. It is good to see you again, Generals.

I have been concerned about the postwar strategy for Iraq for a long time. And I know that we are here to talk about something else, but it is the 800-pound gorilla in the room; and it is—I think it is folly to talk about resetting if you don't know how long you are going to be in Iraq, how many troops are required for Iraq, how much money it is going to cost to train up and equip the Iraqi troops.

And I can't tell you how angry I am right now that I am sitting here talking about this when apparently, last week, we had a debate on the Senate side, and the ranking member, Senator Levin, came up with what I thought was a pretty reasonable plan, questions about a plan to partially withdraw our troops from Iraq; and he was completely castigated by this administration and by other people that accused Democrats of cutting and running.

I don't consider myself to be a cutter or a runner, but I do take my medication on time. And when I find out over the weekend that General Casey was in the Pentagon most of last week, shopping a plan to do exactly what Senator Levin apparently was requesting that we begin to do, I start to say to myself, What's up?

Now, apparently both of you are members of the Joint Chiefs, and apparently the Chairman of the Joint Chiefs and all of you were part of a discussion about a plan.

I don't know what this plan is. And I sit here on the Armed Services Committee for ten years, and I am asked to support the military, which I do. I have got Travis Air Force Base in my district; many of my constituents' children have gone to war in Iraq and Afghanistan; and I don't know what this plan is. I don't know who has been consulted.

But I am meant to be sitting here looking at a posture statement from February, General Schoomaker, which is a pretty glossy document, where these kinds of comments that you are making today about, Well, woe is me about the money part, really wasn't discussed.

We are funding dramatically, to the tune of hundreds of billions of dollars, the Iraq war under a separate set of books called "the supplemental." we have had a dramatic increase in the defense budget over the last five years. It is well over a half trillion dollars now.

But I think we had better talk about Iraq. And if you two understand that there is a plan for us to begin to withdraw our troops this summer or in the fall, I would like to know what it is. Either one of you.

General HAGEE. That is a plan that General Casey or the OSD would have to brief.

General SCHOOMAKER. I would tell you that I listened to General Casey, and I saw it as a refinement and continuation of their thinking, and the plan that has been ongoing ever since I have been involved in this. So I don't know——

Ms. TAUSCHER. You don't know the plan, General?

General SCHOOMAKER. It isn't appropriate here to discuss what it is he talked about, but I think it has been adequately described in terms of being a condition-based plan, and that the theater commander will make the decision about what portions of it we execute as we go.

But I don't see anything that is out of sorts or unusual.

Ms. TAUSCHER. Well, maybe you are not sitting where I am sitting, and where you stand is where you sit. And I can tell you right now that I don't like to be told by the New York Times or other press outlets, because of leaks in this administration, that there is a plan out there; especially when this country, no matter what party you are, wants to bring our troops home sooner and safer, they want to honor the sacrifice of the fighting men and women that have fallen, and they want to deal with the billions of dollars that we are continuously borrowing to fund this war, and they want to know when it is going to end.

And now I would be happy to talk to you about reset. I know it is an important thing to do. But I can't do it in the context of not understanding how long we are going to be in Iraq.

General SCHOOMAKER. Well, reset will continue to be incremental, as I just spoke. It is going to depend upon our level of commitment there. And it is my belief—and I don't have any crystal ball, but I believe we will be in Iraq a long time, and Afghanistan, and fighting this Global War on Terror for a long time.

A long time is a long time. I believe it is open-ended right now. That is my personal belief. So I am not going to give you any comfort.

Ms. TAUSCHER. Well, Mr. Chairman, I think that you must be as frustrated as the rest of us to find from press reports that there is a plan that apparently this committee has never been briefed on. And I would hope in your ongoing leadership that we would find a forum where we could hear from, if not General Casey, perhaps General Pace or someone else from the Chairman of the Joint Chiefs or from the Pentagon as to exactly what they are talking about this plan might be, so that we could actually be informed ourselves as we make these very tough decisions and so we can keep our constituents informed.

Thank you, Mr. Chairman.

The CHAIRMAN. I thank the gentlelady. I would simply say to the gentlelady that the commanders and the commander in Iraq discuss and analyze all the time the maturity of the Iraqi forces that they are training up and the other factors that go into the AOs, the areas of operation, that each of our forces are in and the maturity of those forces, and when the handoff can take place.

I think the difference between what the gentlelady is talking about and what General Casey talked about is that those decisions need to be a function of the judgment of the combat commanders and not a confirmation of the combat commanders to a plan that was put together in Washington, D.C., by elected officials.

Ms. TAUSCHER. Mr. Chairman, can I ask you a question very briefly? These are the kinds of things I am wondering about.

Do the force levels that supposedly we are talking about in this plan, do they have anything to do with objectives in Iraq? What are those objectives? Does the Pentagon feel that we have done enough and what we need to do to create a stable Iraqi government? Have we done enough on reconstruction? Is there enough security on the ground so that we can begin to withdraw our troops?

How are the trained forces doing? Are we—can we provide similar security with less troops of ours because the others are standing

up? I don't understand, if there is a plan, what metrics you are using; and I would really like to know what those metrics are.

The CHAIRMAN. I would just say to the gentlelady that those are all appropriate questions. Incidentally, all considerations are being looked at by the combat commanders on the ground all the time in the theaters, and that is absolutely appropriate for the gentlelady to ask those, and we will tee those up and let the gentlelady ask them at our next hearing with General Casey.

Mr. MCHUGH. May I ask the Chairman a question?

The CHAIRMAN. Gentleman from New York.

Mr. MCHUGH. I had a bipartisan trip to Iraq, the most recent of my six. Couple of members of this committee from the other side were in that trip where we met with General Casey. And he spoke very specifically about this plan, talked about his hopes to draw down troops, did very openly. What I am amazed about is that the question is: Why are people surprised to hear that the plan that went into place from the first day we went in is now being discussed?

The CHAIRMAN. I think that is a reasonable question. And to answer that, I am going to call on the gentleman from North Carolina, Mr. Hayes, for his question.

Mr. HAYES. I thought you wanted the answer, Mr. Chairman. Thank you for holding the hearing and thank you for being here, gentlemen.

You plan to fight, and then you either fight the plan or fight the enemy. I appreciate that you all are fighting the the enemy and not the plan. As General Wagner said just a few months ago, using him as one example, the Iraqi Special Forces are now planning and executing over 30 percent of the mission, clearly the progress that Chairman McHugh referred to.

So, again, even though things are not as clearcut as we would like for them to be, my sense of where you are going has been clearly documented. It hasn't always been specific, as the dynamic exchange; you have been very straightforward and very truthful about where we were and what we were doing and how we are to get there.

Back to the reset issue: What is the status of our capability at the depot now? Does our industrial defense base have the capability to meet the needs of the force to reset the equipment we have talked about? We haven't talked about 46s, 47s, and some aviation equipment. What is your personal opinion of where we stand capability-wise to reset the equipment that is repairable?

General SCHOOMAKER. Well, we have doubled the direct labor hours from 11 million to 24 million up to this point, and we can double it again—if we have the money.

Mr. HAYES. Is it a three- or two-shift operation at the depots now?

General SCHOOMAKER. That depends on the depot, but I am told the average is around two shifts.

Mr. HAYES. So there is more capacity. Again, it is an issue.

General SCHOOMAKER. There is double the capacity remaining.

General HAGEE. We are at 1.7.

Mr. HAYES. Looking at the list of equipment to the Iraqis, obviously, and to the Afghans is critically important. How do you sort

of evaluate—I would think if there is equipment that they can repair and find very usable, we might not have the same use for, and you had the transportation costs to bring back to the depot, to take back, and then our labor cost. Has that been factored in, I would assume, in all of the actions?

General SCHOOMAKER. Of those wheeled vehicles, I stated a minute ago that I had on the chart there, about 1,200 of those are deuce-and-a-half trucks, 2–1/2-ton trucks that are legacy trucks that we have repaired in theater and provided them, that we would not like to continue to have. We would like to replace them with modern equipment, primarily in the Guard and Reserve.

Mr. HAYES. At the same time, deuce-and-a-half, you can't have an army without—a deuce-and-a-half is going to be more than a enough vehicles to sustain the Iraqis and Afghans; would that not be a true statement?

General SCHOOMAKER. That is true. We are repairing them and using them to great effect. What we are trying to do is standardize the force, modernize it to the LMTV, the more modern version of it, and that is why they were declared to transfer.

Mr. HAYES. Are you all asking for sufficient assets to reconstitute reset, and have what you need? And I say "you need," we obviously all want the best, but——

General SCHOOMAKER. For the Army we are asking for 100 percent of what we feel we need to fill out the Army to its readiness levels that is required.

Mr. HAYES. In referring back to the things that I know more about than others, we are scrambling for cash at Fort Bragg, and do we need to regroup and try to meet some of those needs as well as the long-term needs we are talking about here as well?

General SCHOOMAKER. Part of the reasons you are scrambling for cash at Fort Bragg is because of the timing of the money that we have been getting. We have been having to do cash flow ourselves, because the money has been late every year in every appropriation, and so we have had to eat inside of ourselves to cash flow, which I am sure from a business perspective you understand.

Mr. HAYES. Absolutely.

Aviation, helicopters. B–22, is that factored into the process?

General HAGEE. Yes, sir, it is. As you know, requested to replace the 446s that we lost during the war, with MV–2s. Three were approved, one was deferred to next year. The balance of the MV–22s are underneath our top line, the normal budget process, so it is absolutely calculated in there.

Mr. HAYES. Any other issues we need to focus on? I am going to be through on time, like we seldom do around here.

Chairman, I yield back.

The CHAIRMAN. Thank the gentleman. The gentleman from New York, Mr. Israel.

Mr. ISRAEL. Thank you, Mr. Chairman. Generals, it is good to see you both and I have appreciated the conversations that both of you have had with me and with Mr. Skelton on professional military education. I think it is important that we, when we talk in terms of resetting our hardware, at we not lose focus on resetting our software. And if I have time, will ask you to delve into that, that

I would like to lead in a slightly different direction and pick up on the issue of priorities.

I represent Long Island. And we just had a hurricane preparedness summit on Long Island. We are told there is a significant chance of getting a Category 3 hurricane on Long Island this year; good chance of getting a Category 5 hurricanes on Long Island in the next 15 years. Here is the problem. Today our National Guard reports that they have 52 percent of the critical equipment, the rolling stock, that they need to be able to respond to a major hurricane. Of that 52 percent, 20 percent is outdated equipment fielded in place of more reliable equipment. They have one-third of the Humvees that they had need.

Meanwhile, I have just read in the Armed Forces Information Service that we have just delivered 50—and I am quoting—"brand new tan Humvees to the Iraqi Army 3rd Brigade.

So my question is this: How can I get some of those tan Humvees from Iraqi Army 3rd Brigade to help my folks deal with a hurricane? Why do we have to deliver brand-new tan Humvees to the Iraqi Army 3rd Brigade? Can we give them some of the equipment that the New York National Guard is holding onto and maybe get more capable, reliable equipment in New York? How are the needs—bottom line is this: How are the needs of the guard and reserve being prioritized and assessed as we assess the reset and modernization? Are we going to kind of let them fend for themselves, or are we taking into consideration some of the very significant needs that they are going to have? General?

General SCHOOMAKER. As I mentioned a minute ago, we have $21 billion in our base program that is fenced for National Guard equipment. That is ground equipment.

We also have about—almost $2 billion, 1.9 billion for aviation. As you know, the light utility helicopter (LUH) and the joint cargo aircraft, all those reported are fixed for the National Guard.

And we have about $3.9 billion for the Army Reserve that is fenced in our program. They are also totally integrated into our reset costs. So all of the equipment they have left behind, all of the equipment that has been consumed is part of our reset cost.

I believe the Humvees you are talking about that went to the Iraqis are part of the theater's program to use foreign military sales, and they are going direct to vendors to purchase those.

Now, we have the capacity to purchase more, build more of these wheeled vehicles, Humvees, and reset more. It is a matter of funding. And so the shortest distance to getting the National Guard fixed is to fund the programs and the reset so we can do it expeditiously.

I think you will remember from the posture hearings, I stated that if we had more funding that I would accelerate the program in the Army. I would not broaden our appetite. I would accelerate what we are doing. And I think that is the answer to your question.

Mr. ISRAEL. General, I heard the figures that you mentioned. Can we expect that those figures are adequate to bring the National Guard in New York, for example, to 80 percent of operational capability? Is that going to be enough to restore some of the equipment losses that the New York National Guard has experienced?

General SCHOOMAKER. Well, I think that—I am not quite sure I understand the question but there is a different kind of equipment and a lesser density of equipment required for hurricane and disaster relief.

Mr. ISRAEL. Rolling stock.

General SCHOOMAKER. Wheeled vehicles, communications, aviation, water purification, medical, military police (MPs), these are the kind of things you need for natural disasters and things like that, as opposed to tanks, Bradlees, and these kind of things.

We must fund both, because what we are using our Guard for is both our Homeland Security homeland defense mission as well as the away game. And so because of their availability to us under the force generation model as only one out of six years, and they will spend the majority of their time supporting their State, we have to think about both of these needs and understand that we probably need to fund the first need first, which is the Homeland Security need, and then make sure that we can continue to fund them for the larger warfighting mission. And that is the strategy that we have.

Now remember, we had $56 billion worth of shortages when we crossed the berm in going north into Iraq. A lot of that shortage was in the guard and reserve because, by requirement, we had to put our best readiness into our active force, which was our operational force, not our strategic Reserve like the Guard and Reserves were. So we are trying to rectify decades' worth of decisions and priorities.

And I think if you take a look at the amount of money we put in our program, which is about 4 or 5 times the historical average—that $23 billion we have put in there is almost five times any previous program that we have had—is a statement of commitment.

Mr. ISRAEL. My time has elapsed, General. Thank you very much. I didn't get to ask you about professional military education, or General Hagee, but we would like to talk about that in the future.

General HAGEE. We would like to come by and talk to you about that, sir.

The CHAIRMAN. I thank the gentleman. The gentleman from Minnesota, Mr. Kline.

Mr. KLINE. Thank you, Mr. Chairman. Thank you, gentleman. This is a subject which we have been poking at for at least three years that I know of, and my concern is still very high that we are not taking care of these reset issues as fast as we should.

I disagree, respectfully, with my colleague from California, the gentlewoman who is not here. She opined it would be folly to address this reset issue until we knew, apparently, precisely what will happen in Iraq. And, of course, I think that there is folly here; it is not getting after it soon enough. It is the only responsible thing to do to get at this issue early. Many aspects I would like to discuss. I am alarmed as everyone is at the rate that we are burning up this equipment.

But General Hagee, let me go to you on two issues, because the time is limited:

One, I am looking at your testimony where you talk about MPS Squadron two and when it will reconstituted. The dates that you have here are between February 2008 and February 2009 it will be reconstituted. And I assume that is if you get the 11.9 billion additional dollars. That is when that—and the Norway prepositioning, that will not be reconstituted until 2010 and that also assumes that all that money is there.

General HAGEE. Correct, sir.

Mr. KLINE. Not exactly next week or next year, already considerable delay, caused me a little bit of concern.

The rotary wing issue I am concerned for both of you, for all of us, for different reasons. But the rate that the Marine Corps is using the CH–46 looks to be about three times the utilization, according to the chart in your testimony.

General HAGEE. That's correct sir.

Mr. KLINE. Hueys, three times; Cobras, over three times. That is an enormous rate. And you have a program in the case of CH–46s and the venerable CH–53Ds, some of which are flying in Iraq today, exactly the same ones I was taxiing around Danang 35 years ago. And we are already in pretty—I hate to use the word "desperate," but we are in great need of replacing some engine aircraft that we are now using at three times the rate.

So going back to the question about the MV–22, you mentioned, General Hagee, that you got three more; had asked for four and got three—and the MV–22 is there in the base budget, under your original top line or what you have programmed to replace, so that is really—you are not resetting with this money the rotary wing aircraft, are you?

General HAGEE. We are only resetting those aircraft that we lost during combat.

Mr. KLINE. The four.

General HAGEE. Yes, sir. Correct.

Mr. KLINE. Really, I am having trouble with this math here because we are using them up three times as fast. We already had a way, way overaged fleet, and yet we are not using this resetting money to reset those not shot down or crashed, but just worn out much faster. Are we—looks to me like we have a widening gap between when the MV–22s are delivered and when we start running out of money.

General HAGEE. It is primarily because of our top line of the normal budget. While we would very much like to see that top line go up, we would actually like to see more MV–22s in that budget. The rule said as such that we need to fund those from within our normal budget process.

Mr. KLINE. Okay. I am sort of associating myself with Mr. Snyder's comments about we are going to have to step up to the plate here and fund some things outside the norm. And so what I would ask from you is, is there a way that you can look at the rapid utilization that we have got of the CH–46s and CH–53Ds in particular here, but any other aircraft for that matter, the rapid three times accelerated use, and see what pressure that puts on that MV–22 acquisition and how many more, how much faster we would need—in other words, what would the reset cost be of those MV–22s if we bought them faster, faster enough, fast enough?

General HAGEE. Sir, I can tell you for 1 year, for next year, $2 billion. But I can give you that in detail.

Mr. KLINE. Thank you. And with that, Mr. Chairman, I will yield back.

The CHAIRMAN. Thank the gentleman. The gentlelady from California, Ms. Davis.

Ms. DAVIS OF CALIFORNIA. Thank you. Thank you, Mr. Chairman, General Schoomaker, and General Hagee. It is good to see you. I do think it is appropriate for the committee to ask questions about comments and about plans that ostensibly have been around. Of course, we have talked about pieces of that, but I think as this committee—unless there is another committee, Mr. Chairman, that is also talking about General Casey's plan—I think that it is appropriate that those questions be asked. And I think we are all hoping that some of that would be forthcoming as well. Certainly the nuances that perhaps we haven't had an opportunity to discuss.

I wanted to just go back for a second and talk a little bit about what is in the normal budget process and what is part of the supplemental.

What part of that concerns you the most? We have many discussions here about the need, if we are in a long war, General Schoomaker, as you have testified, that perhaps some of this funding ought to be part of the normal process. Does it concern you at all that a lot of the reset is still part of the supplemental, and if in fact those supplementals are no longer funded at that rate, then the modernization program and others may be hurting.

What part of that concerns you?

General HAGEE. Well, as I mentioned in my opening statement, with a top line of $18.2 billion and a reset cost of almost the same, you know it would take—if it came out of our top line, without doubling our top line, it would take years to fund that and would absolutely devastate our investment account, which is only about $2 billion a year. So you take those $2 billion and—say it is $12 billion, it is going to take us 6 years just to fund it, and that doesn't count the long lead time for some of this equipment. So the supplemental is absolutely critical. And if that reset would move under the top line, then at least for us, our top line would have to almost double.

General SCHOOMAKER. I would say that I cannot think about the supplemental and the base budget as two separate and distinct entities. We have to think about them in concert with one another, and we have to think about the continuation over a period of a program.

And this is what I was trying to say a minute ago. When we are trying constantly cash flowing ourselves, we make decisions that are not only good—you know, they are not the best decision we should be making. They interrupt the momentum, because we have to take—we have to constrain ourselves so that we don't go any deficient. And it causes us to operate in the least efficient manner to do things. And then if supplemental funding is less than what it is that we require to set it, it impacts our base budget which is also under pressure. And I don't know how to make it any more clear than that.

We have to think about those things in concert. We get supplemental funding for those things that are war-related. We do not get

supplemental funding for things that normally should be funded in the base. And when our supplemental funding is interrupted, or when it is less than what is required, then it impacts our base because we have to sustain our operations.

Ms. DAVIS OF CALIFORNIA. Part of it may be that the public needs to understand that as well. When we put that aside, then there is a sense that we are not really being upfront about those war costs, and clearly even if the war—even if our needs for Operation Iraqi Freedom (OIF) are not as clear, you are suggesting that supplemental would be around for a very long time.

General SCHOOMAKER. I think if you were to look at the Army's budget in 2005 and 2006, you will see it is fundamentally in the base, flat. You will see there is money we ordinarily wouldn't add in the supplemental. You see in the 2007 budget that is over here on the Hill right now, an increase in the Army's base to help us transform and to modernize and do things we have to do to help break this cycle, this tyranny of the old way of doing business.

And then you see the pressures and the stretching out of fundamental funding like what I just described a moment ago, and that is impacting that.

Ms. DAVIS OF CALIFORNIA. I know we are not focusing largely on personnel here today, but clearly people are the most important part of our effort. And we can have all the equipment in the world but we need the people, we need the people in Iraq in leadership there, as well as our leaders. And to what extent is our readiness being affected by the fact that we have many leaders that are being pulled away from working directly and intimately with our own troops, with Iraqis? How do you see that situation, and can that be reset and how?

General SCHOOMAKER. Well from the Army's perspective it does several things. One of the things is it reduces the dwell time of people who are out of combat. As you know, what we would like to have is at least twice as much dwell; in other words, if 1 year in combat, we would like to have 2 years out. We right now are seeing something like 14, 15 months dwell time. That in my view is not satisfactory. That is additional pressure on the individuals.

We also see the necessity of training Iraqi and Afghani forces, because that is the strategy to get them self-sufficient and to move ourselves out.

The other piece of it is that because of the speed at which we are having to turn over and because of the slowness of reset and because of the training that is required to go back in, we find ourselves compressed; and we have a compressed time to do more things than we should have to do. We are trying to reset the force. We are trying to get leaders into the force. We are trying to form the force and get them ready to go through the thing. So it is a lot of pressures that are placed upon both the individuals, equipment, units, and on the force.

And my view is, this is a very difficult burden to bear over the long—carry over the long haul. And I believe that what we must do is accelerate ourselves, transform ourselves, so we have got a better base, like we have been talking about; get the force reset, so that we don't have all of this; and get ourselves into a normal

sustainable stride that will allow us to fight the long war the way we need to fight it.

Ms. DAVIS OF CALIFORNIA. And how long do you think it will take to do that?

General SCHOOMAKER. How long can we do that—or would it take us to do it?

Ms. DAVIS OF CALIFORNIA. Yes.

General SCHOOMAKER. That depends on the level of support.

The CHAIRMAN. The gentlelady will have to get the rest of the answer in the break. Thank the gentlelady.

Gentleman from Texas, Mr. Conaway.

Mr. CONAWAY. General Schoomaker, you mentioned there are $21 billion fenced off. Are these appropriated dollars awaiting purchase orders? Why is that money not being used? Help me understand that comment.

General SCHOOMAKER. This is procurement for equipment for the National Guard ground equipment.

I think that what is you are talking about, National Guard.

Mr. CONAWAY. But fenced off; is that money already being appropriated and waiting on purchase orders being written? Why have we not used the money to buy the stuff you need?

General SCHOOMAKER. It is across the program. It is broken down in yearly increments across the program, 2005 to 2011 program. If you add up all what we have in there across those years inside that program, it is about $21 billion.

Mr. CONAWAY. So this is money that will get spent on that schedule to buy the stuff the Guard needs, for example?

General SCHOOMAKER. That is correct.

Mr. CONAWAY. Going to what Mr. Kline was talking about, overall concept of reset. Does that take into consideration the shorter useful lives on all this equipment as a part of the reset concept? In other words, if you have a piece of gear that is supposed to last 10 years, we use it up in 3. Is that part of the reset concept?

General HAGEE. Yes, sir. It is because you are consuming it there.

General SCHOOMAKER. And what happens is when you consume it faster, you come to a point where you have to actually buy a new piece of equipment.

Mr. CONAWAY. Just the exchange with Kline seemed like the quicker usage was not part of reset, and that didn't make sense to me.

General HAGEE. This is one of the challenges with base budget and supplemental that is there is not always a bright shiny line between those two and the rule sets for them.

Mr. CONAWAY. Last question General, the transformation to FCS is going on at the same time we are trying to reset and rebuy, talk to us a couple of minutes about how those things meld together that you don't continue to buy outdated gear at the same time you are buying the new gear?

General SCHOOMAKER. Well, FCS is our modernization program. Taking the Army from the Cold War Army to the modular force is the transformational effort. So what we are trying to do is take the Army—what we are doing, in fact we are well on our way, is taking the Cold War Army that basically had some 11 different kinds of

brigades, because there were different levels of—there was no standardization because of the incremental modernization and organization that took place because of the fiscal constraints, and we are trying to come up with one standard heavy brigade, one standard infantry brigade combat team, and Stryker brigade combat team. It allows us to be very agile. It means we can take any heavy brigade, fall in on any other heavy brigade equipment or on prepositioned stocks. So that is the transformational part.

FCS is modernization, and this is where you now are able to take a like-size unit brigade combat team and do so much more with it because you enable it with things that allow you to cover much more ground, be much more lethal, and return so many more boots to the ground in terms of infantry.

Mr. CONAWAY. Great on those two. How do you mesh that against replacing the gear that is actually going to be used this afternoon and tomorrow in combat with new things coming in line?

General SCHOOMAKER. Everything I talked about takes place inside of our base budget because your war costs are paid for under your—if we destroy an M–1 tank, we replace the M–1 tank. If we want to replace it, we should replace it with the modern version, not the old version. If you lose your Stryker, you replace a Stryker. And so what we tried to do is always reset ourselves forward not—if we lose a deuce-and-a-half, we don't want to replace it with a deuce-and-a-half; we want to replace it with a modern truck. And so you get some benefit from reset that way.

But the majority of modernization and the majority of our transformation takes place inside of our base budget, and there is a tremendous amount of pressure on our base budget.

Mr. CONAWAY. Thank you, Mr. Chairman, I yield back.

The CHAIRMAN. Thank the gentleman. The gentleman from South Carolina, Mr. Spratt.

Mr. SPRATT. Thank you all for your testimony and for your service to our country. This is a difficult issue to get your arms around. I am sure it is for you, because there are so many variables in deriving these estimates. Just on the back of an envelope—I may be repetitious, but, General Schoomaker, as I understand it, your need for 2007 is $17 billion?

General SCHOOMAKER. Including the 4.9 billion deferred from 2006 carryover, our requirement is 17.1 billion for 2007.

Mr. SPRATT. Does that mean your steady state beyond 2007 is 12- to $14 billion?

General SCHOOMAKER. That is what we believe the steady, state as we know it, now is—12 to 13 billion.

Mr. SPRATT. Is that rate determined by the throughput capacity of the depots, or is it determined by the amount of the equipment that is damaged and requires depot maintenance?

General SCHOOMAKER. It is determined by the rate at which we are consuming the equipment.

Mr. SPRATT. Now, have you factored into the equation—I understand that you have factored into the equation, according to a newspaper article—I haven't heard his testimony—the transfer of 1,200 deuce-and-a-half trucks, 2–1/2-ton trucks, and 1,100 Humvees that is in these numbers.

General SCHOOMAKER. The numbers I have talked about, we have already reset it. Is that what you are talking about?

Mr. SPRATT. Yes, sir. Does that include the value of these vehicles that are being transferred to the Iraqis?

General SCHOOMAKER. Yes, that does. A lot of that is equipment that has been replaced by the new helmet, the new body armor, new trucks, and these kind. So the answer is, yes, that is inside of the reset number.

Mr. SPRATT. So if you need 17 for 2007, and 13 to 14 for several years beyond there, we are looking at a need for 50- $60 billion incremental costs, including 2007.

General SCHOOMAKER. I would say yes, for reset.

But, you know, this year the supplemental that we received was pretty close to, what, 67 billion. For 06 we received—the United States Army received about $67 billion. Inside of that, only a small portion of that was for reset. The rest of it was for the war. And what I am saying is that in the past where we were estimating about $4 billion a year for reset, we now estimate that we are up around 12- to $13 billion.

Mr. SPRATT. Prior to the war, what was your steady state expenditure for this kind of recapitalization, repair, refurbishment, depot level maintenance?

Mr. SCHOOMAKER. Prior to the war, I believe we had 3 billion, 2–1/2 to $3 billion a year inside of our base budget for recapitalization reset.

Mr. SPRATT. And is the 17, and after that the 14, incremental to the 3- to 4 billion you were traditionally incurring?

General SCHOOMAKER. That is on top of that. That is correct.

Mr. SPRATT. Looking out in these three or four more years that these costs may have to be incurred, are you including in those outyears the cost of transferring equipment that may be transferred to the Iraqis and left behind?

General SCHOOMAKER. Because we do know know what that is, it is not included in there. It is what we estimate our consumption will be if we stay at the same rate of consumption for the year.

Mr. SPRATT. So if that is included, the number is larger?

General SCHOOMAKER. Could be.

Mr. SPRATT. Now after repair, replacement, major fixing, is the life of these vehicles shortened beyond their expected life cycle? Even after the—once these repairs are made, is the wear and tear on the vehicles such that they will have a short life, still, than would normally be expected?

General SCHOOMAKER. Well, every time you fix them, you never get all the way back to where they were—I mean, you know, it is like taking a truck to the body shop and overhauling the motor and the engine and fixing the fenders and everything. You come out with a pretty good truck, but every time it is a little bit less than it started out before.

Mr. SPRATT. You don't completely recover its otherwise expected life.

General SCHOOMAKER. In the main, no, because you have wear on the frame, you have the kinds of things that end up being nonrepairable. It ends up being cheaper to replace it at some point.

Mr. SPRATT. So your concern and your objective is to see that this gets supplementally funded so that it won't otherwise eat into your operations or—especially in the transformation and modernization?

General SCHOOMAKER. Well, my concern is that we reset our force so that we can maintain our readiness to perform in defense of the Nation. You know, reset is not part of modernization and it is not part of transformation insomuch as——

Mr. SPRATT. What I am saying is if the incremental cost of resetting is not fully paid or funded as an incremental cost, as a supplemental cost of the defense budget, then it is going to come out of your other operation & maintenance (O&M) accounts or other investment account.

General SCHOOMAKER. To the extent that it can—that we do not have the money in the base to be able to do that. And so what you will see is not only an erosion of the base budget, but you'll see a rapid drop-off in readiness in our ability to—you will see a depot backlog, you will see a lower readiness in terms of our equipment and our units, et cetera.

Mr. SPRATT. General Hagee, is your estimation of your cost to go somewhere in the range of 5- to $6 billion, Marine Corps?

General HAGEE. That's correct, once we are completely caught up for fiscal year 07. The buy wave is 6.7 billion, and in addition to that, it would be 5.3 billion and 5.3 billion. Assuming that we stay at the same consumption rate we are right now, it would be $5.3 billion a year.

Mr. SPRATT. Is that incremental cost, or does that include your traditional O&M expense for this kind of——

General HAGEE. It is all incremental, sir. All incremental.

Mr. SPRATT. Thank you very much.

The CHAIRMAN. Thank the gentleman. The gentleman from Nevada, Mr. Gibbons.

Mr. GIBBONS. Thank you very much, Mr. Chairman. And General Schoomaker, General Hagee, thank you for your presence here today. Thank you for your service to this country. We greatly appreciate that.

I had the pleasure of reading your testimony and listening to your comments today. I am still going to have to go back over some ground we have already covered, the 17.1 billion that you have identified that Mr. Spratt was just talking about.

Where in there is the 21 billion or the 1.9 billion for aviation in the National Guard? In what part of that? Or is that a separate part that we are talking about, to reset the National Guard?

General SCHOOMAKER. The National Guard reset of their equipment is included in our reset costs. The 21 billion for ground equipment and the 1.9 billion for aviation for the National Guard is separate from the reset. It is in our base budget.

Mr. GIBBONS. Do the Army and the Marine Corps usually reset their equipment on a one-for-one basis?

General SCHOOMAKER. Yes.

General HAGEE. I think for us that would depend. General Schoomaker has already talked about the modernization, and we would not necessarily replace an old piece of equipment with a same old piece of equipment. And in fact the new piece of equip-

ment, we may need fewer, we may need the same number, so it really depends on the equipment, sir.

General SCHOOMAKER. I have the same answer.

Mr. GIBBONS. I heard you say that there is a wear factor now on the equipment of about 9 to 1. Is that correct? In other words, what would normally be available, say, for 27 years, we are wearing it down to 3 years and wearing it out, or something of that nature, was that something——

General HAGEE. Once again, that depends on the piece of equipment.

Some of them are really quite high like that, some of them are 2 to 1. For us, the average is probably around 5 to 1. 5 to 1.

Mr. GIBBONS. So I presume that the reset equipment that you are ordering has design changes to remove some of the wear factor that you are finding in the environment of being over in the Middle East. For example, the bearings on a Humvee have got to wear out much faster when you have added weight for the up-armor on a Humvee. You have to change the bearings in two different——

General SCHOOMAKER. Humvee is a good example. We have gone to the 1151, 1152 series Humvee, which is a much heavier Humvee, to be able to carry the weight; because what we were doing originally with the 998s and 1025s and all the rest of them, was there was more weight on them than they were designed to sustain.

Mr. GIBBONS. In your reset allocations, do the Guard and Reserves have the same priority in a reset as the Active Duty forces?

General HAGEE. For us, when we are resetting, we look at the Regular and Reserve the same way. And both of them are included in the reset. When we make——

Mr. GIBBONS. Being included in identifying the amount of dollars is one thing, and I have heard that. I just want to make sure that the guard and reserve gets the same priority on reset as do the Active Duty forces.

General HAGEE. Yes, sir, they do. Now, when we actually allocate the equipment, because, as we talked about, the equipment comes in over a period of time, it would depend on which unit is getting ready to go as far as who would get that equipment. It could be a Reserve unit or it could be an Active Duty.

Mr. GIBBONS. Let me ask one final question, Mr. Chairman. When the equipment is designated to be a leave-behind piece of equipment—donation, for better word, to the Iraqi forces or to the Afghani forces, wherever it is going to be, what type of equipment is considered for that donation?

General SCHOOMAKER. The equipment that we have been asked to leave behind is excess equipment, or equipment that is—put that chart back up again. For instance, I talked about the the 2–1/2-ton trucks. These are not vehicles we plan to replace.

We are replacing them with modern vehicles, not with 2-/12 ton.

Mr. GIBBONS. They are more like legacy equipment.

General SCHOOMAKER. Legacy equipment. Also body armor that we have replaced with new body armor, helmets that we have replaced with the new helmet, weapons we replaced with the M4, night vision that is still good night vision but there is a backside cost to that.

Mr. GIBBONS. I imagine the backside cost is making sure that every piece of equipment you leave as a donation has to be serviceable and operative.

General SCHOOMAKER. Has to be serviceable.

Mr. GIBBONS. Requires you to make that cost up front before you donate it.

General SCHOOMAKER. And where it was being used in lieu of a piece of equipment for a unit that has to be replaced.

Mr. GIBBONS. Gentlemen, again thank you for your presence here today. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. I thank the gentleman. The gentlelady from Guam, Ms. Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman and General Schoomaker and General Hagee. It is good to see you again, and thank you for your service to our country. And, General Hagee, thank you for all the marines that you are sending to Guam.

I am aware that the Army determines what equipment a unit should have in a table known as a modification table of organization and equipment, or MTOE; is that the way you pronounce it?

General SCHOOMAKER. That's correct.

Ms. BORDALLO. Military units prior to Operation Iraqi Freedom had very few noncombat vehicles on their MTOE that were armored, and, I understand in a mechanized infantry battalion other than the Bradlee fighting vehicles, only 10 of the battalions other vehicles were armored. In light infantry battalions, I believe all the vehicles on an MTOE were unarmored.

Can you tell me if the Army and Marine Corps have adjusted their equipment authorizations for units to account for the need for all vehicles, including combat and support vehicles, to be armored? And do the current equipment reset numbers take into account the need to reset the Army and Marine Corps with all vehicles being armored? If not, what sort of increased cost will such a requirement involve?

General SCHOOMAKER. When we started this, we had around 500 up-armored Humvees in the entire United States Army. We now have in excess of 12- to 13,000 up-armored Humvees right now. We have over 30,000 up-armored vehicles in theater.

It was never our intention to have all of this equipment up-armored. Obviously now, when we recognize we might have this kind of thing in the future, what we want to do is have the option to have this equipment armored. So the way we are now constructing our Humvees, or newest ones, is to have the the armor to be able to be placed on or removed; so we don't unnecessarily wear the vehicles out when we don't need the armor, and when we need it we can put it on. And this is the transition we are talking about going to the 1151, 1152 series heavier vehicles. The same with our supply trucks and cabs of our tractors, and all the rest of these vehicles over there.

And so all of this up-armoring we have done is going to be part of the Army of the future, beyond this fight.

It is clear that that is one of the things that has become very evident through our experience here in this kind of conflict. The way we are now having to operate, where you don't have the old Cold

War lines delineated with areas, et cetera, that up-armoring is going to be a part of our future.

Ms. BORDALLO. So then your answer, General, is that all of the vehicles in one way or another could be armored. If you don't need it, it can be removed; is that correct?

General SCHOOMAKER. I would probably say it is clear to say the majority will be.

Ms. BORDALLO. Couldn't give us a number on that?

General SCHOOMAKER. For the record we will. It is in the tens of thousands.

[The information referred to can be found in the Appendix on page 67.]

Ms. BORDALLO. As you know, gentlemen, I am a strong supporter of the National guard and reserve forces of our Nation. On Guam we have the largest number of National Guard and Reserve, per capita, of any State in the United States.

And we have continuously been speaking in terms of a total force. But nonetheless, it really had two forces, one Active Duty and one Reserve. This has been especially true when we look at equipment. Today the situation is worse.

The guard and reserve units, having been activated in enormous numbers and for multiple missions, were rapidly fielded equipment so that they could perform their assigned missions when mobilized. They brought with them to combat everything they already had, everything they could borrow in interstate units. Unfortunately, as you know, many of these units later returned home with little to nothing, as their equipment remained in the combat theater.

If they had insufficient equipment to train with before, the situation is now worse.

So my concern is first, guard and reserve units are already disadvantaged because they do not have the equipment. This requires them to undertake longer mobilization because they need additional time before deployment to field new equipment and to have time to be trained.

This creates an onerous guard and reserve mobilization requirement of some 18 months to 2 years instead of 12 to 13 months that it should be.

Second, the services have had a poor record of assisting the National Guard in equipment fielding. When budgets get tight, the National Guard seems to get the squeeze.

I believe this may be in part because the guard and reserve do not have a strong voice who is on equal footing on the Joint Chiefs of Staff.

So can you tell me what is being done to address these concerns General, or General Hagee, whichever?

General SCHOOMAKER. This is the situation we are trying to correct. This is why we have made the commitment in our base budget, and this is why we have brought the guard and reserve into the reset business and why we are doing what we are doing.

The big difference in the guard and reserve is that they are no longer purely a strategic reserve, but they are now very much part of the active force of the all-volunteer force total Army, and this is a big change in paradigm from the Cold War. And so this is exactly the situation that we are trying to rectify.

General HAGEE. I associate myself with General Schoomaker.

Ms. BORDALLO. Thank you very much. Thank you, Mr. Chairman. Thank you, Mr. Chairman.

The CHAIRMAN. Thank the gentlelady. The gentleman from Michigan, Mr. Schwarz.

Dr. SCHWARZ. Thank you very much, General Schoomaker and General Hagee. And thank you for being here. I don't picture myself as an expert on military logistics, so I am learning a great deal here today. But being from Michigan and having facilities in my State that I deal especially with tracked and wheeled vehicles, I am interested in the reset and reequipping of both the Army and the Marine Corps.

What I am hearing is that there may not be the capacity out there now to do what really needs to be done, and that we are in a little bit of a fix. You are in a little bit of a fix from the standpoint of being unable to fund as rapidly as you would like to fund the reset. And conceivably we are in a little bit of a fix regarding facilities to do this.

You say that the depots have additional capacity. Do they have the capacity to do everything that needs to be done?

Second, if the balloon went up someplace else in the Middle East, anyplace in the world, what I am hearing right now is the contingency strength, the contingency logistics, the contingency manpower is not there to face—to deal with another area in the world, Horn of Africa, someplace else in the Middle East, Central Asia, South Asia. We really couldn't do it now, could we, if we had to, for a number of reasons: not enough manpower, not enough equipment, not enough rotary lift, not enough fixed wing lift, not enough tracked vehicles, not enough wheeled vehicles. We have a logistical problem now.

Just as a generalization, would that be a relatively fair assumption?

General SCHOOMAKER. The first part of your statement I would say that I don't agree with. I think our challenge is funding, not capacity, and I tried to allude to that in the five depots. As you know, right now we have about 60 percent of work taking place in depots and about 40 percent taking place in commercial contract partners.

The second piece of your statement I think would be better answered in detail in the closed hearing which is, I understand, to come.

Dr. SCHWARZ. I don't want details. I understand that. But I think it is appropriate for the American people to know, because you need their support and there is a problem here. And Mr. Kline and I have had this conversation a number of times. We have been talking reset now for at least a year and a half, and don't seem to get to it with the intensity and enthusiasm that we should be getting to it. So I don't think it is inappropriate for the American people to know in general that there is—we may be a little bit behind the curve from a standpoint of replacement of various and sundry logistic items. And in fact, we may be a brigade or so short in manpower in the Army, and we may be several thousand short in the Marine Corps of what we ought to be, because if the American people know this, I believe that they are perfectly willing to say to the

Congress, let's give the Army and the Marine Corps and the Air Force and the Navy the wherewithal they need to fight the war on terror.

And I am not certain that wherewithal is here right now. And, further, I am not certain that were there another front someplace, were we called into action someplace in addition to Iraq and Afghanistan and the Horn of Africa and other places where we have troops, I am not certain that we would be able to do it.

So in general, I don't want details. I understand why details are not appropriate in an open hearing. But in general, it seems appropriate—and I am making the statement, and I apologize for doing that, because I usually don't—but in general, would it not be appropriate for the American people to know we need a little bit more push, we need a little bit more support from Congress for our military?

Mr. SAXTON [presiding]. Mr. Schwarz, let me make a suggestion. Why don't we do this? We are going to go upstairs in a little bit. Why don't we talk about this there, and then make a decision about whether we want to do it this publicly after we have that discussion, if that is okay?

Dr. SCHWARZ. Mr. Chairman, I will certainly accede to your wishes, but I think I am pretty clear where I was going with my quasi statement, quasi question. Thank you, Generals.

General SCHOOMAKER. Sir, I would just like to say one thing. We need what we have asked for.

We need what we have asked for.

Mr. SAXTON. Thank you very much, Mr. Schwarz. Mr. Udall.

Mr. UDALL. Thank you, Mr. Chairman. Welcome, Generals. As always, it is great to see you here. General Hagee, I read your prepared statement with interest in particular in the area of your prepositioned stocks and the important role they play. Would you be willing to educate me a little more about the concerns you have there and also the ways in which that effort works for us at this point?

General HAGEE. Yes, sir. We have three maritime prepositioning squadrons. Each one of those squadrons contains the equipment and the sustainment for about a brigade of marines, around 15,000 marines. The ground component of that particular brigade gives us the capability and flexibility to send that size of force almost anywhere in the world, where you have maritime—maritime access.

We took down two of those squadrons to about 30 percent of their capacity and used that equipment in Iraq and Afghanistan. From a strategic standpoint, we kept one of the squadrons up and ready to go.

And as you saw in my statement, one of those squadrons—two that we took down—will be ready by 2008; and the next one, I believe is the following year if I remember that correctly, it has already come up from where it was about 30 percent last year and it is approaching 65 percent capacity now. And that is primarily due to the supplemental that we got last year. To bring it all the way up, the resources required are included in our supplemental request for this year.

Mr. UDALL. I remember our conversation a few months ago about the importance of the $5 billion in particular in that realm. We

have, of course, talked about materiel here but, people are crucial to either retrofitting, doing the maintenance; and do you see an uptick in this reset process, to the people in the Corps to get the job done, the diverse jobs done that you have outlined here?

General HAGEE. Right now in our base budget we have authorized 175,000 marines. Through supplemental funding, we have about 180,000 marines in the Marine Corps right now. Based on current operations, I believe that is what we need is around 180,000 marines.

Mr. UDALL. I mentioned to you the marine I saw at Abu Ghraib who said, yeah, the marines get more done with less.

General Schoomaker, not to imply anything about the Army, I know the Army does the same thing. One of my concerns turning to you, sir, is can the industrial base meet the demand that the Army has outlined when it comes to maintenance recapitalization and new production?

General SCHOOMAKER. Well, it is my belief that they can. I don't know if, I don't know that they—everybody back here is saying yes. I know what their depot capacity is and I know we are not exceeding that, and I know that we have had some significant support out of our industrial partners. So, I would say yes.

Mr. UDALL. You noted that—and forgive me because the hearing's gone or on for a while, if you answered this earlier—that we are going to push $5 billion of reset into 2007. And what keeps us from getting at that work this year? Is it the funding, the ability to make the acquisitions or do the maintenance? Or is it a combination of all three?

General SCHOOMAKER. It is our belief it is funding.

I don't think we are strapped in terms of capacity. I think that it is funding.

Mr. UDALL. Always seems to come to that, doesn't it?

General SCHOOMAKER. Yes, sir.

Mr. UDALL. I also note that you talked a bit about if we don't get the 17 billion in the 2007 process. And I think that I will just carry my question over, as we did with Mr. Schwarz's on the session—I think it will begin at 4 o'clock—about the impact if we continue to defer those needs into the future.

Again, I want to thank you for being here. And I am reminded of the old aphorism that strategy is for amateurs and logistics is for the experts. So I want to thank you for your good work in keeping our Nation prepared.

Mr. SAXTON. Mr. Davis.

Mr. DAVIS OF KENTUCKY. Thank you, Mr. Chairman. The comments on logistics remind me of painful days as a maintenance officer a long time ago. But the one thing I want to comment on is the gentlelady's comments from California earlier regarding need for a transition plan. I remember meeting with friends nearly a year and a half ago who laid out quite clearly an operational concept General Casey had for successful elections for the Iraqis standing down our forces. And it is no surprise to me that we are standing down. We have reduced our end strength by 35,000 in theater, and I am quite encouraged, in fact, that the operational concept that has been employed by the combatant commanders is, in fact, playing out over time.

I know it probably shocks you that politicians have short-term concerns that will drive a lot of the dialogue, but from a strategic perspective, one thing I would like to take the horizon out further—and not so much on Iraq, but if you could comment, General Schoomaker, if and how the current transition, particularly with modularity, is working long term into the FCS, full FCS system, say, 10 to 15 years down the road with the current demands on the logistic infrastructure and also from a force structure standpoint.

I am going to come back for a follow-up with both of you.

General SCHOOMAKER. I think one of the best examples of what modularity does for us is the fact that we are now able to avoid significant transportation charges because we can now move a modular brigade on top of a modular brigade's equipment in Iraq, let's say, without having to move that brigade's equipment. It can fall in on the brigade's equipment that it is leaving, you know, the one that is being left. And the brigade that is leaving Iraq can fall back in on equipment that we did not have to transport. That is some of the agility you would achieve out of standardizing your formation.

We are well down this road and we need to maintain the momentum to get this complete, because once we are totally modularized, that will allow us to take active, guard, or reserve formations, fall in on prepositioned stocks, fall in on equipment, and rotate on equipment in the combat zone. And it will significantly help us reset, you know, and do this training in a more complete way as we prepare our forces. So I think we are already seeing the benefit of the modular force and of unit manning as opposed to individual manning of the force.

And when we get into the closed session, I will be glad to show you some of that in terms of what impact it has on readiness.

Mr. DAVIS OF KENTUCKY. Thank you. Just as a follow-up to Congressman Israel's question, we are dealing a lot with hardware. But software, with the dwell time and off tempo being what it is, very demanding, how are you all addressing the professional development needs of our—in both services—of our noncommissioned officers, and particularly of the company-grade and Junior field-grade officers, for the demands that are being placed on them to assure that not only they grow and adapt and pass the lessons learned on but also stay in the force.

General HAGEE. We are doing quite a bit in that area, both for officers and for enlisted. And even though we have used supplemental funding in the past, we are moving that to our base budget. We strongly believe that we are going to—we need to continue that for some time to come.

I have been relatively happy where we were with professional military education for our officer corps. I think we have done a fairly good job on that. I have been less happy with the non-commissioned officer (NCO) staff; NCO, the enlisted education. And over the past couple of years, we have significantly enhanced that education for squad leaders, for corporals, and for staff NCOs.

General SCHOOMAKER. In our transformation, we have touched virtually every aspect of training and education. I will start with our field-grade officers. We are now putting 100 percent of our field-grade officers through intermediate-level education which is

the Command and General Staff level. And inherent in that now is JPMA, Joint Military Professional Education I, so every field-grade officer or senior captain that we are putting through, say the Leavenworth C-level experience, is not only getting the Joint Basic Education but is receiving the Command Staff level.

If you take a look at our Company Commanders' Course, it has been transformed in terms of—because of the experience we now have we have gone to a whole different way of doing that. If you take a look at our Basic Officer Education same thing.

Take a look at our initial entry training for our enlisted soldiers, totally revamped and changed. You look at our noncommissioned officer education system, all the way to the Sergeant Majors Academy, it has been realigned. We are moving the backlog through this system. And, in my view, it is a really good news story. This is the most significant investment that we—I am sure both of us feel the same way. This is the investment we must make for the future.

Additionally, we are leveraging things. For instance, I looked at the language training on their own time system. We have got this Rosetta Stone system now that is Web-based. I looked at the last 6 months; we had over 140,000 subscriptions to language training, and most of those are in the strategic language courses that we want: Arabic, Chinese, Farsi, these kinds of things. So my view is we are making some great progress there. We will continue, in my view, to mature this, and it is going to be one of the most important investments we make.

Mr. SAXTON [presiding]. I would just like to inform everyone of our situation. We are about to have four votes on the House floor, a 15-minute, two 5s, and another 15. What I would like to suggest is that when that happens, we will go as far as we can; it will be at least through Mr. Taylor and Mr. Bartlett and perhaps further. Then we will adjourn this hearing and use the time we are away to move upstairs, and then we will start with the next questioner on this list.

Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman. I thank the gentlemen for sticking around this long.

In this year's defense authorization bill that passed the House, we called for one jammer per vehicle that leaves the gate in Iraq and Afghanistan. I am curious, in the numbers that you propose to the committee, whether or not you had accounted for that or if you are going to need additional funds.

The second thing, General, and to that point is just a couple of weeks ago, maybe a couple of months now, I had the opportunity to visit Camp Shelby with General Blum, and in the course of speaking to a young Oklahoma guardsman who was getting ready to leave for Afghanistan, I asked him what he did. He is a HMMWV driver. How much time have you had training with the jammers? His answer was, and General Blum is my witness: What is a jammer? That kid is in Afghanistan now.

I had great visits from General Honore and others, but the bottom line is I remain concerned that if we don't have enough jammers for the theater, and we don't have enough jammers for them to train before we get to theater, something is wrong 3 years

into the war. And I was hoping that in the course of this hearing you could tell me something that this is being addressed.

The other thing that I would hope, I very much appreciate your statement when you say when we replace an M–1, we want to replace it with a good one, not one of the old ones. I think the HMMWV—and I have been one of the proponents of arming them—is past its useful life. I think it is time for—based on what is happening in Afghanistan and Iraq, it is time for some sort of a V-hulled-shaped vehicle that will deflect a blast that is unfortunately killing half the Americans in Iraq and Afghanistan. And I was wondering, toward that end, what are we doing to get there? Because I think that flat bottom HMMWV is just—I don't think you can put enough armor on that flat bottom to make up for the fact that it is a flat bottom and going to absorb the full force of that blast.

General SCHOOMAKER. First of all, I am fully aware and I followed with great interest the entire thing a month ago where you were at Camp Shelby and the situation that you described. And I know that the General Honore has been over and sat with you and talked through all that. I know the Vice Chief of Staff of the Army has discussed it with you. And we are committed to doing what we told you we would do in those discussions, both in training and in combat, with the jammers. And this is a high priority. We have spent over $1 billion on jammers in supplemental funding, and I can get you the details on that funding, but we are committed to it. But so——

Mr. TAYLOR. To the point of the committee passed an amendment that says every vehicle that leaves the gate has a jammer, is that included in your request? Are the funds for that?

General SCHOOMAKER. We have requested for all of the jammers we need. I don't know, I don't want to make that statement. We will check and follow up for the record.

[The information referred to can be found in the Appendix on page 67.]

General SCHOOMAKER. On the V-hulled vehicles, as you know, part of supplemental funding has paid for the armored security vehicle, ASVs. That is the kind of vehicle that we recognized early on we had to have, and so we purchased a lot of them.

What is interesting is that is one of the things that we took a nick on in the budget process. We had $100 million cut out of the ASC program, which is a V-hulled vehicle that——

Mr. TAYLOR. If I may, General. Again, I am a proponent. I hope, it sounds like you are a proponent. You are the expert. And if that is important to you, I would hope that you would use the prestige that you carry to make that happen. And I think you can make that happen.

General SCHOOMAKER. That is what we are trying to do, I mean, whatever prestige we have. But I have said it, we are requesting 100 percent of what we need. We are not gilding the lily; we are not asking for things we don't think are important. We are putting it out there.

My problem and the dilemma that we are trying to articulate here is rolling this forward the way we are and getting the—discontinuity in programs is detrimental to getting where it is we

want to go. And, of course, we are looking for a future replacement for the HMMWV to deal with the issues that you are talking about.

Mr. TAYLOR. Mr. Chairman, for the record—and I don't expect you gentlemen to know this, but you are the only guys with four stars on at the witness table. I remember when Secretary Wolfowitz years ago misspoke when he said that Iraqi war money would pay for all this. I would be curious for the record to know how much the Iraqi Government does contribute toward their own defense. I don't know that that number has ever come out in this committee, and I think it is something the American people would be interested in knowing, for the record.

Mr. SAXTON. I thank the gentleman. It is a good thought.

Mr. Bartlett.

Mr. BARTLETT. Thank you very much.

The Army's Huey has been in service now for over 40 years. What is OSD Army doing to ensure that the next light utility helicopter for the Army has the ability to perform the mission for the long haul similar to the Huey? What kind of growth potential are you looking for for the next light utility helicopter?

And I would encourage you to look for the best value in the next helicopter, meaning in part that the Army would select a modern off-the-shelf aircraft that has the inherent growth potential to serve the Army and National Guard for decades to come.

General SCHOOMAKER. Was that a question, or——

Mr. BARTLETT. Well, I had two questions before that. What is OSD and the Army doing to ensure that the next light utility helicopter for the Army has the ability to perform the mission for the long haul? Will it be as good as the Huey? And what kind of growth potential are you looking for in the next light utility helicopter?

General SCHOOMAKER. I think that you know both the light utility helicopter and the ARH, the armored reconnaissance helicopter, are both basically off-the-shelf technologies that we are making significant investments in using Comanche money from the cancelled Comanche program. I will be glad to have somebody come over and lay down all of the specifications of what it is. And, by the way, the Guard and Reserves will get these helicopters.

Mr. BARTLETT. Thank you. I have several additional questions, but in the interest of time, Mr. Chairman, I will submit those for the record, if that will be okay.

Mr. SAXTON. Thank you very much, Mr. Bartlett.

Mr. Shuster.

Mr. SHUSTER. Thank you, Mr. Chairman.

Thank you, gentlemen, for being here with us.

Trying to get my hands around the reset programs, both have different, similar but different, reset programs. But first the Army, I about 10 months ago went to Lima, Ohio, to the tank reset program out there, and there was a reset and a recap. The reset gets it back up to be battle-worthy; a recap is taking it down to zero hours, zero miles.

And when I was out there, a question I asked was: Do we look at cost per mile or cost per hour of those two different programs, reset versus recap? And I do know that the recap is much more expensive if you put all the new technology on it. The numbers I have are to reset a tank is about $900,000; to recap it is $1 million basi-

cally, unless you add a lot of technology to it. And it would seem to me that if we are going to be efficiently spending our dollars, looking at $100,000 seems like it is, what, 10 percent more. It doesn't seem like it is. But if you look at it per cost per mile or cost per hour, it may be a much better cost for us. And nobody seemed to be able to get me those numbers. I wonder if that is something you can get to me and help me understand that.

General SCHOOMAKER. We have, I think, four different kinds of M1 tanks, at least four kinds of M1 tanks. We want two. We want system enhancement package (SEP) or Abrams Integrated Management Program (AIM). And so every time we reset a tank, we want to reset it to either SEP or AIM level. And by doing that, we will pay ourselves back by the cost avoidance and the savings we get by having commonalities of fleet. One hundred thousand dollars is nothing; that could be one day's repair part for one tank, you know, the expense that is involved in it. So it is very important for us as we reset, especially if we are recapitalizing, that what we do is don't set it back to where it was, but set ourselves in a direction that gets us the benefits of having commonality.

Mr. SHUSTER. But I thought what I learned out there, we were resetting them; we weren't upgrading them to the SEP or the AIM, we were just making them battle-worthy again. And that is where my question comes in. Cost-per-mile basis or cost-per-hour, however you look at it, we should be upgrading those tanks.

General SCHOOMAKER. I think it is a good point, and we will look at it, and we can get back to you. But I think the bigger idea is that what we are trying to do is to take all of the Deltas out of the system and to get ourselves into an efficient, supportable, sustainable fleet into the maximum extent we can. And I think you know that we built no more new tanks, we built no more new Bradleys, these are all remanufactured. So we are going to the extent we would like to recapitalize.

[The information referred to can be found in the Appendix on page 67.]

Mr. SHUSTER. Absolutely.

And the second question is, the Marines and the Army have, from what I read—that the Marines, you either reset, you don't recapitalize them, or you replace them. Is that correct in understanding that there is no step in between there of rebuilding?

General HAGEE. Well, unfortunately, it sounds like we are using the reset. When I talk about reset, I am talking about recapitalization, I am talking about reconditioning, or I am just talking about plain maintenance. I think there is another definition of reset which you laid out, but that is not what I mean by reset. So we are doing all of those.

Mr. SHUSTER. So my understanding is then that the Army and the Marines are basically—when you say reset, you are doing all those things basically the same? There isn't a step missing from the Marines versus the Army when it comes to the reset program?

General HAGEE. There is not a step missing. I believe that we are probably buying more new equipment because we don't have the capacity, we don't have the numbers to bring them back in and recapitalize them. So in many cases we are buying new equipment. But I believe that we are taking the same steps.

Mr. SHUSTER. If I understand that you don't have the numbers as far as the pieces of equipment to bring them up, or you don't have—the capacity is not there to recapitalize them?

General HAGEE. No. If you are at war, and you have to take something off line, and it comes off line for a long period of time to remanufacture it, or you buy it new, you use that one until it is used up, and then you can replace it, in many cases that is what we are doing because we don't have the large capacity to allow us to take something off the line and recapitalize it.

Mr. SHUSTER. Because you need it back in the field.

General HAGEE. That is correct.

Mr. SHUSTER. Thank you very much.

Mr. SAXTON. We are going to go to Mr. Butterfield. The good news is the Chairman has decided that we are going to end today's activities after the next 5-minute question, and then we will reschedule the later session for a convenient time so we don't have to have you guys hanging around.

Mr. BUTTERFIELD. Thank you, Mr. Chairman.

And thank both of you for coming again today. I have seen both of you many times, and it looks good to see you again. Thank you very much.

The hour is late, and I am not going to belabor this any longer than I have to, and perhaps I can get one on one with you later if I have any specific questions. But one thing that intrigues me probably more than anything else based on the briefing material that I received today from my staff basically says that the Guard in my home State of North Carolina deployed with 18 Apaches and came back with none. Does that sound accurate? General Schoomaker?

General SCHOOMAKER. General Vaughn tells me that what we did—that is accurate what you stated, but they were replaced with other aircraft.

Mr. BUTTERFIELD. And how does that compare with other States across the country? Are they losing a lot of equipment, the Guard?

General SCHOOMAKER. What we are having a conversation about here, basically we are doing the same thing we are doing with the active. Where it doesn't make sense to move things back and forth because of the expense, what we are doing is leaving equipment to rotate on, and then replacing it just like we are with the active force at home. As we reset equipment, we will replace it with reset equipment.

Mr. BUTTERFIELD. Well, if my State is not unique, if this is commonplace throughout the country, then we do indeed have a serious equipment problem. The information that I have is that we have eight that are on loan from Idaho, but that we haven't replaced the whole fleet.

General SCHOOMAKER. You are accurate. We do have an equipment problem, and that is what we are trying to fix.

Mr. BUTTERFIELD. Let me associate myself with the other remarks here today and let you know that you have my total support. Thank you.

I yield back.

General SCHOOMAKER. Now, the solution to your equipment problem is backed up in the depots. If we had the money, we would be

replacing your equipment faster, and we would be happier because we would be more ready.

Mr. BUTTERFIELD. Thank you.

Mr. SAXTON. Thank you both very much for your patience and for sticking with us here today. You have got our attention, and we are going to try to be helpful.

Mr. Skelton.

Mr. SKELTON. I would like to have in a classified forum, General, a list of all of the CONUS combat brigades and their C ratings.

General SCHOOMAKER. Yes, sir.

Mr. SKELTON. Thank you very much.

Mr. SAXTON. Once again, thank you, and we will look forward to seeing you again soon. Thank you.

[Whereupon, at 4:20 p.m., the committee was adjourned.]

A P P E N D I X

JUNE 27, 2006

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

JUNE 27, 2006

Curt Weldon
Opening Statement
Full Committee Hearing
Resetting Ground Equipment and Rotorcraft
June 27, 2006

Mr. Weldon: Today the House Armed Services Committee meets to receive testimony on how the Army and Marine Corps plan to fund "equipment reset" on military equipment coming back from Iraq and Afghanistan. This process includes the maintenance, recapitalization, and replacement of a majority of the mission-capable equipment belonging to the two services.

Immediately following the adjournment of this open portion of today's hearing, the Committee will meet in room 2212 for a classified briefing on equipment reset. Specifically, the Army and Marine Corps will elaborate on their resource challenges, equipment issues, and current readiness ratings as they relate to reset.

Operation Iraqi Freedom and Operation Enduring Freedom have placed severe demands on ground and aviation equipment supporting our Army and Marine Corps forces. Therefore, resetting the force is an essential element in maintaining our ability to conduct this war, as well as preparing for any future threats.

We have a panel of two distinguished witnesses with us today who will discuss how equipment reset is currently managed, what will be necessary to fully accomplish reset now and in the future, and what funding the services will require for reset. This last topic of discussion is of great importance. It is essential to have an accurate estimate of the costs associated with reset. Without this, it is impossible to create and adhere to an effective reset strategy. Furthermore, the Committee believes that the services must dedicate sufficient priority and resources to reset, despite current budgetary pressures and ongoing requirements.

I look forward to the witnesses' testimony and the discussion that will follow. I'm sure the committee will learn a great deal about the reset challenge that is before us.

Before we begin the testimony, I would like to introduce my good friend, the gentleman from Missouri and ranking member of the Committee, Mr. Skelton for any remarks he would like to make.

[Following Mr. Skelton's remarks]

I would now like to introduce our panel of distinguished witnesses:

- General Peter J. Schoomaker, the Chief of Staff of the United States Army, and
- General Michael W. Hagee, the Commandant of the United States Marine Corps.

Thank you gentlemen for joining us. We look forward to your presentations. General Schoomaker, we will start with you. You may begin.

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UNTIL RELEASED BY
THE HOUSE ARMED
SERVICES COMMITTEE

STATEMENT OF

GENERAL MICHAEL W. HAGEE

COMMANDANT OF THE MARINE CORPS

UNITED STATES MARINE CORPS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

June 27, 2006

NOT FOR PUBLICATION
UNTIL RELEASED BY
THE HOUSE ARMED
SERVICES COMMITTEE

Introduction

Chairman Hunter, Congressman Skelton, distinguished members of the Committee; it is my honor to report to you on our progress in meeting the plan to reset your Marine Corps. My message today is the same message I have delivered in hearings and office calls for the past three years. The message is that the toll taken by this long war on terror—the sustained combat operations at a high operational tempo in harsh environments—requires a significant effort to maintain the Marine Corps' role as the Nation's premier expeditionary combat force in readiness. Like all wars, this war is costly, both in human terms and in the need for reliable, modern equipment. This statement outlines the challenges we share in sustaining the caliber of service the Nation expects from its Corps of Marines. Readiness has been the enduring hallmark of the Marine Corps, and even if this long war ended today, we would require significant fiscal support to "reset the force." It is through the continued efforts of the Congress that our Corps remains strong as our forces continue the mission at hand. Our Marines and their families stand ready to address future missions and contingencies, and we are striving to maintain our future warfighting readiness.

Current Operations

The exigencies of continuing combat operations in Iraq and Afghanistan have placed rigorous demands on both our Marines and their equipment. Our high operational tempo (just over 1:1, approximately seven months deployed/seven months at home) is primarily felt in our tactical units—infantry battalions, rotary-wing aviation squadrons, and other high demand capabilities. With twenty-six percent of our total operating forces and eighteen percent of the total active force currently deployed, Marine operating forces are either deployed, have recently returned from deployment, or are preparing to deploy. Although many of our units have deployed as many as three times in this war, normal rotations within these units typically translate to a relatively small percentage of personnel actually making a third deployment to the theater. We are also watching very closely for signs that would indicate the force is overly stressed. Post deployment mental health screenings, suicides, domestic violence, and divorce rates are all monitored and briefed to me regularly. Additionally, commanders and

noncommissioned officers at every level of command are charged to monitor these indications closely and to stay engaged on these issues.

Our Marines continue to prove themselves to be tough and selflessly dedicated to their mission, but extended combat operations have severely tested our materiel. While the vast majority of our equipment has passed the test of sustained combat operations, it has been subjected to a lifetime's worth of wear stemming from vehicle mileage, operating hours, and harsh environmental conditions—at up to seven times the planned rate on often already aged equipment. This creates challenges as approximately thirty percent of all Marine Corps ground equipment, and nearly thirty-five percent of our active duty aviation squadrons are currently engaged overseas. Most of this equipment is not rotating out of theater at the conclusion of each force rotation, but is sustaining continuous use at a rate that far exceeds utilization estimates.

As our priority for equipment is always to support the Marines serving in harm's way, we have drawn additional equipment from the Maritime Prepositioning Ships, prepositioned stores from the Norway caves, as well as retaining the equipment in theater from units that are rotating back to the United States. The results of these efforts have been outstanding—the average mission capable rates of our deployed forces' ground equipment remain above ninety-five percent... but there is a price.

The cost of this success is a decrease in non-deployed unit readiness and an increase in maintenance hours per operating time. Equipment across the Marine Corps is continuously cross-leveled and redistributed to ensure that units preparing to deploy have sufficient equipment available to conduct our stringent pre-deployment training programs. The timely delivery of replacement equipment is crucial to sustaining the high readiness rates for the Marines in theater, as well as improving the rates for the forces here at home. While this has been funded by the Congress, much of this equipment is still many months from delivery.

The harsh environments of Iraq and Afghanistan have highlighted the limitations of our aging fleet of aircraft. In order to successfully support our Marines, sister services, and coalition partners on the ground, our aircraft have been flying at two to three times their designed utilization rates, as depicted in Figure 1. Despite this unprecedented utilization, the yeoman efforts of our maintenance personnel have sustained our aviation mission capable rates for deployed forces at eighty-three percent over the past twelve months.

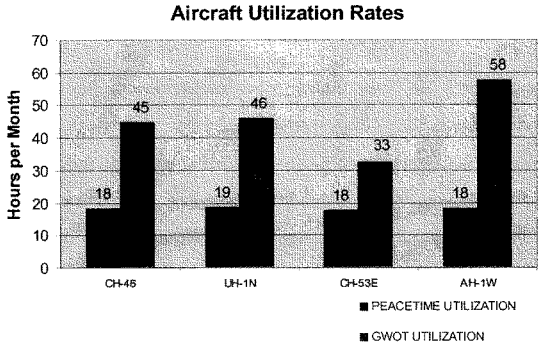

Figure 1

The corresponding aviation mission capable rates for our units in garrison, who have either recently returned from deployment, or are preparing to deploy again, have averaged seventy-five percent over the past 12 months. In order to improve our aircraft readiness rate, we have created a limited aircraft depot maintenance capability in theater. Maintaining the readiness of our aviation assets presents a considerable challenge and constant demand for maintenance.

The extreme temperatures, high altitudes, and the erosive desert environment have in themselves created a unique set of maintenance challenges for Marine Aviation. We have mitigated aircraft degradation as much as possible through specific aircraft modifications, proactive inspections, and corrective maintenance. While these efforts have successfully bolstered aircraft reliability, sustainability, and survivability, additional requirements for depot level maintenance on airframes, engines, weapons, and support equipment will continue well after the end of hostilities.

Resetting Marine Aviation means not merely repairing and replacing damaged and destroyed aircraft, but getting better aircraft in the field sooner. As there are few hot production lines for most of our current fleet of aircraft, near-term inventory shortfalls require accelerated or increased procurement of the MV-22, the UH-1Y, the AH-1Z, and the KC-130J. Attrition in our heavy-lift CH-53E fleet requires a longer-term solution—the CH-53K. The capability enhancements afforded by these aircraft and the CH-53K are essential to our continued effectiveness—both in this conflict and future contingencies. Resetting our full aviation capability will also require significant funding for airframe damage repair, restoration, and upgrade of aircraft to replace destroyed airframes, Pioneer unmanned aerial vehicle component

recovery, air traffic control equipment refurbishment, targeting pod replacement, and numerous other efforts to restore capability lost in Global War on Terror (GWOT) operations.

Ground Equipment

The Marine Corps is executing a number of operational missions that are inherently ground equipment intensive. Stability and Support Operations (SASO), Counter-Insurgency (COIN), Civil Military Operations, and Foreign Military Training all require a greater quantity of equipment than our programmed levels for traditional combat operations. In order to adapt to these new mission requirements, we have revised the Equipment Density List, increasing the

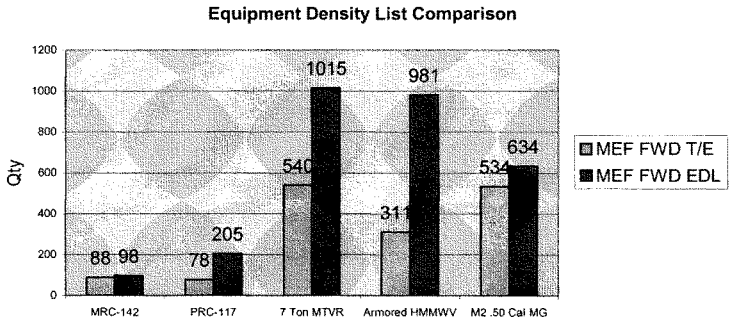

Figure 2

quantity of equipment issued to Marine units deploying into the CENTCOM Area of Operations. A comparison (excerpt) of the pre-war table of equipment with the revised Equipment Density List appears in Figure 2.

In addition, the preponderance of the Marine Corps' war effort is in the western Iraqi province of Al Anbar. This province is approximately 80,000 square miles—an area roughly the equivalent of the state of Utah, with over a million people located in cities, towns, and vast spaces in the desert and along foreign borders. Our forward operating bases are not in close proximity to each other; the large distances between forward operating bases require additional vehicles, communications capabilities, and crew served weapons over and above the standard unit Equipment Density List.

The increased ground equipment requirement when coupled with high utilization rates (see Figure 3.), results in a Corps-wide degradation of equipment.

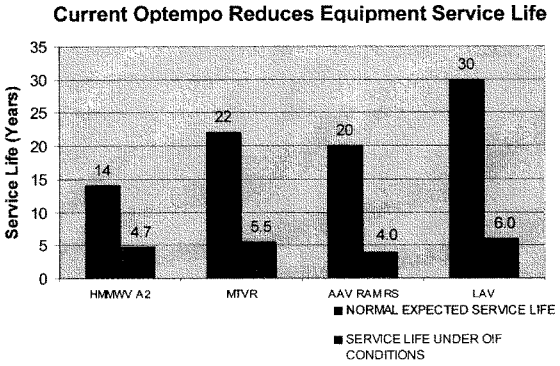

Figure 3

Strategic Materiel and Prepositioning Programs

Due to the priority of sustaining the readiness of our forward deployed forces, the equipment readiness of our strategic prepositioning programs has eroded. Equipment stores from the Marine Corps' two prepositioning programs (the Maritime Prepositioning Force and Marine Corps Prepositioning Program – Norway) have been utilized to conduct the Global War on Terror. Our in-stores equipment stocks have also been depleted in support of our force rotation in Operations Iraqi and Enduring Freedoms. In-stores material is critical to the readiness of our operating forces and particularly important to the readiness of our Reserve component.

By fencing off a portion of our Maritime Prepositioning Ship Squadrons, we have maintained a strategic response capability, although at a reduced rate. Maritime Prepositioning Ship Squadron 2 downloaded equipment in support of Operation Iraqi Freedom and will complete its reconstitution during its scheduled maintenance period of February 2008 through February 2009. Additionally, funding to replenish the Marine Prepositioning Program-Norway was reflected in the FY 2006 Supplemental funding request; and we will reconstitute this program by FY 2010, contingent on equipment delivery schedules and operational commitments.

Costs and Resourcing of Resetting the Force

We conduct a comprehensive review of our "reset" costs each year. We are deeply appreciative of Congressional help in this area. With the passage of the most recent

supplemental appropriation, we have received $5.1 billion toward our total reset requirement. Even with an annual "top line" of $18.2B (FY 2007 President's Budget), supplemental funding will continue to be required unless there is a significant increase (almost double) in our Total Obligation Authority.

While funding current GWOT operations is our highest priority, any reduction in supplementals without an offsetting increase in our "top-line," would result in an unacceptable degradation of our investment and modernization accounts. Reduction in these accounts would significantly affect the quality of life of our Marines and impact our ability to provide a naval expeditionary presence, capable of relentlessly pursuing terrorist organizations and projecting sustainable forces ashore to conduct the full spectrum of operations—from humanitarian assistance to major combat operations.

Conclusion

Our Marines serving in combat overseas are highly motivated volunteers who continue to perform heroically under harsh conditions. They endure hardship and sacrifice far from the familiarity of home and the comfort of friends and family. We will continue to inspire, train, and equip them for success. Simultaneously maintaining our readiness, resetting the force during an extended war, and modernizing and transforming to prepare for the challenges of the future requires the sustained support of the American people and the Congress. With it, your Marines will enter the coming battles as the well-equipped, well-trained fighting force you have come to expect. With it, your Marines will remain ready, relevant, and capable, able to flexibly respond to every crisis.

RECORD VERSION

STATEMENT BY

GENERAL PETER J. SCHOOMAKER
CHIEF OF STAFF OF THE ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

SECOND SESSION, 109TH CONGRESS

ON THE ARMY'S RESET STRATEGY
AND PLAN FOR FUNDING RESET REQUIREMENTS

JUNE 27, 2006

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
COMMITTEE ON ARMED SERVICES

STATEMENT BY
GENERAL PETER J. SCHOOMAKER
CHIEF OF STAFF, ARMY

America's Army remains at war. This is a war unlike any other in our history and one we will be fighting for the foreseeable future. We are deployed as part of a joint and combined force, serving side-by-side with Marines, Airmen, Sailors, and the representatives of numerous other national and government agencies. This is not just the "Army's War," yet, in light of the scale of our commitment, we bear the majority of the burden. Our Soldiers in Iraq and Afghanistan are the best equipped, best trained, and best led I have ever seen. However, to prevail in the long struggle in which we are now engaged, we must maintain our readiness by resetting those who have deployed – through a disciplined, orderly reconstitution of combat power.

We believe that our Soldiers' effectiveness depends upon a national commitment to recruit, train, equip, and support them properly. This commitment must be underwritten by consistent investment in their equipment and infrastructure. Historically, the Army has been under resourced – and it is a fact that the decade preceding the attacks of September 11, 2001 was no exception. Army investment accounts were underfunded by approximately $100 billion and 500,000 Soldiers were reduced from total Army endstrength. There were about $56 billion in equipment shortages at the opening of the ground campaign in Iraq in the spring of 2003. In contrast, at the height of the Second World War, Defense expenditures exceeded 38 percent of our Gross Domestic Product. Today, they amount to about 3.8 percent and are projected to shrink. In this extraordinarily dangerous time for the Nation, we can – *and must* – reverse this trend.

Today we will discuss the magnitude of the Army's reset challenge and our strategy for resourcing this critical requirement. This challenge is one of strategic proportion that demands the support of the Nation. We

have developed and presented a fully integrated plan to best deal with current and future challenges, and to sustain our volunteer Soldiers in this time of war. This plan will enable us to properly reset our Army, while supporting our strategy to transform, to modernize, and to realign our entire global force posture and infrastructure. Our plan is designed to ensure that we remain *relevant* – in our design and orientation – and *ready* – in terms of the depth and breadth of our capabilities, the health of our people, and the overall condition of our equipment – to deal with the challenges we will face, as required by the 2006 Quadrennial Defense Review.

For the last five years, a period longer than World War II, the Army has had as many as 18-20 brigade combat teams deployed on a rotational basis in combat conditions. Counting military and police training/transition teams and base security forces, which are in addition to the brigade combat teams, the Army currently has nearly 35 brigades' worth of Soldiers, leaders, and equipment deployed in our current theaters of operation – more than our estimates over the past two years. Supporting these combat arms formations are: (1) a substantial number of command and control organizations (e.g., Multinational Force-Iraq and Combined Forces Command-Afghanistan); and (2) a large and complex foundation of combat support and combat service support to furnish theater level operational fires, intelligence, engineering, logistics, and other forms of support for joint and Army forces.

This sustained strategic demand has placed a tremendous strain on the Army's equipment which has been employed in the harsh operating environments of Iraq and Afghanistan. In Operation Iraqi Freedom, for example, crews are driving tanks in excess of 4,000 miles per year – five times more than programmed annual usage rates of 800 miles. Army helicopters are experiencing usage rates roughly two to three times programmed rates. Our truck fleet is experiencing some of the most

pronounced problems of excessive wear, operating at five to six times programmed rates. This extreme wear is further exacerbated by the addition of heavy armor kits and other force protection initiatives.

The compounding effect of increasing tempo and severe operating conditions – in combat – is decreasing the life of our equipment. We require greater investment in depot maintenance – an area with unused capacity.

Since 9-11, we have reset and returned over 1,920 aircraft; 14,160 tracked vehicles; and 110,800 wheeled vehicles, as well as thousands of other items, to our operational units. By the end of this year, fiscal year 2006, which will end in three months, we will have placed approximately 290,000 major items of equipment in reset. Approximately 280,000 major items will remain in theater and will not redeploy to be reset until a drawdown is implemented. Our requirement for reset in fiscal year 2007 is $17.1 billion, which includes $4.9 billion deferred from fiscal year 2006. In accordance with Office of Management and Budget and the policy of the Defense Department, we rely on supplemental funds to pay for our reset program because reset costs are directly tied to damage and wear resulting from contingency operations.

Reset costs in future years will depend on the level of force commitment; the activity level of those forces; and the amount of destroyed, damaged, or excessively worn equipment. Unless one of these factors changes significantly, the Army expects the requirement beyond fiscal year 2007 to be $12 to $13 billion per year through the period of the conflict and for a minimum of two to three years beyond. Any reset requirement that goes unfunded in one year carries over to the following year, increasing that following year's requirement.

The requirement to reset our equipment and return our units to full readiness upon their return from operational deployments is fundamental to the Army's ability to do core tasks: (1) *to sustain the full range of our*

current global commitments (which extend well beyond operations in Iraq and Afghanistan) and, (2) *to continue to prepare for emerging threats*. In and of itself, resetting the force is a major undertaking. Resetting the force – while simultaneously fighting the Global War on Terror and transforming to become a more powerful, more flexible, and more deployable force – is a dramatically more complex task – that necessitates a sustained national commitment and a careful balancing of resources.

To fully appreciate our reset challenge, it is important to establish a common set of definitions. Terms like recapitalization, refurbishment, repair, and replace are often used interchangeably; however, they have very different meanings. *Reset* includes a series of actions taken to restore unit equipment to a desired level of combat capability after returning from contingency operations. The reset process brings unit equipment to full combat-ready condition, either for its next rotation in support of current operations or for other, unknown future contingencies. Reset actions include *repair of equipment* and *replacement of equipment* lost to combat operations or worn to the point of being uneconomically repairable. Reset also includes *recapitalization of equipment* where feasible and necessary. Resetting the force takes time, money, and the full cooperation of our joint and industrial partners. We seek to do this as efficiently and effectively as possible in order to use resources wisely and maintain preparedness for future deployments.

Resetting units is not a one-time event. It is required for all redeploying units. In simplest terms, our reset program is designed to reverse the effects of combat stress on our equipment. Amidst the constant demands of war, higher operational tempo, rough desert environments, and limited depot maintenance in theater, our deployed fleets are aging about four years, on average, for every year deployed in theater – dramatically shortening their life.

Only through a fully funded reset program can we extend the life of the operational fleet and remain ready for protracted conflicts. Where necessary we reset our forces forward to future modular designs, thereby leveraging the opportunity to accelerate our transformation. Rather than returning them to legacy configurations, we are increasing preparedness for future challenges. Every dollar we spend to restore our current capacity actually serves as an investment in future capabilities. We will require a sustained national commitment to complete this essential work.

Reset is a cost of war – that must not be borne at the expense of our modernization efforts. We must not mortgage the future readiness of the force by focusing our resources solely on current challenges. We will not escape the tyranny of rising manpower costs without modernization. With the exception of Future Combat Systems, the Army has not had a major start in modernization in almost four decades. Additionally, our Soldiers rely on and deserve the very best protection and equipment the Nation can provide. With the support of Congress, acting in full partnership with industry, we have dramatically increased the pace of both production and fielding of vehicle armor. We have also accelerated the delivery of other advanced technologies. Taken together, these initiatives have improved our capability not only to protect our Soldiers, but also to provide the Combatant Commanders with the forces and resources required to sustain the full range of our global commitments. Our enemies will continue to adapt their tactics; we must remain ahead of them and place our Soldiers in positions of advantage – by providing to them the best equipment, training, and support that the Nation can provide.

I would like to conclude, as I began, with a message about our Soldiers who are serving in defense of US and allied interests around the globe, deployed in more than 120 countries. Over the past five years at war, in joint and combined environments, Soldiers have carried the lion's share of the load. Since 9-11, more than one million Americans have served in Iraq and Afghanistan. Many are returning for second or third

tours. Our Soldiers understand that this is a struggle in which we must prevail. Despite hardships and dangers, they continue to answer the Call to Duty and enable America to put "boots on the ground" – the Nation's most visible signal of its commitment to defending national interests.

Americans – men, women, and children – hold our Soldiers and the members of our Armed Forces in the highest regard. They value the commitment of these young men and women to defending the freedoms we enjoy – and to defeating enemies who challenge the values that form the bedrock of our society. I am proud to serve with our Soldiers who volunteer to serve our Nation. To be successful, these Soldiers deserve the best equipment, training, and leadership our nation can provide. Soldiers and their families deserve our support. *It is my belief that we can and must afford it.*

The Nation has paid a heavy price for its historic pattern of unpreparedness at the start of major wars or conflicts. The investment in reset at this time is critical. America cannot afford to allow its Army to fall behind in either its readiness or modernization as a result of our patterns of "upside" and "downside" investment in its defense.

Today, we are on a path to modernize and transform the Total Army into a modular force that is fully trained, manned, equipped, and supported in a manner that will enable sustained operations in theaters of operation like Iraq and Afghanistan, and those that loom on the horizon. It is critical to have your support to build on the progress we have made. Moreover, in light of the Nation's historic record of uneven investment in our Army, it is vital that we not allow our past to become our prologue – by avoiding the same predicament in which war has always found us.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

JUNE 27, 2006

QUESTIONS SUBMITTED BY MS. BORDALLO

Ms. BORDALLO. Can you tell me if the Army and Marine Corps have adjusted their equipment authorizations for units to account for the need for all vehicles, including combat and support vehicles, to be armored? And do the current equipment reset numbers take into account the need to reset the Army and Marine Corps with all vehicles being armored? If not, what sort of increased cost will such a requirement involve?

General SCHOOMAKER. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. To the point of the committee passed an amendment that says every vehicle that leaves the gate has a jammer, is that included in your request? Is the funds for that?

General SCHOOMAKER. [The information was not available at the time of printing.]

QUESTIONS SUBMITTED BY MR. SHUSTER

Mr. SHUSTER. But I thought what I learned out there, we were resetting M1 tanks; we weren't upgrading them to the SEP or the AIM, we were just making them battle-worthy again. And that is where my question comes in. Cost-per-mile basis or cost-per-hour, however you look at it, we should be upgrading those tanks.

General SCHOOMAKER. [The information was not available at the time of printing.]