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[H.A.S.C. No. 110–33]

HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2008

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

READINESS SUBCOMMITTEE HEARING

ON

BUDGET REQUEST ON ADEQUACY TO MEET READINESS NEEDS

HEARING HELD
MARCH 13, 2007

U.S. GOVERNMENT PRINTING OFFICE

37–792 WASHINGTON : 2008

For sale by the Superintendent of Documents, U.S. Government Printing Office
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FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST ON ADEQUACY TO MEET READINESS NEEDS

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FISCAL YEAR 2008 NATIONAL DEFENSE AUTHORIZATION ACT—BUDGET REQUEST ON ADEQUACY TO MEET READINESS NEEDS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
READINESS SUBCOMMITTEE,
Washington, DC, Tuesday, March 13, 2007.

The subcommittee met, pursuant to call, at 2:05 p.m., in room 2118, Rayburn House Office Building, Hon. Solomon Ortiz (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. SOLOMON P. ORTIZ, A REPRESENTATIVE FROM TEXAS, CHAIRMAN, READINESS SUBCOMMITTEE

Mr. ORTIZ. I think that we have a sufficient number of members, and I think that more will come in as we progress with this hearing.

I thank our distinguished panel of witnesses for appearing before this subcommittee today. We honor and appreciate the sacrifices made by our soldiers, sailors, airmen and Marines, who serve throughout the world in support of our nation and in Operation Enduring Freedom (OEF) and Iraqi Freedom (OIF).

Today, the Readiness Subcommittee will consider the readiness posture of our armed forces and whether the fiscal year 2008 budget, if this request is adequate to meet the readiness needs.

After 5–1/2 years of sustained operations in two theaters of war, I am greatly concerned about the declining readiness condition of the services in terms of personnel, equipment and training. This growing readiness problem is most evident in the ground forces of the Army and Marines, but we also see it in the effects on the Air Force and the Navy.

The Congress has provided significant funding beyond what has been requested by the Department of Defense to try to mitigate the decline, but the high tempo of operations and the constraints of the defense industrial base are making it difficult for the service to turn the decline around.

By far, the Army has been the service most affected by the global war on terror and the war in Iraq. The Army's planned commitment of 21 of its 42 brigade combat teams to combat operations is stressing both soldiers and equipment and reducing the readiness posture of units not deployed to combat.

To meet wartime needs, the Army has pulled equipment from across the forces to equip soldiers deploying into harm's way. This practice, as General Cody notes in his written testimony, increases

risk for the next-to-deploy units and limits the Army's ability to respond to emerging strategic threats.

I have seen the classified Army readiness reports. And based on those reports, I believe that we as a nation are at risk of mission failure, should our Army be called to deploy to an emerging threat.

Because of time and equipment and strength, commanders are being forced to seek efficiencies in completing required pre-deployment training. Rotations at the National Training Center for the last two brigade combat teams headed to Iraq were eliminated, with the units conducting home-stationed training in Washington and Georgia, instead of in the desert at Fort Irwin, California.

The Marine Corps, like the Army, has seen significant ground combat since the year 2001. This is reflected in lower readiness rates for non-deployed units. The problems in the Marine Corps are not as severe as the Army, but they are affecting training and overall readiness posture of the service.

The Navy's fiscal year 2008 budget supports 45 underway or steaming days per quarter for deployment forces, but reduces steaming days for non-deployment forces from 24 in fiscal year 2007 to 22 in fiscal year 2008.

We will be interested in hearing how confident the Navy is that an increased reliance upon the use of simulation exercises and improvements in training methods can ensure the readiness of the Navy's non-deployment forces.

Likewise, we will want to hear how much non-deployed aircrew readiness the Navy has sacrificed to fund an average of T–2.5 aircrew readiness levels, as reported in fiscal year 2008 budget request.

The Air force is flying over 200 sorties per day in the central command theaters of operation, and has more than 350 aircraft committed to supporting combat operations. This commitment has resulted in high utilization rates on aging Air Force assets. These increased use on a smaller, older fleet has resulted in readiness rates that are 17 percent below unit operation readiness rates prior to 9/11, and below last year's all-around low levels.

I have noted in General Cody's written testimony his comment that addressing readiness will require a national commitment to sustained, predictable resourcing.

I agree with this comment, but will go on to say that we need a national commitment to our military and to providing for our national defense.

Our armed forces have done what has been asked of them over the last 5–1/2 years, and it has taken a heavy toll. Readiness has fallen now, and the American people must look forward to the future and the future work to restore our military, so that armed forces are ready when we need them.

Gentlemen, I look forward to hearing your testimony.

The chair recognizes the distinguished gentleman from Alabama, my good friend, Mr. Rogers, who is filling in for my good friend, Ms. Davis, who has been a little ill.

Mr. Rogers.

STATEMENT OF HON. MIKE ROGERS, A REPRESENTATIVE FROM ALABAMA, READINESS SUBCOMMITTEE

Mr. ROGERS. Thank you, Mr. Chairman.

I want to welcome all the witness. And thank you each for taking the time to be with us to talk about this important issue today.

As we all know, the readiness of our troops is critical to our national security and success in the war on terror. The Department of Defense continues to face budgetary pressures against the backdrop of the ongoing war on terror, a continued high operations tempo, and the need to recapitalize much of its aging equipment.

The fiscal year 2008 budget reflects these challenges and requires the services to continue to do more with less.

The total request of $235.3 billion for operations and maintenance is up only 1.1 percent than the fiscal year 2007 request. According to the estimates provided to this subcommittee, this increase is only half of what is needed to cover inflation, rising energy costs, and provides no room for program growth.

In effect, the services' Operation & Maintenance (O&M) budgets are $2.7 billion short if you simply take inflation into account.

The readiness challenges facing the Department of Defense are significant. Years of underfunded procurement amounts are manifesting in its aging fleets, aircraft, ships and vehicles. This aging equipment is costly to maintain, it offers reduced reliability, and requires increased manpower to keep it serviceable.

Yet, the high mission capable rates and mission effectiveness ratings are a direct result of the hardworking dedicated men and women serving this nation.

In my home state of Alabama, for example, we see this dedication and the talented workforce at critical installations like the Anniston Army depot. Their motivation and pride is to provide our military personnel the best-maintained, most reliable equipment they can.

Of course, each of the services are tackling these challenges in different ways, from the Air Force's Smart Op 21 to the Navy's Fleet Response Plan, our military personnel are looking for ways to do things smarter, cheaper and better.

I look forward to hearing from each of our witnesses today on the readiness challenges and hope to hear more about the tools they need to get the job done for our nation.

And, again, I want to thank you for being with us.

And thank you, Mr. Chairman, for the time.

Mr. ORTIZ. We are going to start our testimony. We have outstanding witnesses with us today.

And, my friends, thank you for joining us.

Now, we have three votes. We have one 15-minute vote and two 5-minute votes. So it will take us about 25, 30 minutes to come back.

But we will start with General Cody, with your testimony.

And I can assure you that all your entire testimony will be submitted for the record.

General Cody.

STATEMENT OF GEN. RICHARD A. CODY, VICE CHIEF OF STAFF, U.S. ARMY

General CODY. Thank you, Mr. Chairman, and distinguished members of the committee. On behalf of the nearly 1 million soldiers that comprise this all-volunteer Army, 248,000 of whom are forward deployed throughout the world, thanks for the opportunity to discuss Army readiness and the need to improve the strategic depth of our force.

Today's deployed soldiers are the best-trained, best-equipped and best-led we have ever sent into combat. However, after five years of combat, we have done this at the expense of our non-deployed forces. And we are stretched thin.

To sustain the readiness of our deployed forces and to begin restoring the strategic depth of our Army, we require congressional support in five key areas.

First, recent decisions to expand the Army reflect the clear recognition of the dangers facing America and the strain that five years of sustained combat have placed on this all-volunteer force.

Providing the sustained, predictable resourcing required to grow our force in a balanced, coordinated fashion while providing adequately for the needs of the all-volunteer soldiers and their families requires a national commitment.

Second, last year, Congress provided the resources needed to secure battle losses and repair our worn-out equipment, and we are ahead of schedule in executing these funds.

To sustain this effort, we will require $13.5 billion in fiscal year 2008 and corresponding levels of funding for at least 2 to 3 years beyond the duration of this current conflict; and the ability to begin executing these executed funds upon enactment, so that we don't break down the momentum we have right now in our five depots.

Third, we require a significant sustained investment to both overcome the $56 billion of equipment shortfalls which we entered this war in and to modernize.

We must aggressively buy back the equipment shortages to restore the strategic depth of the Army: active, guard and reserve. We must also remain committed to investing in technologies and equipment that enable our most important asset, the American soldier, to remain ahead of all our adversaries.

Fourth, our ability to grow the force and to meet rotational requirements is jeopardized by the $2 billion reduction in BRAC due in fiscal year 2007.

We urge the Congress to restore the BRAC funding for fiscal year 2007 and to fully fund BRAC and the military construction request for fiscal year 2008.

My fear is, if we don't get this, we will have soldiers show up at post camps and stations without the proper military construction, without the proper barracks and without the proper quality of life that they deserve.

Fifth, we require receipt of additional fiscal year 2007 supplemental funding by April. If delayed beyond April, the Army will be forced to reprogram in order to sustain operation and maintenance accounts that fund key warfighting requirements in the operational area. We cannot afford to repeat last year's late-to-need cash flow

experience and meet the increased operational demands we now face.

With Congress's support in these five areas, we will be able to sustain the readiness of our deployed forces and begin to build and restore the strategic depth of America's Army. We are be able to ensure that our soldiers have the resources necessary to prevail against the enemy today and tomorrow. We will be able to provide a quality of life for our soldiers and families that is equal to their quality of service of this all-volunteer force. The young men and women who have raised their right hands to defend this great nation deserve nothing less.

I look forward to your questions.

[The prepared statement of General Cody can be found in the Appendix on page 35.]

Mr. ORTIZ. Thank you so much, General.

I would like to inquire to see how much time we have before the first vote. I understand that we have about 5 minutes. We are going to recess for about 20, 25 minutes because we do have three votes. And then as soon as we come back we will resume the testimony.

So take a little break. Thank you.

[Recess.]

Mr. ORTIZ. We are going to continue with our hearing. And I thank you for your patience. We had three votes there.

But, Admiral, if you are ready, we can go ahead and hear your testimony, sir.

STATEMENT OF ADM. ROBERT F. WILLARD, VICE CHIEF OF NAVAL OPERATIONS, U.S. NAVY

Admiral WILLARD. Thank you, Chairman Ortiz, Congressman Rogers and distinguished members of the subcommittee. Good afternoon. And thank you for this opportunity to testify on the readiness of our Navy.

Your Navy is combat-ready and engaged around the clock in defense of our nation. This committee's dedicated support of our men and women in uniform remains critical to their success.

Today, more than 60,000 sailors, as well as nearly 100 of our ships and submarines in your fleet are deployed, providing the reach, precision and persistence to fight and win our nation's wars.

While many of our sailors are actively fighting the war on terror, others are contributing through enduring maritime missions as an element of what has become our nation's strategic reserve.

The recently deployed John C. Stennis Strike Group is an example of the fleet response plan, providing flexible and sustained forces supporting maritime security and deterrence operations in the Persian Gulf.

While Navy doctors, nurses and corpsmen risk their lives daily to save others, our explosive ordnance disposal teams and electronic warfare personnel are doing the same to locate and disarm improvised explosive devices.

Navy security personnel guard detention facilities while Navy special force special warfare personnel disrupt terrorist leadership worldwide.

One half of your deployed sailors are in the Central Command area of responsibility, and almost one half of them are employed in ground combat or combat support roles; most under the Navy Expeditionary Combat Command.

This support is anticipated to grow.

We are rebuilding in Afghanistan, chasing pirates off of the Horn of Africa, flying ground support missions and conducting land-based air and submarine surveillance and reconnaissance patrols.

The care and welfare of our returning wounded sailors, Marines, soldiers and airmen are of utmost importance to the Navy and Navy medicine. We continually strive to provide the highest-quality medical care in safe, clean and nurturing environments for all our patients.

The Navy has begun a focused review of the living and operating conditions in our medical facilities to ensure that we are meeting all of the health care needs of our sailors and of their families.

Our equipment, platforms and people are showing the effects of these sustained operations in the war on terror, and I am concerned about several communities' ability to maintain this degree of operational tempo.

I am proud of the Navy's efforts in this long war, and so are our sailors. The fiscal year 2008 budget fully supports our near- and long-term warfighting requirements and reflects our top priorities: sustaining combat readiness, building the future fleet, and developing our future leaders.

Operations and maintenance funding supports our increased flying and steaming hours, as well as medical support and reserve force activation. Depot maintenance and procurement funds will help impede the wear and tear of our older expeditionary aircraft, particularly the F–18 Hornet, Charlie and Delta models. These aircraft are experiencing flight hours 30 percent greater than originally planned.

Our P–3, EP–3 and EA–6B Prowlers are all at or well beyond their expected service life. Your funding will help support completion of critical maintenance to keep them safely flying until the EA–18 Growler enters the fight.

The Navy's ship maintenance budget ensures all four public shipyards are mission funded and supports the fleet response plan by allowing fleet commanders to control maintenance priorities. Procurement funds will support our Seabees, whose equipment has not proved to be as durable as they are. Our request will purchase the heavy construction gear and mine-resistant, ambush-protected vehicles needed to support these forces.

Basic allowance for housing is one of the primary issues for our sailors, specifically the existing gap between funding levels and local housing costs. Continued support from Congress is needed to provide some relief for this gap and improve family readiness.

I would like to thank you, Mr. Chairman, and the committee for your continued support of our sailors and their families during this critical and dangerous time in our history. I look forward to your questions.

[The prepared statement of Admiral Willard can be found in the Appendix on page 41.]

Mr. ORTIZ. Thank you, sir.

General Magnus.

STATEMENT OF GEN. ROBERT MAGNUS, ASSISTANT COMMANDANT, U.S. MARINE CORPS

General MAGNUS. Chairman Ortiz, Congressman McKeon, and distinguished members of the subcommittee, thank you for this opportunity to report to you today.

I would like to express my appreciation for the steadfast and continuing support that you provide to your Marine Corps.

I request that my written statement be accepted for the record, and I would like to highlight three points from that statement for you.

First, I will report to you on the readiness of our most precious resource: your Marines and sailors. I assure you, our units are receiving the most comprehensive mission-focused training available. Every Marine and sailor deploying to OIF or OEF, regardless if they are active or reserve, an individual augmentee or in a unit, or part of a training team, complete the tailored five-phase training program culminating for units with the Mojave Viper exercise at Twentynine Palms in California, or the Desert Talon exercise at Yuma, Arizona.

Your Marine Corps supports Marines, sailors and families throughout the deployment cycle. Our combat and operational stress control program trains and educates Marines and sailors and their family members to prevent, identify and treat stress injuries.

We are also implementing the occupational stress control and readiness program, which embeds medical health providers with ground forces to provide early identification and treatment to defeat the stigma of combat stress and to overcome barriers to care.

Your Marine Corps continues to strengthen communications between the unit and the families in order to improve the flow and comprehension of information throughout a deployment cycle. We find time and again that our key volunteer network is the crucial link to unit flexibility and information dissemination to families. These selfless volunteers provide the glue among families awaiting the return of their loved ones.

We pride ourselves that Marines take care of Marines. In addition to supporting and protecting our deployed troops, care for our wounded and fallen warriors has our highest priority. We have liaisons called patient administration teams, assigned to the major medical treatment centers at Landstuhl, Germany, and throughout this country.

These Marines assist our wounded warriors and their families through their inpatient and outpatient care. They assist care managers in scheduling appointments and provide transportation support. These teams also interface with the local Veterans Affairs medical facilities to assist in the transition of wounded servicemembers to the Veterans Affairs system.

To further improve the care of Marine, the commandant directed the redesigning of the Marine for Life injured support program to form a wounded warrior regiment, with a battalion on each coast. The primary focus of this regiment is the centralized oversight and care of our wounded warriors and sailors. This regiment will proactively facilitate the integration of care and support by military

treatment facilities, Department of Veterans Affairs medical centers, civilian facilities, and assistance from charitable organizations.

The battalions will give wounded Marines a place at home among their fellow warriors under the watchful eye of hands-on leaders, knowing that they remain valued members of our force while they receive the medical treatment they deserve.

Second, I would like to comment on our equipment readiness. Extended combat operations have severely tested our material. While a vast majority of our equipment has passed the test of combat operations, it has been subjected to a sustained usage rate far exceeding planning factors. This results from increased vehicle mileage and flight hours and the harsh environmental conditions.

Your Marine Corps continues to evolve equipment and tactics, techniques and procedures for our troops to respond to and defeat an extremely adaptive enemy.

We are continuing to field new generations of personal protective equipment, such as the modular tactical vest, occipital pads for light-weight helmets and flame-retardant operational gear to protect the individual Marine and soldier.

We are at the forefront of procuring mine-resistant, ambush-protected vehicles which have proven on the roadways of Iraq to be up to 400 percent more effective than the uparmored Humvees in reducing injuries or deaths.

We believe that our requirement for 3,700 of these vehicles can be fielded by the end of fiscal 2008 with sufficient resources.

We are combating the threats to our rotary-wing aircraft through a combination of tactics, techniques and procedures, and upgrading aircraft survivability.

While these immediate steps should improve aircraft survivability, funding to accelerate development of next-generation helicopter survivability equipment is essential to counter emerging threats.

Third, I would like to comment on Marine Corps future readiness. With your assistance, we are increasing our end-strength to 202,000 Marines. This increase will go a long ways toward reducing the strain on the individual Marine, their families, their units.

Our plan will gradually decrease the deployment to dwell ratio of our high operational tempo units, and it will also, more importantly for the long term, give them the time at home to train for the uncertain operational environments of the future, including full spectrum warfighting.

The Congress has responded rapidly and generously to our requests for equipment and increased protection for our troops. We also need the Congress's support to reset the force and continue modernization.

You have always been ready to serve us, and your Marines have always been ready to serve in any clime and place. Your continued support remains appreciated. I look forward to your questions.

[The prepared statement of General Magnus can be found in the Appendix on page 80.]

Mr. ORTIZ. Thank you so much. We certainly appreciate your testimony.

I think that all of you have been very candid with your testimony, and I know that the committee has lots of questions.

And we have my good friend. Go ahead, General. I was going to leave you out. I couldn't see too well with your blue uniform there.

STATEMENT OF GEN. JOHN D.W. CORLEY, VICE CHIEF OF STAFF, U.S. AIR FORCE

General CORLEY. Thanks very much, Chairman Ortiz. It is always great to see you, sir. And to you, as well as the distinguished committee members, thank you for the opportunity to speak about the readiness of your Air Force.

We continue to appreciate all that you have done for our Air Force. And on behalf of Secretary of the Air Force Mike Wynne and the Chief of Staff T. Michael Moseley, but more importantly the men and women of the Air Force that are helping to fight this nation's wars and defending its freedoms overseas, thank you.

And let me express the gratitude continued to you and your guidance of this committee.

Look, we are a nation at war. And your Air Force is fully engaged in the war on terror. We are providing global vigilance, global reach, global power not just for the Air Force, but for the entire joint team. And we have been doing that for 16 years since Operation Desert Storm.

In those 16 years, they have not passed without a price, a price that has been paid in high operations tempo of our airmen and excessive wear and tear on our equipment.

We can expect to be engaged in this conflict and others for the foreseeable future, perhaps another decade or more. And we see no end to either the high operations tempo for our airmen or the aging and the deteriorating of our air and space inventories.

We are currently meeting our wartime requirements, but our future dominance is at risk.

In meeting our nation's tasking, we have flown nearly half a million sorties in the Central Command region alone since this nation was attacked on 9/11.

But let me explain what that means and what your airmen are doing every day with those half-million sorties. Today, those nearly 26,000 airmen just in the Central Command region alone are deployed at over 16 major bases. They are flying over 300 aircraft out of 10 major bases.

Every day they are flying, if you will, the fuel for that fight, in terms of food and ammunition to locations across that expanse, and they are flying out our nation's most precious resource, our wounded sons and daughters. They are medevac'ing them back to the United States often in less than 72 hours.

Your airmen fly and maintain the aircraft that are delivering iron and steel against the terrorists. They are conducting combat search and rescue missions. They are conducting command and control, intelligence, surveillance and reconnaissance, electronic warfare, strategic and tactical airlift and the refueling missions for our joint and coalition team.

And they are operating and maintaining a satellite constellation that we all often take for granted.

That is just the tip of the iceberg, Chairman. It is what your Air Force is doing around the world every day. Your airmen are providing strategic deterrence with Intercontinental Ballistic Missile (ICBM) fields that cover a combined landmass the size of Pennsylvania. They are guarding the homeland today with over 100 fighters and tanker and Airborne Warning & Control System (AWACS) aircraft on alert. And your airmen are filling over 5,000 in lieu of taskings, trying to help relieve some of the stress on our Army and Marine Corps. And we are doing that in uncharted territory today.

Our aircraft and our spacecraft inventories have never been this old. Our C–130's are just one example of the aircraft that are stressed. These assets are doing great work on intra-theater airlift, both in Iraq and Afghanistan. They are getting hundreds of convoys off the roads, and, better, they are getting thousands of our other forces off the roads and not exposed to improved explosive devices.

But that comes at a cost: Last year, alone, our C–130 fleets overflew their programmed hours by nearly 24,000 hours. Some of our C–130Es can no longer deploy to combat because we have literally flown the wings off of them. Center wing boxes are cracked.

In fact, we have five C–130's at Ramstein Air Base alone with major structural issues. One is so hard-broken that it hasn't flown in four years. The other four have cracked center wing boxes, so they can only carry the crew—no cargo, just the crew. That kind of negates the idea of having airlift aircraft in the first place.

I could tell similar stories of our tanker fleets. Tankers remain the single point of failure for the air bridge, the single point of failure for global intelligence surveillance and Intelligence, Surveillance, and Reconnaissance (ISR), the single point of failure for global strike.

This is not just an Air Force issue. It is a joint and coalition force issue.

Tankers are crucial to the deployment and the employment of the joint and coalition combat power, and are crucial to rapid response to combat and humanitarian operations around the globe. Yet, our tanker aircraft are the oldest aircraft in our inventory and continue to show severe signs of fatigue and stress.

They are venerable airplanes, the KC–135. But some have turned 50 years old, with an average for the fleet over 45 years of age, often older than the crews that are flying them. And the cost to operate and maintain these older airframes is growing rapidly.

But it is not just the dollar figure we are concerned about; it is the lives of the airmen who are doing the mission every day, day-in and day-out.

Your Air Force is engaged in this fight not just in Iraq and Afghanistan, but globally engaged in the fight. But we are strained, and readiness is at risk.

Your airmen are the nation's strategic edge. They are expeditionary. They are highly trained warriors. And with your continued help, sir, as the Congress has helped, we will provide them with the necessary training, the necessary equipment, and the quality of life to keep our great nation's asymmetric advantage in global vigilance, reach and power.

We request your continued help on recapitalization and modernization of this aging airspace and equipment inventories. We want them ready not just for today's fight, but the future one.

I look forward to your questions, sir.

[The prepared statement of General Corley can be found in the Appendix on page 71.]

Mr. ORTIZ. General, thank you so much.

As I stated before, that you all have been very candid. And the only way we, as Members of the Congress, can alleviate and help you with the conditions that we are in now is for you to tell us how we can help you.

I am going to ask a question for each one of you, and maybe you can respond. And this is, what is the readiness of our deployed and nondeployed forces to support ongoing operations? And what are some of the key challenges you face in giving them the equipment that they need, training and otherwise preparing forces in the light of the demands of ongoing operations, as well as the need to maintain readiness to perform other missions?

And I know that we are talking about a surge. The first brigade left and there is another one going. And now the President has called for at least 8,000 more troops now.

Where are we at, as far as the readiness, those that are there, those that will be deploying, equipment-wise? And maybe you can, you know, tell us a little more as to what we need to do to help you.

General Cody.

General CODY. Thank you, sir.

As I said in my opening statement, in my statement for the record, the readiness of the brigade combat teams and the battalions and other teams that we have in Iraq and Afghanistan, to include the two brigades that just moved in for the plus-up, is the highest that we have seen, in terms of in the last four years, amount of uparmored Humvees with FRAG Kit 5s, the density of night-vision devices, the density of crew-jamming systems, the density of all the force protection for our soldiers in Afghanistan and Iraq is the highest.

And thanks to the Congress here for giving us that money.

That being said, the readiness continues to decline of our next-to-deploy forces. We have a large amount of equipment that is in Iraq and Afghanistan. We briefed this committee and others a few days ago as to the status of our Army prepositioned stock.

And that is bothersome. And we can discuss more, I guess, when you have the other classified briefings.

We do have shortages with the non-deployed forces. And those forces, by the way, are the next to deploy. And they are also your strategic reserve. And there are shortages in the light tactical vehicles, medium tactical vehicles, heavy tactical vehicles; some sport shortages in weapons, shortages in radios, and shortages in night vision devices that we have had to flow to the force forward.

That is on the active side; the 16 to 18 brigades we have back right now that are getting ready to deploy.

For the national guard, those shortages are even more. And, as you know, in the next five years we have about $30 billion to buy back the equipment shortages for the Army National Guard, and

about $10 billion to buy back readiness for the United States Army Reserves.

The last thing I will say is, when you talk about readiness and training—we are training our forces right now because of the dwell time and because of the demand for 21-plus brigades in combat right now on your Army—the dwell time for them to reset, retrain, get new equipment, and then turn around and go into a collective training event, and then deploy, is 12 months.

And in that 12 months, we are only able to train them to collective events for counterinsurgency operations.

And right now we have the best counterinsurgency Army on the planet. But they are not trained to full-spectrum operations.

And I think in this setting, that is about as much as I want to say. But that is right now the state of readiness of your Army.

Mr. ORTIZ. Thank you.

And let me ask this question before we go to the admiral and the other generals.

But we have a surge of 21,000 troops, and then there is the possibility of 8,000 more support troops or more. And we know we are lacking in equipment. How is that going to impact on those that will be gone, if we know that it takes anywhere from 12 months to maybe 2 years to get this equipment?

Can you elaborate a little bit on that?

General CODY. Right now you are talking about the additional combat support and combat service support to provide the sustainment for the five brigade combat team plus-ups, as well as the plus-ups of Marines that are going into the Al Anbar. Because we do provide a certain amount of combat service support for our Marine brothers.

We have the equipment right now to be able to do that, but we did it by taking it out of our Army prepositioned stocks, so that the additional forces we put over there will have that.

The stress on the force for that is that the next-up units will be shorted some equipment and just-in-time flow of equipment before they go to their major training exercise before they get ready to deploy.

Last year alone we moved over 9,600 rolling stock all over the continental United States to get it to the right training venue for the units just in time for their deployment. And then of course once they deploy they are falling in on full-up equipment over in either Iraq or Afghanistan.

So it is a major problem for us. We need to continue to get the right procurement dollars and get it timely, in a fashion so that we can continue to buy equipment to buy ourselves back that strategic readiness we need.

Mr. ORTIZ. Thank you.

Admiral Willard, would you like to add anything to what has been said?

Admiral WILLARD. I would. Thank you, Chairman.

The deployed readiness of the Navy is well served by the budget that is currently being discussed. Our forces deployed, and as I mentioned, about 100 ships, about 60,000 or so sailors across our Navy, is executing a fleet response plan at 6-plus-1.

This means that of our carrier strike groups, six are capable of deploying in about 30 days and one additional in about 90 days, which we use as a frame of reference for the current readiness of the force, our ability to surge in support of major combat operations or major contingencies. And we are funded to that extent.

Our ships typically sail at a readiness level of C–2 or better. Our air wings, of which we have 10, are also captured in the fleet response plan figure. So when a carrier strike group deploys, obviously its striking arm, the carrier air wing, deploys as well. And we are funded currently to a readiness level of 2.5. Again, reflective of that C–2 goal that Navy has set.

The 2008 budget currently reflects improved readiness across both our deployed forces as well as our forces left behind, including the fleet replacement squadrons, where they are slightly plussed up in their readiness accounts as well.

So I think in terms of deployed readiness we are in great shape. We have concerns about some of the communities that are deployed and have very stressed dwell times in support of the operations currently ongoing in Iraq and Afghanistan.

Specifically, those are our Seabees, our explosive ordnance disposal units, as well as our corpsmen.

So we have, again, those select communities that we micromanage now.

Now, our concern is their dwell time. Both the 2007 emergency supplemental request and the 2008 and the global war on terror (GWOT) request contain within them the equipment that these more highly stressed communities require to maintain that pace of operations.

In addition to a plus-up in force size, specifically in our Navy construction battalions within the Seabees.

So we watch these closely. We will continue to watch them closely. And we appreciate your support, in this budget and in these supplementals, to keep them well-equipped.

One point that I would like to make is that our health care, Navy health care budget reduction, has stressed our ability to provide health care generally here in CONUS.

In order to meet those budgetary constraints, we will have to scale back some services that are provided across Navy to both our active and reserve sailors and their families.

And I think the end result of that will be additional health care will be pushed into the private sector.

So we are dealing with that issue now, studying the best ways and means to adjust the current health care provisions in order to meet those budgetary constraints.

But in terms of deployed readiness and the readiness of your forces, across the board, Navy is in good shape.

Mr. ORTIZ. Thank you.

General Magnus, would you like to add?

General MAGNUS. Yes, thank you, Mr. Chairman.

Along with my fellow warriors, the vice chief of staff of the Army and the vice chief of naval operations, I agree that the Marines that are forward deployed or those preparing to forward deploy, they are in the highest state of readiness.

And, in fact, even with the plus-up of forces, we will not deploy Marines forward unless they have the training to the mission and the equipment for the mission. And, in many cases, the equipment for that mission is specific to Iraq and Afghanistan and is moved forward there.

Having said that, you are correct, Mr. Chairman; there are several challenges. The Congress has provided us tremendous support over the last several years with nearly $10.2 billion between the 2006 budget, the 2007 Title IX and the 2007 request that is before you.

But, as you know, there is lead time away to procure new equipment, military construction and the other assets that are going to be needed. Those will not deliver for months, if not years. And we are in the middle of a war.

That said, the Marines are deploying ready, and the plus-up forces, of which the Marines are part, and the additional forces that are being outlined for Afghanistan, they will go to war ready. And they will be well taken care of while they are there and they will be well taken care of when they are back.

The supply readiness is actually increasing. Of course, our equipment densities are increasing and we are growing the force, particularly the Army and the Marine Corps.

In the near term, those are presenting added challenges, as we have to add more troops, more units while we are also trying to grow more troops and units back here.

We see that the funding that has been provided will be delivering within the next two or three years. But, of course, we will continue to fight the war that we have and we are fighting them with the finest troops that the mothers and fathers of America could have possibly given us.

The challenges about growing the force, to me, my principal concern is not in the request and the supplementals that the Congress has responded to so favorably over the last several years, it is to ensure that the baseline budgets now and in the future are going to be adequate not only to support the manpower costs, including health care, as the Vice Chief Naval Officer (VCNO) mentioned, for our troops, but also to support adequate military construction for barracks, for armories, for aircraft hangars; and to buy the ground combat vehicles and the aircraft that are going to have to not only replace the ones that we are losing, but to modernize this force because, make no mistake, we are all coldly aware that we are in a long war.

That said, the Marines are ready today and we will be ready in the future.

Mr. ORTIZ. Thank you, sir.

General Corley.

General CORLEY. Thanks, sir.

We have got to be able to fight tonight, and we still have to be prepared for the future fight.

Your airmen are all about the mission. To be able to do the mission, your airmen need the tools to accomplish that mission.

As I look at one metric of measuring the readiness of those tools, there is a disturbing trend. Since 2001, the readiness, by that metric, is down about 20 percent.

Let me give you a further peel back on that onion.

We have got about 1,300 fewer airplanes, but we are flying them at the same rate we were 13 years ago; 1,300 fewer airplanes and flying them at the same rate we were 13 years ago. An aging fleet, 13 years older, 1,300 fewer of them.

So if we think about what is the impact in terms of our airmen and do they have the tools to be able to accomplish the mission, you ask a question: How do we help?

My plea to you and to the rest of the members would be your continued help on recapitalization of this old, this very old fleet of airplanes, so those airmen would have the tools to do this. It would be able to modernize this old, very old, aging fleet of aircraft. It would be able for the Air Force to manage that fleet of aircraft. That would give our airmen the tools to do their mission, sir.

Mr. ORTIZ. Thank you so much.

Now I will yield to Mr. Jones for any questions that he might have.

Mr. JONES. Mr. Chairman, thank you.

And, gentlemen, I want to personally thank you. I represent the 3rd district of North Carolina, the home of Camp Lejeune, and do claim assets at Cherry Point, even though my colleague Mr. Butterfield claims that asset, but in Seymour Johnson Air Force Base.

I want to thank you for your honesty and integrity, of which I am not surprised. Let me make that clear. I just hope that the American people—I know this is a public hearing and so therefore they have access—I hope they are listening very carefully to what you are saying, because, as I have heard many of you say, with all the stresses and the challenges and the problems, we are in good shape.

And that is what I would expect you to say. But you have also articulated the problems. And the problems today are the war in Iraq and Afghanistan. But we know that, five and ten years down the road, no matter what happens in Afghanistan and Iraq, we have a nation known as China that has been taking our jobs, that you have nothing to do with.

We lost 3 million manufacturing jobs in the last 6 years. We have a trade deficit with China that is astronomical. So the communistic government of China is building their military.

We are the greatest and the best right now. But if this nation does not understand soon that this nation has got to replenish and fix what is soon going to be broken because of being worn out.

And, Mr. Chairman, I want to thank you for this hearing because I will tell you, I would like to take this testimony from these four military heroes who represent the heroes and submit it for the record on the floor of the House. Because, too many times, the people back home that are, you know, drinking the Kool-Aid, they are not listening to the facts of what is happening.

And I think I have listened today. I will be at the classified hearing tomorrow. I have heard it before.

Just a couple of other points, and then I will—I don't really have the questions, because you have answered my questions in a very articulate way. You have said to me as a Member of Congress: Wake up and listen to what I am saying.

And I am listening to you. And that is why I will continue to do what little bit I can to make sure that our military is not forgotten, not just today, in this war in Iraq and war on terrorism in Afghanistan, but ten years from now, if I am still here or someone else who replaces me.

You mentioned family, quality of life, housing, stress. And I want to share, Mr. Chairman, with you, two weeks ago I was invited to Johnson Primary School to read a book, "Dr. Seuss." The words in there I am not sure I pronounced correctly, but their teacher said, "Don't worry about it. The six-year-old children won't know it."

But the point I want to make is, when I finished, I let the little children ask me questions—ten of them in the library. One or two said, "My mom is in Iraq," "My dad is in Iraq," and you fumble to give them some words of hope or, you know, just to try to make a child feel better about the possibility of what might happen.

But a little kid at the end said to me—and if I don't make another point, I want to make this, because I want people to fully understand what you have said and where we are, because our military are the real heroes of this nation. This little kid said to me, "Congressman"—no, excuse me, he did not. He said, "My daddy is not dead yet." That is as profound as anything I could say—a six-year-old child.

Too many times, not you, sirs, but too many times the people of this country do not understand the impact of war on families and children. But a six-year-old child says to me, "Daddy is not dead yet." And I looked at the teacher, and I just hoped God gave me the right words to give that child some encouragement.

But I close because my time is up. I want, Mr. Chairman, if I can get it, I really would like to submit for the record—a lot of people read that record—what these men have said to us today. And I hope America is watching and listening, because this is a critical situation for our men and women in uniform.

And I thank you. I am sorry I preached, but I thank you.

Mr. ORTIZ. And I agree with the gentleman. I think, as I stated before, this has been very candid testimony, and we need to share this with the American people and with the rest of the Members of Congress.

Ms. Shea-Porter.

Ms. SHEA-PORTER. Thank you, Mr. Chairman.

I just wanted to reiterate what I just heard. And I was at the secret hearing talking about the troop readiness. And I tried to speak to my state about it in general, about troop readiness and the pressure on them. And I won a headline that said something along the lines of, "Shea-Porter: Gloom and Doom."

Now I am not getting political here. What I am talking about is that this country needs to know exactly the state of the military and what you all have gone through.

But we also need to acknowledge that for several years, we were told that things were going well. And so for me to come to Congress—I am a freshman—and start looking at these numbers and hearing this testimony has been astounding for me.

I was a military spouse during the 1970's. My husband was in the Army, so I have a special affection for the Army.

And I just got back from Iraq last week. And I looked and I saw with my own eyes. And I have to tell you, the gap between what Americans think is going on, and what I saw and what I have heard through—I think we had 63, 65 hearings, and I have sat in every one of them except for one—is astounding.

And so my question to you, even though it is open-ended, is: How can we help to get this message out? Because all of us need to understand what you are telling us, and it has to get beyond the political realm. So what can we do to carry the message, and how could we best serve this country and serve all of you that are struggling mightily and deserve the equipment, the personnel deserve to be ready, and the families need to be supported.

And I will start with you, General Cody.

General CODY. Well, thank you, ma'am, for the question.

First off, I think we need to have a national dialogue about, not just focused on Iraq and focused on the plus-up and how well things are going or not going, I think we have to have a dialogue about what type of military does this country need and want. And the needs and wants need to be the same in this type of environment, the strategic environment that we are in.

When the wall came down in 1989 and then we had Desert Shield-Desert Storm, the military was reduced by almost 40 percent. We spent 10 years not investing in the military, and then 9/11 happened. And it has taken us this long to build the equipment and the types of soldier protection that you seen when you just recently had your visit.

And it has taken us almost 4 years in the Army to grow the Army by 20,000 during this war on the active side.

It is not a issue of affordability. This is the richest country in the world, with a $13 trillion economy. It is really an issue of national priority. And I think that is where the dialogue needs to start, across all services, not just the Army.

I believe we are in the most dangerous times. We are five years into this war. I think that we should not let the dialogue just focus on what is tactically happening in Iraq. We need to take a look at this whole global war on terror and explain to the American people what global means, what the nature of this war means, and what type of terrorists we are talking about, and what type of threats they really bring to this nation.

Our soldiers understand it. That is why they have stayed with us, our Marines and our sailors and our airmen. This all-volunteer force that has fought for five years is stretched, but they have stayed with us, because they believe the American people are behind them.

But they also believe that this is something that we have to do.

As one soldier told me, every fight since 9/11 needs to be an away game. We don't need any more home games.

So our soldiers understand this.

But I think that is where the national dialogue needs to be. And it needs to be bipartisan.

Ms. SHEA-PORTER. I absolutely agree. I may have a different opinion from somebody else who has another opinion about, you know, the mission and should we be there, and whatever. But I do

know one thing: that if we put soldiers there, we need to be there for them. So I think we have to have that dialogue.

Would anybody else like to add another comment?

I plan to go back to my papers and send as much as I am allowed to, as many statements as I am allowed to, to try to get people to see what is actually happening inside the forces.

Admiral WILLARD. Ma'am, if I may, I think we as servicemembers bear a responsibility in getting the message out. And forums like this offer us that opportunity to get as open and frank in the questions and answers as we can be and in our statements, both formal and informal.

But at the same time, there are public forums that we have an equal responsibility to be spokesmen at and to answer to the general public and to the journalists as frankly as needs be.

I think in general we are doing that. I am not sure that the message is as ubiquitous across our nation as we would like it to be. But whether it is a formal, open dialogue with the Nation discussing its military and educating the general public or whether it is an effort on the part of the services to reveal to the public their mission set and their current state of play and condition, and their stewardship of the taxpayers' money, I think the dialogue must occur.

And, once again, I think we understand and bear a responsibility in ensuring that that message gets out as accurately as possible.

Ms. SHEA-PORTER. Thank you.

I have one last question, please: If a soldier has a story to tell that you need to hear at your level, are they able to do that without any form of retribution?

For example, if they know that the numbers are very low for readiness in their particular area and they don't think it is being reflected properly by one of their commanders, do they have a way to deliver that message to the top without retribution?

General CODY. Yes, ma'am, they do. And I am sure there is probably one soldier out there in our million-man Army, our million-man and woman Army that probably feels that the readiness of their outfit, especially if they are getting ready to deploy, shouldn't be where it is.

And what we have to do is make sure the leadership explains to them: You don't have 100 percent of this right now; you will have it for the training; and then you will for sure have it when you move to the combat zone.

And that is a challenge that we have to make sure.

But we expect our commanders at all levels to report accurately the readiness. And you saw the readiness reports they gave you the other day. I mean, those were stark numbers that you were briefed on. And they were not generated by the Department of the Army, they were generated by commanders in the field, captains, majors, lieutenant colonels and colonels reporting very accurately the status, because they know they have to report it that way because it is their men and women that they are going to lead in combat.

And so I believe that the reporting is very accurate, honest. And I think our commanders know to tell it like it is. And we need to know it.

Ms. SHEA-PORTER. Thank you very much.

Mr. ORTIZ. Mr. Hayes.

Mr. HAYES. Thank you, Mr. Chairman.

Gentlemen, let me add my thanks particularly for not only your service, but the men and women that you represent.

I would correct all of you on one point. Protocol says you come and you thank us for being here and you thank us for all the things that you have done for us. Well, we haven't done enough. So when you come, preface it: We need more—whatever the case may be. I think that would be helpful. Again, as we carry on the dialogue with the American people, they need to hear that regularly.

General Cody, I particularly appreciate your reminding folks of the tremendous gap in an eight- or ten-year period where the military was defunded. And that potential always exists in this atmosphere of competition for hard-earned tax dollars.

There is nothing any more important than the security of this nation. Wars must be fought and won. There is a war against terrorists that is being fought as we speak by brave, careful, competent, and victorious men and women. And we need to continue to talk about that.

So let's talk specifically on readiness, Admiral, about choices. Is it a better choice to have new F–18s flying onto the boat, or more concrete at the outlying landing field (OLF), places to train, where these old airplanes like F–15s are speed-restricted and C–130's are cargo-restrict. That might not be a question you want to answer here. But, again, we have got to use the money wisely.

Is that something that you could care to comment?

Admiral WILLARD. Unquestionably, we need the OLF, I mean, for the realism associated with carrier training. And Navy is committed to the necessary fiscal support to see that reality.

We strike a very fine balance between our procurement accounts and our current readiness accounts. Navy engages in this in an enterprise format where we look at our current commitment to production of readiness for our fleet—to your point about OLF—and we look at our future capability; that is, our attempt to pace the threats around the world and also improve on the quality and capabilities that currently exist.

There is always a tension there, and it is challenging to strike and find that correct balance. But we work very hard at it. And we haven't for many years now sacrificed that current readiness merely for the sake of that future capability, but rather we have tried to find the correct balance between the two.

Mr. HAYES. You ought to be sitting up here. That was a good political answer. Give me more airplanes in the meantime. And the Navy has got a bunch of hurdles that they have got to overcome before that landing field is sited. So we will talk about that more.

General Magnus.

General MAGNUS. Yes, sir.

Mr. HAYES. I have recently received some very positive anecdotal evidence of significant progress in the Marine sector in Anbar Province. I would ask you if you have anything to add to that today, because it is important people back home know that that progress is being made. This report consisted of Shia and Sunni cooperation between police and security forces, military. These things are happening again because the men and women are getting the job done.

Would anyone on the panel like to add to that? Because I think people are anxious to know that reinforcing the troops is the right thing to do and it is resulting in ultimate victory.

General MAGNUS. Congressman, thank you for the question.

Clearly, detailed discussion of what is going on in Iraq or Afghanistan, in particular what most people think of as the Marine sector, but Multinational Force West is a joint sector, is probably most properly addressed by the combatant commander and his chain of command.

But what I can tell you is that—and we have to be very careful about declaring optimism too soon. And I have been over there, came back as recently as November the 3rd. General Cody, my warrior mate here at the end of the table, has come back more recently. But there is palpable progress, and the progress is in what we have been able to do over the past three years with the Iraqi army and the Iraqi police.

There are no mistaking fundamentally huge challenges in the political and economic domains. And make no mistake, there is a very dangerous insurgency which is in various different casts.

But I would agree that much of what I have seen recently in the various print media, regardless of underlying opinions about the direction of the war, yes, we are seeing progress and the very initial phases of the plus-up appear to be adding to the security environment.

Make no mistake, though, this is a long war.

Mr. HAYES. No question.

My time is up, Mr. Chairman.

You all giving us information that is accurate and timely about that progress is very important as we report back to our folks at home.

Thank you, Mr. Chairman.

Mr. ORTIZ. Ms. Bordallo.

Mr. Taylor said that he didn't——

Ms. BORDALLO. I wish to thank Mr. Taylor publicly, for allotting me his time, his slot.

Gentlemen, I want to thank you for your testimony today.

General Magnus, thank you for sending all the Marines to Guam. We are waiting for them.

General Cody, I have a question for you. I represent Guam. And the soldiers from the Guam National Guard have for a number of years now been assigned to operate on the Horn of Africa. Soon the third deployment of Guam soldiers are scheduled to return to the United States and complete their demobilization activities on Hawaii before returning to Guam. And this, I understand, may take anywhere from one to three months.

These soldiers' family members would like to see their loved ones as soon as possible. They have requested that the Army fly them to Hawaii to be with their loved ones when they arrive there. But the Army has told the family members that it cannot support these requests. I have been contacted by a number of wives of these soldiers regarding why the military will not support their request to travel on space-available basis to Hawaii to be there when their husbands return from deployment.

I respectfully request that you describe for the subcommittee the Army's policy on transporting dependents on space-available basis on military aircraft to demobilization sites to greet returning loved ones. And I also request that you describe for the subcommittee the nature of these activities that soldiers who return from deployment to Iraq, Afghanistan, the Horn of Africa, or elsewhere around the world must undergo.

I am interested in learning of the nature of counseling, training, or assistance that soldiers receive on how to manage the challenges associated with reentering family life upon returning from deployments to hostile environments, and whether such counseling is provided during demobilization activities.

Am I correct to believe that the effective demobilization of a soldier and his or her reintegration into the family and civilian life in the case of the guard and reserve soldiers is an important part of the total force readiness?

General CODY. Thank you, ma'am, for the question.

First, I don't think we have a policy or not. I will take it for the record and get back to you to answer on national guard family members who are on active duty and why they should not be able to go space-available from Guam to Hawaii.

But I will look into that, get with the National Guard Bureau, and get back to you.

The one to three months sounds a little high to me. And I am very familiar with the Guam soldiers. I have met two of the companies that were training to go over in Hawaii.

We bring them to Hawaii because that is where the best training is and that is where we equip them.

And then we bring them back to the mobilization site in Hawaii at Schofield Barracks and go through about a two- to three-week demobilization.

And, during that time frame, we do the military health assessment, we do the counseling, as well as get their finances and everything all straightened out and then we ship them forward again back to Guam for the reintegration with their family members.

And then there is another follow-on 90-day assessment, military health assessment.

And so I will have to go back and take a look at the Guam situation, because it is a little different, because it is a company, and we are rotating in and out.

And I will have to come back and tell you.

I do know that the joint travel regulations—because we have looked at this before for Alaska and other places, about getting family members to and from places where we have had to extend soldiers—we have been restricted by the joint travel regs to fly people commercially, and then we have had to go out with our foundations and get frequent flyer miles and stuff like that to help the family members.

But I don't have a good answer for you on who in the Army said we have a policy. I don't think we have one. And I need to get you a better answer.

Ms. BORDALLO. General, I think, on the time period there, if there should be some health problems that they find then perhaps

the time is more. But I have heard everything from three weeks to three months.

So I don't know——

General CODY. That wouldn't surprise me, especially if a soldier had a medical issue, he is right there with Tripler Army Medical Center. And it may be a soldier choice to stay there and get it fixed before he goes back to Guam and before he demobilizes.

So I bet you, as we run each one of these down, you will find that the soldier has kind of requested it because he can get the medical care right there. And we owe that to him.

But I will go back and take a good look at it.

Ms. BORDALLO. Thank you, General.

Just one quick follow-up. Could you give me any good reason, if there is such a policy, why the Army has told these families that they cannot support this request?

General CODY. Again, I believe it is an interpretation of the joint travel regulation. And I have got to go back and have my staff look at it.

There are ways we can do this and take care of the family members. There is also, though—you know, we have this in other places where we have soldiers deployed off of Samoa and other of the island chain, Alaska, and we have looked into it. And what we have done is gone to foundations for frequent flyer miles donations to be able to do it.

What we would like to do is get the soldiers back to Guam as fast as we can and get them back to the family unit and start that reintegration.

Ms. BORDALLO. Well, I would appreciate a written response to this, General, if you could provide my office with that.

Thank you.

Thank you very much, Mr. Chairman.

Mr. ORTIZ. My friend from Mississippi, Mr. Taylor.

Mr. TAYLOR. Thank you, Mr. Chairman.

And I want to thank all of you gentlemen for your service to our nation, for being here.

I have got to admit that I find it ironic that for years people have come before this committee, starting with Secretary Rumsfeld, telling us that all our defense needs were being met, and then, suddenly, we walk into the 2008 budget cycle and everyone says, "We are broke."

So as a personal comment, I do believe the previous secretary intentionally misled this Congress as to the true costs of the war. I very much appreciate you gentlemen bringing to our attention the cost of what we need to do to fix things. And I will leave it at that. If you wish to comment on it, you are welcome to.

What I would like, General Cody, your thoughts on is—I am going to start with praise, in that I think the Marines are taking an extremely ambitious and rightful approach toward the Mine Resistant Ambush Protected (MRAP) program, with a goal of replacing all of their vehicles in Iraq hopefully by next January.

My concern is that the Army is not nearly as ambitious, that we are making the same mistake that we have made first with body armor, uparmored Humvees, jammers, and that is, setting a number lower than 100 percent of every vehicle as the requirement.

And since I felt like our nation, in particular the troops, were burned on those three decisions of setting a requirement lower than 100 percent, why are we apparently making the same mistake when it comes to MRAPs?

General CODY. First off, Mr. Congressman, as you know, the Army has about 18,000 uparmored Humvees. So we have a size and scope as well as a mission differential.

Second, we have about a thousand tanks and Bradleys, as well as 700 Stryker vehicles that we have in-country. And there are about 600-some-odd armored security vehicles, and we are buying 48 a month from the vendor on the armored security vehicle.

When we got our operational needs statement from theater, it was for 2,500. They did not ask us to replace all 18,000 uparmored Humvees with MRAP level 1, level 2 or level 3.

And I would also like to state that we have been buying the MRAP vehicle for quite some time: the Buffalo, the RG–31 and the Cougar, for our route clearance. And so, when we looked at this thing, the requirement came in for 2,500. We put the requirement into the 2007 budget, the main supplemental, and it did not stick, and some of it got pushed to the 2008.

And right now, I believe, as we did the amendment, we have got $700-some-odd million in there for 700-some-odd vehicles. These vehicles cost about a million dollars.

And then we put in a UFR, unfinanced requirement, for the other 2,000, of about $2.2 billion, that we sent to this committee.

We are going to buy them as fast as we can, but right now what we are focused on is the FRAG Kit 5, which we are putting on. These are the doors and everything that our commanders have asked for.

Mr. TAYLOR. General, I hate to interrupt, but I have a very short attention span, I am sorry to say. When you said "did not stick," who did that not stick with? Office of Management and Budget (OMB)? The White House? The Secretary of Defense?

Because I don't think I have heard this committee say that is a nonstarter, and we are the ones who fund those things under the constitutional provisions of the law.

General CODY. We did not have a valid requirement except for 335 MRAP vehicles when the 2008 Title IV supplemental was being built. I don't have all the particulars, but we——

Mr. TAYLOR. But, General, if I could. And believe me, I have enormous respect for you. I have enormous respect to everyone at that table. I have enormous respect for your sons who also served over there.

But we are getting back to that word requirement. And I have pointed out three instances where somebody tried to fight this war on the cheap. And I guarantee you kids died needlessly and kids are lying up in Walter Reed needlessly because of body armor, because of Humvees and because of jammers.

So the question is: Why do we go through this again? I mean, as you mentioned, this nation has a $13 trillion economy. We are finally admitting things that we should have been asking for last year and the year before that and the year before that.

If this vehicle is going to save lives, if Humvees, as we now know, are vulnerable to mines and a hugely disproportionate num-

ber of casualties are occurring in Humvees because of mines and we have a way to address that, why don't we address it now?

Because if the Marines are telling me every vehicle needs to be changed out, I have trouble visualizing that riding down the road that the Army's traveling looks a whole lot different than the road the Marines are traveling, or that the injuries sustained by a Marine are that much different from an injury sustained by a soldier.

General CODY. We will buy the MRAP vehicles, and we have already bought many, as you know, in our route clearance. We will buy 2,500. We are with the Marines on this. They are the lead in terms of the procurement.

We have asked for in the supplemental almost $1 billion for the initial buy of 700 to meet the 2,500. We have asked for more money in an unfinanced requirement in 2008 to buy out the 2,500.

These are costs off the shelf, the production line is set. The Marines will be getting the first tranche. We are finishing up the FRAG Kit 5. And then the Marines and the Army just finished having a captains of industry meeting with everybody to take a look at how many of these MRAPs can we buy, how fast can we buy them. But in stride with that, how quickly can we get to replacing the up-armored Humvee with the Joint Light Tactical Vehicle.

And we just finished that, General Magnus and I had that meeting with the captains of industry. So I don't think we are being as slow and lethargic as your frustration shows.

I want to get any vehicle out there as fast as I can to any soldier or any Marine so that they can safely move through and do the types of missions that they have.

Right now, I think we are buying these things as fast as we can. We do have an unfinanced requirement for the total number. But I think if you gave us the money today, I still wouldn't get them any faster than what we have.

Mr. TAYLOR. General, you touched on it. You did everything short of saying this nation is not taking this war seriously. So I will paraphrase it for you.

I think this committee is taking this war seriously, and I think if you came to us and said, "I need the legal authority to talk to our nation's automakers, particularly those who are shutting down plants anyway, to turn their production over to this type of vehicle so that kids don't die needlessly, so that kids don't get maimed needlessly," I think we would respond.

But I think you also know that if it comes from this committee without the request of one of the services, then The Washington Post and the New York Times labels it pork. I don't think it is pork.

I don't want to go to the last funeral of a kid who died in a Humvee for hitting a land mine or visit him repeatedly in the veterans' home if we can avoid that.

And it troubles me that, again, one branch of the service is admitting that they need to replace every vehicle as quickly as possible, but the Army seems to be dragging their feet.

And I really want to encourage you to take a second look at this. We are going to have the supplemental in the next couple of weeks, but we are also going to follow up in October. And if it means giv-

ing you the legal authority to walk into an automotive plant and say, "Guess what, we are going to do something different than make Ford Rangers for the next couple weeks," then our nation needs to do that.

We need your help on this. And I certainly have noticed a change in attitude with our new secretary of defense. I think he is a good enough man to say, "Mistakes have been made," including himself, which I didn't see a lot with his predecessor.

But this is something that absolutely has to be addressed.

General CODY. Again, we are not dragging our feet. And the Marines have a different density; we have certainly a different problem set. What we have been focused on is getting this FRAG Kit 5 to the 15,000 vehicles, which are saving soldiers' lives.

We do have a mine problem. That is why the Marines and the Army have looked at the MRAP. And, again, we have a $2.2 billion UFR in our funding stream right now because our commanders asked for FRAG Kit 5. And that is what we focused on. That is the monies we had to get our FRAG Kit 5 out to 15,000 vehicles that we will have done by April. And then we are buying these mine-resistant vehicles.

And I know you are getting frustrated with me, but I am telling you that 2,500 of these vehicles will be hard to be able to get in the next 2 or 3 months. So we will buy as many as we can. At the same time, the Marines will buy as many as they want.

But replacing 18,000 of them, we have to ask the question: Do we buy up to the 2,500 that our commanders have asked for in combat, coupled with their other tanks and Bradleys that they have over there, or do we buy 18,000 of them, which we probably wouldn't get for another 2 or 3 years?

So it is something we are going to have to balance. I don't disagree with how good an MRAP is.

Mr. TAYLOR. What does a FRAG Kit 5 do for you as far as a mine detonated below that vehicle?

General CODY. Frag Kit 5 does not assist you with a deeply buried mine. It gives you a little bit more protection based upon that, but it is not as effective—what it does, too, is take care of the explosively formed penetrators and side blasts and gives the crew compartment much more survivability.

Mr. TAYLOR. It is my understanding—you have been there; I just go from what I read—but it is my understanding that the enemy is well aware of the vulnerability of a blast from below; has now targeted our vehicles from below; and they talk to each other.

I have got to believe, if it is happening in Iraq, it is going to be happening in Afghanistan pretty quickly. And again, General, I know you take this seriously. I know you take your efforts, the efforts of your sons and every one of the people that serve seriously. But I think the Army is making a tragic—and I can't emphasize the word "tragic" enough—mistake in not asking for more of these vehicles.

General Magnus, please.

General MAGNUS. Congressman Taylor, I would like to join with my fellow warrior, General Cody.

And I want to point out a fundamental problem that both of us have. General Cody talked about unfinanced requirements. We

have stated a larger number because of the curious nature of our battlefield in Al Anbar. But the truth is the 3,700 MRAP vehicles that the Marine Corps currently requires and the 2,500 vehicles that the Army currently requires, the total number is over 6,700, and that is aside from any numbers that Special Operations Command may want.

We are $3.8-plus billion underfunded for that. And that number of 6,700 may grow in the future, but I don't want to see a production line shut down for the lack of money, because the country certainly has the money to send its sons and daughters to war.

Because you and I both know, and I know the Congress knows, we really don't want to see them in the military treatment facility; we really don't want to see them in the veterans' homes. And war is what it is, but we can cut their casualties by perhaps as much as two-thirds with these vehicles.

So as to whether or not there should be more than 6,700, I think the Army and the Marine Corps are united about the fact that we would like to have the unfinanced part of that, which is over $3.8 billion, financed.

Mr. TAYLOR. To what extent, General, has that been expressed to the appropriators? And to what extent is that being addressed in the supplemental that we are going to be voting on in the next couple weeks?

General MAGNUS. As General Cody had said earlier, we, as this rapidly evolving requirement over the past three months, we had notified the appropriate officials in our Departments of the Army and Department of the Navy. I know our friends in the Air Force and the Navy itself had separate requirements.

Those were provided both up the requirements chain, as well as up the budgeting chain.

Because of the timing of the 2007 supplemental, the 2008 GWOT request, it turns out that only a small amount of money was placed in there. The 2007 supplemental request for the Marine Corps gave us $428 million. The 2008 GWOT request gave us another $91 million.

Bottom line is, we are still $2.8 billion short, and, therefore, when we were requested if there were any unfinanced or unfunded programs, we sent the response back to Congressman Hunter, indicating that we were $2.8 billion, the Army $1 billion short.

So this has been known. It is a matter of timing, as to when the budgets were prepared and submitted to the Congress. But it is well-known throughout the Department, and I believe it has not been a secret as far as what our requirements are, and I believe the Army and the Marine Corps are united in that.

Mr. TAYLOR. All right, General, just one last request.

I hope you know that we had a hearing on this in the Seapower Committee about a month ago. I thought that the two generals who were representing the Marine Corps said that that program was fully funded. I am now hearing something different.

So by way of clarification, since our markup is about a month away, I would very much appreciate a definitive statement on behalf of the Marine Corps as to what you need to fully fund this program.

General MAGNUS. Sir, we will provide that for the record, sir.

Mr. TAYLOR. Thank you very much.

Mr. ORTIZ. Thank you.

I know that we have a position where some of these programs might not be funded. But if we are certain that this type of vehicle can save lives, we are willing to look at it and to see if we can, you know, put some more money, because they are our children and our daughters who are out there in harm's way.

General Cody, and all of you now, when you consider your budget, do they consult with you as to what the needs are and what you need to include in your budget? I know that sometimes they place limitations, but does DOD consult with you as to what you need to put in there?

Or sometimes I know, in many instances, not only in the Armed Services Committee, certain people tried to micromanage, you know, the funding because funding is very scarce.

And I was just wondering whether you are consulted when you tried to put your budget together.

General CODY. Chairman, we are. And we submit our budget line by line. I review it. I have a capable staff of three-stars and two-stars and actually some colonels. And we go down line by line and we submit it.

Then it goes through a review. If it is a supplemental like the 2007 supplemental, we have to go up and defend.

I will tell you, in 2005, 2006 and 2007, we submitted a certain number. What was sent over here to Congress was less. And Congress always approved what came over.

But what we sent through the system was more.

Mr. ORTIZ. Anybody else would like to make any comments?

Go ahead.

Mr. TAYLOR. General, to follow up on that, I would very much like to see the difference between what you, as a general in the Army, ask for and what the DOD actually sent over here by way of the previous request, as a follow-up to your previous statement.

General CODY. Sure. I can do that for you, Congressman.

Mr. TAYLOR. Either now or for the record, whatever is easier for you.

General CODY. I will take it for the record because I want to make sure that, in the process, there is always a give and take. Well, that is too much, take it back. I want to make sure that we said, ''We need this much'' and then it was cut at a certain level based upon either OSD or OMB guidance. And then each year the chiefs are asked and the Secretary is asked, ''Can you live with that?'' And everybody said, ''Based upon all the constraints, yes, we can live with that.''

The problem is, and let me be clear, in 2005, 2006 and 2007, everybody thought that the level of commitment in Iraq and Afghanistan was going to be moving downward.

And so, as constraints were put in based upon projections of maybe not being at 15 brigades but coming down 5 brigades to 10 brigades in 2006, 2007, some constraints were put in there saying, ''Well, you won't be there.''

I think everybody has realized that that has not been true. And I think we are now at a situation where everybody is going to have to look at this thing and not forecast and budget for best case, but

we need to be budgeting right now for worst case, because we have been executing worst case scenarios for the last three years.

Mr. TAYLOR. And if I could, General, I would like to make the same request of all of you gentlemen, what you asked for and what you got in the previous four-year budgets.

Thank you, Mr. Chairman.

Mr. ORTIZ. Do you have a question?

Ms. SHEA-PORTER. I just have one quick question. Thank you.

My question has to do with the helmets. I was told that we didn't have the proper helmets for the soldiers and there was a Web site dedicated to raising money from families for these helmets.

Then I was told by a general recently, who was quite upset that I suggested we might not have the proper helmets, that all of the soldiers' helmets are the top grade, the best we can do to protect them from brain injuries.

Do we or don't we have the best possible helmets for our troops? And for all the troops or some of the troops?

General CODY. The helmet that we have now, the ACH, the Advanced Combat Helmet, we have tested several different ways. I directed a year and a half ago that our infantry center, as well as our surgeon general, look at the helmet, the new Advanced Combat Helmet, and the other helmet that we had, the Kevlar helmet.

Both of them provided the maximum protection, as well as what the soldier needed for wearing of the night vision devices, as well as the hearing protection, as well as the ensemble of the kit that he wears to protect his neck and everything else.

And so we have gone through and looked at the different types of battle injuries, and right now I can tell you that our people, the experts tell me that the helmet is the best that we have and we have enough of them for every soldier that is down range.

Ms. SHEA-PORTER. So you can say with certainty that 100 percent of the troops are using the most advanced helmet?

General CODY. We may have soldiers that don't have the ACH, the Advanced Combat Helmet, but the protection of the regular Kevlar helmet is the same, it is just a different sizing.

So we may have some combat support troops that are not going out on patrol—the ACH, the newer helmet, was designed for patrolling, and it gives you other access, in terms of wearing your kit, in terms of night-vision devices and stuff.

So I can't accurately say that 100 percent have the Advanced Combat Helmet, but both the helmets they have have the same type of protection.

Ms. SHEA-PORTER. Thank you.

Mr. ORTIZ. I have one question. And I had a chance to go visit national guard units and reserve units. And I was wondering whether the $50 billion for the national guard in the budget, do you think this is sufficient money to get them up its required readiness, or do you think that we need to add more money to the budget?

General CODY. Mr. Chairman, I am not sure of that number that you just put out there. Is that for the procurement?

Mr. ORTIZ. That is $30 billion.

General CODY. Okay, the $30 billion. We have looked at this in concert with the modularity. As you know, the national guard, in five years, footprint and types of unit is going to be different.

And so, when we looked at the move-shoot-and-communicate equipping of the national guard and what they are going to look like in terms of the number of heavy brigades, light brigade combat teams, maneuver enhancement engineers and other types of artillery units and transportation units, we priced that out.

And this gets them up to their equipment levels and fills all the holes, but also gets rid of the in-lieu-ofs, the M35 deuce and a halves that are too old, that we need to get rid of, that we get rid of those in 2008, and get the new equipment. So the $30.2-something billion out through fiscal year 2013 fills all those holes with a modular Army National Guard.

Mr. ORTIZ. Because when I went to visit those units, it is very important, some of the equipment, as you well know, has been left behind.

Then, when they come back to their units, they don't have the equipment to train. The governors were concerned in case of a disaster, if they don't have the equipment to respond, of course, they cannot respond; they don't have the equipment.

So this is very, very important, that we equip the national guard as well.

Does anybody else have any more questions?

If not, this has been a very, very candid dialogue between us members and you, and this is what we needed to know so that we can try to help you.

And again, thank you so much.

And this meeting stands adjourned.

[Whereupon, at 4:14 p.m., the subcommittee was adjourned.]

A P P E N D I X

MARCH 13, 2007

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 13, 2007

RECORD VERSION

STATEMENT BY

GENERAL RICHARD A. CODY
VICE CHIEF OF STAFF
UNITED STATES ARMY

BEFORE THE

COMMITTEE ON ARMED SERVICES
READINESS SUBCOMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

FIRST SESSION, 110TH CONGRESS

ON THE ARMY'S PREPAREDNESS
FOR CURRENT AND FUTURE MISSIONS

MARCH 13, 2007

NOT FOR PUBLICATION
UNTIL RELEASED BY
THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

STATEMENT BY
GENERAL RICHARD A. CODY
VICE CHIEF OF STAFF, ARMY

Mr. Chairman and distinguished Members of the Committee, on behalf of the nearly one million Soldiers that comprise our Army – 248,000 of whom are forward-deployed throughout the world – thank you for the opportunity to discuss Army readiness and the need to improve the strategic depth of our force.

We are in a dangerous, uncertain, and unpredictable time. As we execute missions worldwide and increase our commitment in the war on terror, we face challenges continuing to provide forces that exceed the level of demand envisioned in the recent quadrennial defense review.

We have received considerable support from this Committee and the Congress to increase the readiness of our Army. As a result, the Soldiers we have deployed are the best trained, best equipped, and best led we have ever sent into combat. Our immediate challenge lies not in the readiness of these deployed forces, but in the readiness of our non-deployed forces.

Recent decisions by the President and the Secretary of Defense to grow our ground forces and to assure access to all components of our force set us on an improved path to meet the high levels of strategic demand for Army forces.

We are growing six new brigade combat teams (BCTs) in the active force and the associated enabling organizations in all our components. This will expand our rotational pool to 76 BCTs and more than 225 support organizations in the operational force of the Total Army. Our goal is to provide a continuous supply of 20-21 BCTs to meet global commitments.

Recent changes in reserve component mobilization policies announced by Secretary Gates provide the necessary access to our reserve components that comprise 55 percent of the Army's capabilities. These new policies will help spread the load more equitably across all components of the Army and provide more predictability for Soldiers, families, and employers. These policies will also

allow us to manage resources more efficiently to ensure that we deploy fully manned, trained, equipped, cohesive units, prepared for the challenges they will face.

We are working rapidly to implement these decisions which are essential to meeting the unprecedented demand on the Army. However, to sustain the readiness of our deployed forces and to begin restoring the strategic depth of our Army, we require Congressional support in five key areas.

First, recent decisions to expand the Army reflect the clear recognition of the dangers we face and the strain that five years of sustained demand has placed on our All-Volunteer force. This will require a national commitment to sustain predictable resourcing over time and to build our force in a balanced, coordinated fashion, while providing adequately for the needs of our All-Volunteer Soldiers and their families.

Second, with the support of this Committee and the Congress, we have been provided the resources needed to restore battle losses and repair worn equipment through an aggressive reset program. We are well ahead of schedule in executing these funds in fiscal year 2007. In the first five months, we have already obligated more than $12.5 billion of the $17.1 billion appropriated. As General Schoomaker recently testified, we anticipate that our fiscal year 2008 reset requirements will be approximately $13.5 billion – a figure that will increase as we plus up forces in current theaters of operation and increase the size of our Army.

Because the replacement of equipment can take up to three years following the commitment of funds, we seek to make this funding available for use as soon as possible. To overcome the unprecedented stress being placed on our equipment today, we will require reset funding for a minimum of two to three years beyond the duration of the current conflict.

Third, we need significant, sustained investment to both overcome equipment shortfalls and modernize. With Congress' help, we have made great progress increasing Soldier and unit effectiveness. However, we still have more

work to do to overcome the tremendous equipment shortages with which we entered this war and to ensure our Soldiers are armed with the most advanced technologies and equipment.

Historically we have entered conflicts flatfooted and this current conflict is no exception. In 2001, investment accounts were under funded by approximately $100 billion during the previous decade, resulting in nearly $56 billion in equipment shortages across the Army. To meet Combatant Commanders' immediate wartime needs, we pooled equipment from across the force to equip Soldiers deploying into harm's way. This practice, which we are continuing today, increases risk for our next-to-deploy units, and limits our ability to respond to emerging strategic contingencies.

There are no front lines in today's battle space, therefore we can no longer accept risk in how we equip our combat support and combat service support units. The changed conditions of warfare necessitate that we equip *all* units with force protection, night vision goggles, crew served weapons, radios, and other critical items. Your continued support is needed to fix what we call "holes in the force" and equip all our units - Active, Guard, and Reserve – to their authorized levels. We ask you to increase your support for this effort as we work to break the historical cycle of unpreparedness.

We face adversaries who are quickly adapting their methods, tactics, and tools of warfare. We must remain committed to investing in technologies and equipment that enable our most important asset – the Soldier – to remain ahead of our enemies. Investing sufficiently in our future readiness is a strategic necessity and must be viewed as a matter of priority, not just affordability.

Fourth, our ability to grow the force to meet rotational requirements is jeopardized by the $2 billion reduction in our Base Realignment and Closure (BRAC) account in the fiscal year 2007. We appreciate Congress' funding of military construction to requested levels in the continuing resolution. Just as critical, however, is the full and timely funding of BRAC, which is an essential and inextricable part of our operationally synchronized stationing plan. Continued delays or reductions in funding BRAC limits our ability to grow the force, improve

readiness, meet our global commitments while fighting the long war, and deliver quality of life improvements which our Soldiers and families both need and deserve.

Both General Schoomaker and I have expressed these concerns in numerous forums. In November of last year, General Schoomaker co-authored a "16 star" letter with the other service chiefs, and testified numerous times to the significant impact of this delay. It is imperative to fund these requirements without delay, especially while we are at war. To properly house, train, and prepare our Soldiers, we urge the Congress, at the very first opportunity, to restore full BRAC funding to levels requested in the 2007 President's Budget, and to fully fund BRAC and military construction for 2008 and in the future.

Fifth, we will require access to supplemental funding for fiscal year 2007 by April, to properly sustain the Army. In June of last year, we really had to "slam the brakes" on expenditures when supplemental appropriations were not provided when expected. That timing, in combination with the reductions in the fiscal year 2006 budget request, forced us to institute a civilian hiring freeze; terminate temporary employees; tightly control travel expenses; and delay information technology purchases. It was a painful, and avoidable, exercise. We cannot repeat last year's near disastrous "cash flow" experience and meet the increased operational demands now facing us.

Finally, we must fully resource the Army to enable it to simultaneously grow, transform, and modernize while effectively fighting the long war. The Army remains committed to providing the best land force possible to support the Nation's worldwide interests. The fiscal year 2008 President's Budget, combined with anticipated GWOT funding, sets the Army on the right path to achieving these objectives, and I ask you to fully fund these critical requirements.

The fundamental challenge impacting Army readiness and strategic depth is the need to establish a proper balance between strategy and resources. Had we funded the Army to requested levels in recent years and endorsed policies to assure access to all of our capability, we would be in a better strategic posture today. We are greatly encouraged by the recent actions of the Congress, the

President, and the Secretary of Defense which reflect clear recognition of the compelling need to rectify our current situation.

I look forward to working with Congress to increase the readiness and strategic depth of our Army. Together we must ensure our Soldiers have the resources necessary to prevail against our enemies. We must also guarantee a quality of life for our Soldiers and their families that is equal to the quality of their service. The young men and women who have raised their right hands and have said, "America, in your time of need, send me, I'll defend you," deserve nothing less.

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

ADMIRAL ROBERT F. WILLARD

VICE CHIEF OF NAVAL OPERATIONS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

SUBCOMMITTEE ON MILITARY READINESS

13 MARCH 2007

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Navy Readiness

Chairman Ortiz, Congressman Davis, and distinguished members of this subcommittee, I am privileged to appear before you today along with my Service counterparts, to testify on the readiness of our military forces. The brave men and women, Sailors and civilians, of the United States Navy continue to perform exceptionally well under demanding conditions and Congressional support remains fundamental to their success. Sustaining the combat readiness required to support the President and Combatant Commanders remains my CNO's number one priority. Your Navy remains engaged around the world, around the clock - providing the reach, precision, persistence and awareness to fight and win our nation's wars as part of the Joint force, while also maintaining units in high readiness here at home, ready to surge as needed.

INTRODUCTION

We remain a maritime nation that relies heavily on the security of the vast maritime commons. As we operate in a rapidly changing security environment, our Navy must maintain a well balanced fleet of overmatching capability and capacity to keep the sea lanes free, deter aggression, protect the interests of our nation, and reassure our allies abroad.

Before I address our current budget submission and continuing readiness challenges, I will review the many successes achieved against a challenging backdrop this past year.

2006 ASSESSMENT

Navy answered all bells in 2006, meeting the demand signal of the President and Combatant Commanders for well-trained and equipped combat forces. Your Sailors performed superbly across a broad spectrum of missions including Operation Iraqi Freedom, Operation Enduring Freedom, international disaster relief, and humanitarian missions.

Navy support to Operation Iraqi Freedom and Operation Enduring Freedom included: dedicated Carrier and Expeditionary Strike Groups, construction battalions

(SEABEES), Explosive Ordnance Disposal (EOD) teams, SEALs, port operations support units, maritime patrol aircraft, medical teams, and leadership and support for Joint Task Forces at Guantanamo Bay and the Horn of Africa, Provincial Reconstruction Teams, the detention centers at Fort Suse and Camp Bucca, and the Counter Radio-Controlled Electronic Warfare (CREW) group. On any given day, Navy forces assigned more than 25 ships and submarines, 440 aircraft, and 22,000 Sailors serving both afloat and ashore to the Joint effort.

This past summer, the Navy-Marine Corps team worked closely with the State Department in the highly successful evacuation of more than 14,000 American citizens from Lebanon. This mission showcased Navy's operational agility and logistics expertise. Navy humanitarian efforts also extended once again to our Pacific neighbors in the form of a five month deployment by the USNS MERCY. Her medical complement, working shoulder to shoulder with numerous non-governmental aid organizations, provided comfort to more than 214,000 citizens in the Philippines, Bangladesh, Indonesia, and East Timor.

Disaster relief was a major mission element in 2006. Navy continued its support to Gulf Coast residents affected by hurricane Katrina through January 2006 and responded to a call for assistance from the Philippine Government to aid in the search and rescue of victims of a mudslide in February. Continuing an effort that began in the fall of 2005, Navy continued to support the Government of Pakistan and its citizens in their recovery from a devastating earthquake.

Additionally, Navy demonstrated your resolve, with capability and partner building capacity in exercises VALIANT SHIELD, RIMPAC, and PARTNERSHIP OF THE AMERICAS.

We remain good stewards of the taxpayers' dollars. We have heightened our review and understanding of output metrics and their relationship to warfighter needs. We are looking at the cost of readiness driving out inefficiencies through application of LEAN thinking and seeking to generate increased readiness at reduced cost. Navy's continued success also hinges on our continual refinement of our operational strategies, tactics, techniques, and procedures, our improved organizational alignment, and our focus on developing 21st Century leaders.

Last Spring the CNO issued the Navy Strategic Plan (NSP) which better aligned Navy to produce the right readiness at the right cost. This framework became the foundation for the Naval Operating Concept (NOC), which co-signed by the CNO and CMC, defines the objectives and missions of the Navy-Marine Corps Team to underscore our warfighting interdependence. For our part, we submitted to Congress a new 30-year shipbuilding plan that will provide a balanced fleet of 313 ships by 2020 while sustaining and stabilizing our industrial base. Navy christened nine new ships and commissioned another two in 2006. Perhaps, the greatest enabler of our current and continuous readiness has been the ongoing refinement of the Fleet Response Plan (FRP). Throughout last year our operational/maintenance cycle for FRP sustained, on average, an overall "6+1" surge capability: six Carrier Strike Groups (CSG) available to deploy within 30 days notice and a seventh able to surge within 90 days.

2006 also saw Navy begin its transformation from a vertically oriented, administrative/business structure into a more responsive and transparent matrixed model known as the Navy Enterprise Framework. Though still maturing, the Navy Enterprise Framework will better leverage the value streams consisting of people, dollars, and materiel needed to deliver warfighting readiness to Navy Component and Combatant Commanders. This transformation extends down to the unit level, shifting our focus from a force structure focus to one that is capability focused.

Likewise, last year's Manpower, Personnel, Training, and Education merger yielded efficiencies and effectiveness in workforce management. We sustained high retention rates, met nearly all of our recruiting goals, and kept first-term attrition low - all while reducing endstrength by approximately 10,000 billets. A key enabler of our personnel readiness, Navy also focused on improving "Family Readiness" in 2006. The Navy strives to reduce the uncertainty and apprehension experienced by our Navy families in these stressful times, while strengthening the programs and resources available to support them.

CURRENT READINESS (FY 2007)

Navy's current readiness remains excellent. Congressional support has been critical in this regard and, as a result,

Navy units and individual augmentees deploy combat ready - properly trained and properly equipped. Navy stands ready to respond to security and humanitarian contingencies while continuing its present support to the Global War on Terror.

On 2 March 2007 we had 99 ships on deployment (36% of the Fleet) and 138 ships underway (50% of the Fleet) in every theater of operation. This includes six aircraft carriers and four big deck amphibious ships (LHA/LHD)(Figure 1).

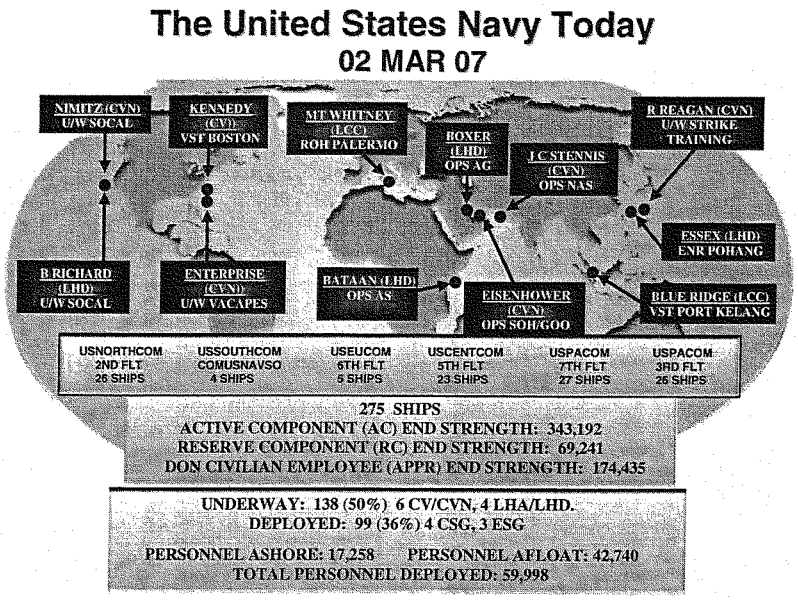

Figure 1

That same day, 2,587 active and reserve Seabees, and 5,034 members of our active and reserve medical corps were serving overseas, many in combat support roles. Additionally, 757 members of the Navy Special Warfare community were deployed overseas (of 3,616 deployable), as were 247 Explosive Ordnance Disposal personnel (of 552 available to deploy), and 891 Naval Coastal Warfare/Expeditionary Security Force personnel (of 3,057 deployable).

The Navy's Individual Augmentation program is central to Navy's ability to sustain overall readiness, supporting the Global War on Terror and is a near-seamless integration of

our Active and Reserve components. Since 11 September 2001, over 42,000 Navy Reservists have been mobilized in support of the Global War on Terror (GWOT), representing over 80% of the total number of Sailors deployed on the ground in theater. On any given day, over 22,000 citizen-Sailors are on some type of Active Duty (AD) or Inactive Duty (ID) orders at their supported commands meeting global COCOM requirements. This number includes about 6,000 RC Sailors mobilized in support of OIF and OEF. Additionally, we maintain the capacity to rapidly increase contingency support with more than 28,000 RC Sailors yet to be mobilized.

This year, we will also continue to mature our enterprise approach to delivering capability-based readiness by implementing Navy's component of the Defense Readiness Reporting System (DRRS) and develop mapping for resources (Personnel, Equipment, Supplies, Training, Ordnance, and Facilities) required to demonstrate proficiency in terms of Navy Mission Essential Tasks (NMETs).

On the manpower front, in 2007 Navy will focus on earlier and targeted recruiting, accession and education incentives, and active mentoring programs to meet recruiting and retention challenges in our medical and special warfare communities. We will continue to implement the National Security Personnel System (NSPS) for our civilian work force.

As we move toward the future, Navy must implement a strategy that balances the enduring requirements for traditional Naval capabilities with those needed to squarely confront and influence the highly dynamic security environment of the 21st Century.

FY08 BUDGET REQUEST

The FY08 Navy budget reflects a commitment to properly price and fund effects-based readiness to meet the demands of the Combatant Commanders in the near term. It also delivers a proposal that balances, resets and sustains the force, stabilizes the long range shipbuilding plan, and continues to pursue aviation sustainment, recapitalization and modernization in anticipation of a new long range aviation procurement plan. Navy implemented a capabilities-based approach in developing this budget consistent with Navy's contributions to the Joint Force.

Operational readiness is the catalyst that brings Naval power to bear, enabling our forces to execute the National Military Strategy when responding to persistent and emerging threats. This budget request includes resources in the operating and maintenance accounts to deliver a "6+1" FRP posture.

SHIP OPERATIONS

The budget provides for a deployable battle force of 286 ships in FY08 including eleven aircraft carriers and 32 amphibious ships (Figure 2). FY08 marks a significant milestone as Navy is scheduled to retire its last conventionally powered aircraft carrier USS KITTY HAWK. USS GEORGE WASHINGTON will replace her as our Forward Deployed carrier in Japan. In FY08, eleven ships will be commissioned: three Guided Missile Destroyers (DDG), three Littoral Combat Ships (LCS), one Nuclear Attack Submarine (SSN), one Amphibious Assault Ship (LHD), one Amphibious Transport Dock Ship (LPD), and two Dry-Cargo Ammunition Ships (T-AKE).

Battle Force Ships

	FY 2006	FY 2007	FY 2008
Aircraft Carriers	12	11	11
Fleet Ballistic Missile Submarines	14	14	14
Guided Missile (SSGN) Submarines	4	4	4
Surface Combatants	101	105	111
Nuclear Attack Submarines	54	52	52
Amphibious Warfare Ships	33	31	32
Combat Logistics Ships	30	31	31
Mine Warfare Ships	16	14	14
Support Ships	16	17	17
Battle Force Ships	280	279	286

Figure 2

The FY08 budget provides sufficient funding to steam these ships an average of 45 days per quarter while deployed and 22 days per quarter while non-deployed. This represents a change from the FY07 President's Budget request which funded 36 steaming days per quarter deployed and 24 steaming days per quarter non-deployed. The FY07 deployed steaming day mark assumed unacceptable risks to readiness and were adjusted in the FY08 submission to achieve an acceptable level of risk (45 days against a goal of 51 days). The reduction in non-deployed steaming days is the result of anticipated

improvements in training methodologies and increased reliance on simulation exercises.

The Navy's Strategic Sealift forces are resourced to provide a rapid response in delivering the initial military equipment and supplies required for a contingency. With the concurrence of USTRANSCOM, Navy's FY08 budget accepts risk in this area, moving six ships from the Ready Reserve Force (RRF) to the National Defense Reserve Fleet (NDRF). This downgrade creates a 300,000 square foot Roll On/Roll Off (RO/RO) and a 90,000 barrel petroleum capacity shortfall that will be mitigated through shipping contingency contracts to qualified ship operating companies.

SHIP MAINTENANCE

The Navy's FY08 ship maintenance budget reflects the transition of all four of its public shipyards to mission funding. This initiative is effectively supporting the Fleet Response Plan by allowing Fleet Commanders, to control maintenance priorities. Additionally, mission funding will maintain cost visibility and performance accountability leading to improved cost consciousness. The FY08 budget funds 100% of the projected work on refueling overhauls and 96% of the remaining notional requirement (Figure 3). The Nation's ship repair base, both public and private sectors, has the capacity to execute the FY07 and FY08 ship maintenance plans. Navy continues to mature its ship maintenance strategy using the SHIPMAIN process to generate continuous process improvements, One Shipyard to optimize the Nation's public and private nuclear shipyards and contractor support, Regional Waterfront Maintenance Integration to eliminate redundancy in mission and administration, and Multi-Ship/Multi-Option contracts to provide long-term vendor relationships and reduced life cycle maintenance costs achieved through improved planning.

Ship Maintenance

(Dollars in Millions)	FY 2006	FY 2007	FY 2008
Active Forces			
Ship Maintenance	4,276	3,826	4,416
Depot Operations Support	851	928	1,082
Total: Ship Maintenance (O&MN)	$5,127	$4,754	$5,498
Percentage of Projection Funded	100%	96%	96%
Annual Deferred Maintenance	$27	$136	$182
CVN Refueling Overhauls (SCN)	1,320	1,067	297
SSN Refueling Overhauls (SCN)	-	-	-
SSBN Refueling Overhauls (SCN)	288	225	230
Total: Ship Maintenance (SCN)	$1,608	$1,292	$527
% of SCN Estimates Funded	100%	100%	100%

Figure 3

SHIP WEAPONS AND SENSORS

Numerous weapons and sensors programs are being worked to put the teeth in the platforms (Figure 4). The Tactical Tomahawk continues full rate production in FY08, the last year of its multi-year procurement and the first year of the Torpedo-Tube Launch (TTL) variant. Investments in advanced technologies such as the Standard Missile - Extended Range Active Missile (SM-6) and its associated Naval Integrated Fire Control - Counter Air (NIFC-CA) ensure we retain our conventional warfare advantage. Continued improvements to the Rolling Airframe Missile (RAM) and the Evolved Sea Sparrow Missile (ESSM) provide self defense battlespace and firepower against faster, smaller, and more maneuverable anti-ship cruise missiles. Additionally, several land attack research and development efforts critical to future littoral warfare continue in FY08.

Major Ship Weapons Quantities

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Tactical Tomahawk	355	394	265	257	281	278	266
Standard Missile	75	75	80	90	105	142	150
RAM	90	90	90	90	90	90	90
ESSM	100	85	86	88	0	0	0
Lightweight Torpedoes	133	133	280	297	252	271	257
Heavyweight Torpedoes	103	84	84	84	84	84	84
Trident D5 LE	0	12	24	24	24	24	0

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Figure 4

AVIATION OPERATIONS

The FY08 budget funds sufficient flying hours to support an average training index of T-2.5 while enabling the Fleet Response Plan "6+1" output measure. Navy will retain ten active carrier air wings in FY08, operating forces across its three primary mission areas: Tactical Air/Anti-Submarine Warfare (TACAIR/ASW), Fleet Air Support (FAS), and Fleet Air Training (FAT).

The flying hour program reflects higher fuel and consumable costs and lower costs for Aviation Depot Level Repairables achieved through the Naval Aviation Enterprise Fleet Readiness Centers initiative (Figure 5). Navy is taking acceptable risk in training, funding the Fleet Replacement Squadron operations at 94% of the modeled requirement. Likewise, in FY08 Fleet Air Support is funded to 98% of the notional required hours.

The Navy Reserve aviation flying hours are budgeted at 95% of the modeled requirement, assuming some risk as these forces support 100% of the intra-theater logistics airlift support and 80% of Navy's adversary operations. The Naval Aviation Enterprise has fully leveraged Active Reserve Integration (ARI) as Reserve Component Sailors conduct in-theater counter-narcotics operations and deploy overseas to conduct Electronic Warfare, Special Operations Support, Maritime Patrol, and Mine Warfare missions.

Flying Hour Program

	FY 2006	FY 2007	FY 2008	GOAL
Active				
TACAIR- Navy	*T-2.3*	*T-2.7*	*T-2.5*	T-2.5
Fleet Replacement Squadrons (%)	*83%*	*85%*	*94%*	94%
Fleet Air Support (%)	94%	97%	98%	98%
Monthly Flying Hours per Crew (USN & USMC)	23	17.5	18.7	18.8

Figure 5

AVIATION MAINTENANCE

The Aviation Depot Maintenance program funds repairs required to ensure operational units have sufficient numbers of airframes, engines, and repairables to support achieving aircraft ready for tasking entitlements. The FY08 budget funds this readiness-based program to ensure

deployed squadrons have 100% of their Primary Authorized Aircraft (PAA) prior to and for the duration of their deployment. Likewise the budget supports achieving the zero bare firewall engine goal, aided by engineering improvements increasing engine "time on wing". Non-deployed squadrons assume risk in both airframes and engines as depicted in Figure 6.

Aircraft Depot Maintenance

(Dollars in Millions)	FY 2006	*% at Goal*	FY 2007	*% at Goal*	FY 2008	*% at Goal*
Active Forces						
Airframes	660		516		583	
Engines	313		294		334	
Other Components	96		85		101	
Total: Active Aircraft Depot Maintenance	$1,069		$895		$1,018	
Airframes - Active Forces						
Deployed Squadrons meeting goal of 100% PAA	145	*100%*	143	*100%*	141	*100%*
Non-Deployed Squadrons meeting goal of 90% PAA	146	*100%*	128	*88%*	117	*79%*
Engines - Active Forces						
Engine TMS meeting Zero Bare Firewall goal	36	*97%*	36	*97%*	36	*100%*
Engines TMS meeting RFI Spares goal of 90%	56	*77%*	56	*77%*	61	*85%*
Reserve Forces						
Airframes	111		95		85	
Engines	40		36		36	
Total: Reserve Aircraft Depot Maintenance	$151		$131		$121	
Airframes - Reserve Forces						
Non-Deployed Squadrons meeting goal of 90% PAA	69	*100%*	51	*84%*	42	*74%*
Engines - Reserve Forces						
Engine TMS meeting Zero Bare Firewall goal	21	*100%*	21	*100%*	20	*100%*
Engine TMS meeting RFI spares goal of 90%	36	*86%*	36	*86%*	36	*88%*

Note: Totals may not add due to rounding.

Figure 6

The Naval Aviation Enterprise (NAE) AIRSpeed strategies continue to increase the return on your investment, focusing on the efficient production of effective cost-wise readiness. Recent F/A-18 AIRSpeed projects have resulted in AIMD making improvements in engines (reduced turn around time from 83 days to 12 days), avionics (reduced turn around time in the radar shop from 14 days to 2 days), and life support (reduced Packet Radion Unit repair from 90 minutes to 30 minutes).

AVIATION WEAPONS AND SENSORS

The FY08 Aviation Weapons programs focus is on arming the warfighter with lethal, interoperable, and cost-effective

weapons systems (Figure 7). Navy preserves its air superiority in the short range air-to-air missile arena with continued procurement of the AIM-9X Sidewinder missile. The AIM-9X enhancements complement improvements to the data link and electronic protection of the Advanced Medium Range Air-to-Air Missile (AMRAAM). The FY08 budget also continues incremental improvements in the procurement of the Joint Direct Attack Munition (JDAM) and Joint Standoff Weapon (JSOW) precision guided munitions.

Major Aviation Weapons Quantities

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
JSOW	390	421	504	521	541	530	552
AIM-9X	174	184	205	202	200	220	221
JDAM	3,400	1,145	850	850	500	0	0
AMRAAM	128	79	97	99	90	91	94

*Does not include Title IX, FY 2007 Supplemental or FY 2008 GWOT request.

Figure 7

The Organic Airborne Mine Countermeasures (OAMCM) program continues development of five systems for the Littoral Combat Ship (LCS) Mine Warfare (MIW) Mission package. Currently, the AN/AQS-20A Mine Hunting Sonar (IOC FY07) is completing integration testing on the MH-60S and will be available to support the inaugural LCS deployment in FY08. The other OAMCM systems include the Organic Airborne and Surface Influence Sweep system (OASIS)(IOC FY08), Airborne Mine Neutralization System (AMNS)(IOC FY09), Rapid Airborne Mine Clearance System (RAMICS)(IOC FY10), and the Airborne Laser Mine Detection System (ALMDS)(IOC FY11).

EXPEDITIONARY OPERATIONS

Navy continues to place significant emphasis on its existing and emerging expeditionary warfare capabilities as it seeks to strengthen available forces for Phase Zero and Phase V operations. Established in January 2006, the Navy Expeditionary Combat Command was formed as the functional commander for Explosive Ordnance Disposal (EOD)/Mobile Diving and Salvage (MDS), Naval Coastal Warfare (NCW), Naval Construction Forces (NCF), Riverine Forces, Navy Expeditionary Logistics Support Group (NAVELSG), Expeditionary Combat Readiness Center (ECRC), and Combat Camera. NECC combines the Navy's existing and new expeditionary forces under a single commander to

provide the Joint Force Maritime Component Commander (JFMCC)/Navy Component Commander (NCC) with the capability to conduct operations across the full spectrum of expeditionary operations, including maritime security operations; theater security cooperation support; security assistance; shaping operations; and stability, security, transition, and reconstruction (SSTR) operations.

Based on operational requirements, NECC will deploy mission-specific units or multi-mission integrated adaptive force packages to fulfill JFMCC/NCC demands by using both the existing solid foundation of core capabilities in the Navy Expeditionary Force and emerging new mission capabilities. Combining these forces under a unified command structure increases the overall readiness and responsiveness of the Navy to support existing and evolving irregular warfare missions in major combat operations (MCO), Maritime Security Operations (MSO) (also referred to as Global War on Terrorism or GWOT), or maritime homeland security/defense (M-HLS/D).

EXPEDITIONARY MAINTENANCE AND PROCUREMENT

The FY08 budget also provides funds for critical construction and force protection equipment for the Naval Expeditionary Combat Command (NECC). Predictably, the equipment used by Naval Expeditionary Combat Command (NECC) units, such as the Seabees, EOD, and NCW, is wearing out at accelerated rates due to operations in Iraq, Kuwait, Horn of Africa and Afghanistan. Moreover, Seabee and Explosive Ordnance Disposal units deployed to Iraq and Afghanistan require improved self-protection against improvised explosive devices (IED). Ongoing operations in Iraq have demanded new vehicles to protect troops against the array of explosive devices they encounter. Mine Resistant, Armor Protected (MRAP) vehicles have been developed to better withstand these threats, and are being delivered to the force, but more are required.

EXPEDITIONARY WEAPONS AND SENSORS

Over $20M in the FY-07 Full Supplemental is going towards the purchase of M4A1 carbines as phased replacements for existing 5.56MM rifles. Weapons accessories, vital to Expeditionary sailors, also require replacement. These

accessories include aim point mounts, scopes, grips, rail assemblies, as well as an assortment of laser aiming devices and night vision equipment.

Preparing Expeditionary Forces to fight the Global War on Terror requires significantly more ammunition than was previously identified. In fact, both the increased mission and expanding force structure have led to a greater than 400% increase in the requirement for small arms and crew-served weapon ammunition compared to FY05.

MANPOWER, PERSONNEL, TRAINING AND EDUCATION

Recruiting, developing, and retaining 21st Century leaders is central to our continued success and remains one of the CNO's top priorities. This effort spans the Total Force - Sailors, Civilians, and Contractor Support staff. The primary tools at our disposal include compensation, promotion opportunity, health care, housing, operational and personal tempo, and quality of life/quality of service programs. Navy also remains mindful of the changing demographics of the American population and is taking proactive steps to ensure it has access to the full range of the nation's talent. These efforts combine to produce the *right* person for the *right* job at the *right* time and place with the *right* education and skill set. This push is the backdrop to continuing personnel reductions resulting from increased efficiencies ashore and a reduction in manpower intensive force structure (Figure 8).

Active Navy Manpower Trend

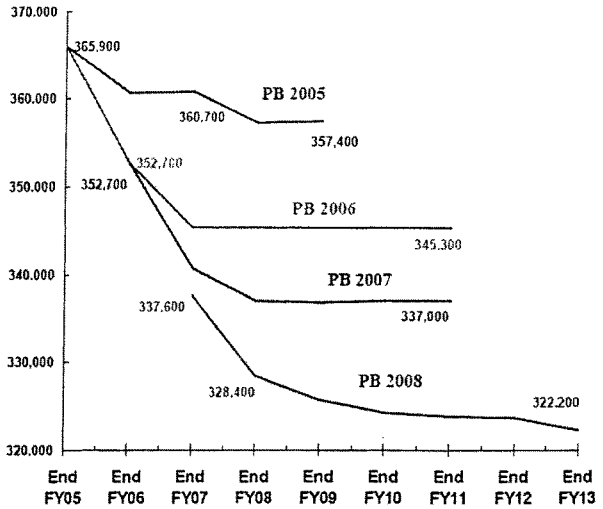

Figure 8

While we met individual recruiting and retention goals for most ratings and designators in the active component for FY06, our engagement in the long war has increased operational tempo (OPTEMPO) and clearly stressed the readiness of GWOT-centric communities. We have been, and continue to be, concerned about the long-term strength and health of these communities. We have identified programs to help address the challenges, and we are optimistic about meeting future commitments.

We identified the need to expand the number of SEABEE battalions and enhance their reserve mobilization plans. As a result, for 2007, Navy added a ninth Active Component (AC) NMCB. We are also pursuing a detailed, phased remobilization plan for use by the Reserve Component (RC) NMCB in FY09. We believe this integrated deployment plan for the NCF is sustainable through FY14.

Our Naval Special Warfare (NSW) and Naval Special Operations (NSO) communities not only face the pressures of high OPTEMPO, but are further stressed by specific recruiting and retention challenges. Navy doubled the size of the recruiting force whose primary mission is NSW/NSO accession, increased Enlistment Bonuses for each of the communities, implemented initiatives in physical training preparedness, and assigned SEAL Motivators for

all 26 Navy Recruiting Districts (NRD) to test and mentor potential NSW/NSO applicants to improve recruiting and retention in the NSW/NSO communities. Additionally, Navy's senior SEAL officer and CNRC are heading a SEAL Working Group (SWG) to address current and future SEAL recruiting issues.

We continue to miss end strength targets for our health professional communities resulting in shortages in critical wartime medical subspecialties. In the AC, we achieved 70 percent of Medical Corps (MC) accession goal, 75 percent of Dental Corps (DC) goal, 83 percent of Medical Services Corps (MSC) goal, and 92 percent of Nurse Corps (NC) goal. The Health Professions Scholarship Program (HPSP), the student pipeline for the majority of Navy physicians and dentists, is cause for concern. MC HPSP recruiting achieved just 66 percent of goal. DC HPSP recruiting achieved 76 percent of goal. In the RC, we met 24 percent of MC accession goal, 46 percent of DC goal, 29 percent of MSC goal, and 85 percent of NC goal. We are much more optimistic with our recruiting efforts of Hospital Corpsman (HM). We met 99 percent of AC enlisted HM recruiting goal and 94 percent of RC enlisted HM recruiting goal.

Retention beyond the first career decision point is a significant challenge for the Dental Corps. More than 70 percent of Dental Officers leave the Navy at this point. Navy has funded, and is about to implement, a Critical Skills Retention Bonus (CSRB) for General Dental Officers and is assessing offering similar bonuses to other health professionals. Additionally, Navy created an extremely successful incentive package for the Nurse Corps by providing bonuses direct accessions (DA) combined with the Health Professional Loan Repayment Program (HPLRP). We anticipate that Nurse Corps will meet its direct accession goal for the first time in four years.

We appreciate Congressional support for the numerous Medical Recruiting and Retention incentive enhancements enacted in the FY07 NDAA. Such enhancements, coupled with an increase of over $21M in medical special and incentive pays between FY06 and FY07 are expected to contribute in a significant way to attainment of medical recruiting and retention goals.

Because the GWOT is truly global and stretches far beyond Iraq and Afghanistan, Navy continues to focus significant effort on transforming and enhancing our expertise in foreign language, regional expertise and cultural awareness. Navy implemented a Language, Regional Expertise and Culture (LREC) strategy that galvanizes and aligns related efforts across the Navy Total Force. We surveyed existing language proficiency within the workforce, tripled bonus rates for language competencies, initiated a focused effort in heritage recruiting, established a new Foreign Area Officer (FAO) community, and implemented training and education programs in regional issues.

The Naval Post Graduate School (NPS) Regional Security Education Program, which deploys faculty to carrier and expeditionary strike groups underway, was expanded in scope and fully funded across the Future Years Defense Program (FYDP). The newly established Center for LREC in Pensacola, Florida, coordinates delivery of culture and survival-level language training for individual and unit deployers.

FACILITIES

Power projection of our deployed and forward deployed naval forces rely heavily on a strong and efficient shore infrastructure foundation. Navy's Ashore Vision 2030 is our roadmap for transforming the Navy shore infrastructure over the next 25 years. This strategy is fully aligned with the Congressionally-mandated Base Realignment and Closure (BRAC) process.

The Navy's FY08 MILCON investment strategy focuses on:

- Providing the infrastructure necessary to support new weapons systems and platforms
- QOL initiatives to improve training and quality of service
- Investment in utility infrastructure in Guam that supports existing infrastructure separate and apart from the Defense Policy Review Initiative (DPRI)
- Recapitalizing critical, operational facilities

The FY08 Military Construction-Navy (MCN) budget requests appropriations of $1,126M that includes $487M for fifteen projects at ten different Navy Installations supporting

new weapons platforms and systems, $109M for three QOL initiatives to improve training and quality of service, $139M for four utility infrastructure projects in Guam and Diego Garcia, $282M for eleven projects in ten areas to recapitalize critical operational facilities, and $22M for three projects in Djibouti that will provide essential infrastructure for CENTCOM's Forward Operating Base for Commander, Joint Task Force Horn of Africa (CJTF HOA).

The FY08 budget reflects the "end state" of programming resources to eliminate inadequate military family housing. Our Family Housing request of $430M supports the operations, maintenance, and construction of both Navy-owned, leased and public-private venture housing. It includes $97.7M for family housing construction and improvements, and $332.4M for the operation, maintenance, and leasing of Navy family housing. The FY08 operations and maintenance requirements reflect a decrease of $114M from FY07, due primarily to CONUS family housing privatization actions.

Navy's FY08 request of $47.2M for Bachelor Housing construction reflects our commitment to improve living conditions for unaccompanied Sailors. The FY08 budget request addresses three goals: ensuring Shipboard Sailors have the opportunity to live ashore when in Homeport; eliminating communal bathroom facilities; and, ensuring bachelor housing meets today's privacy standards. As with our Family Housing, to achieve these goals, we are relying on the use of Public Private Venture (PPV) authorities, construction (where PPV is not feasible), and community housing (for our single Sailors E4 and above). Through the FY07 program, projects are funded to eliminate over 99 percent of bachelor housing spaces with communal bathroom facilities for permanent party personnel. Construction to eliminate the remaining 38 spaces is programmed for FY09.

In FY06 both the Basic Allowance for Housing (BAH) account and the Facilities, Sustainment, Restoration and Modernization (FSRM) account were moved from the Defense Bill to the Military Construction, Quality of Life, and Veterans Affairs Appropriations Bill for FY07. In so doing, Congress restricted Navy's flexibility to address emergent requirements that directly affect our Sailors' quality of life and our overall readiness. We strongly

recommend that appropriations be restored to the traditional accounts that afforded Navy sufficient flexibility to manage them efficiently.

RESET THE FORCE

We remain a nation at war - a Long War against violent extremists in which naval forces provide a significant part of the worldwide rotational military presence and an increasing portion of the required support for ground units in OPERATIONs ENDURING FREEDOM/IRAQI FREEDOM (OEF/OIF). While overall Navy current readiness remains excellent, one challenge we face today is to sustain our present capability and enhance our ability to conduct non-traditional missions in order to ensure continuity in the projection of naval power and influence.

Navy's support of OIF, OEF, and the GWOT continue to require a higher OPTEMPO than was planned during peace-time operations. In the near term this translates to greater operational cost (maintenance, parts, and fuel). Longer-term impacts are under close evaluation, but ships, aircraft and ground equipment returning from the war will require depot-level attention to remain responsive to emerging threats.

Past supplemental funding has mitigated some of the Navy's costs, but it has been focused more on the "costs of war" than resetting the force. The FY07 Title IX supplemental request included $1.0 billion in Navy reset that was allocated against the highest priority requirements. The FY07 supplemental request includes $2.2 billion towards Navy reset requirements. The FY08 GWOT request includes $2.1 billion of Navy reset requirements.

AVIATION

The main focus of aviation reset costs is replacement of aircraft lost in the OIF/OEF Theater of Operations as well as aircraft "stressed" due to excessive (beyond design) use in GWOT operations. Additionally, modifications / upgrades ensure capabilities are preserved or new required capabilities are included to meet operational commanders' GWOT requirements.

One third of the Navy's legacy TACAIR fleet, F/A-18 A-D series aircraft, is currently operating beyond design

limits, and the bulk of the fleet, F/A-18 C/D series aircraft, are operating at an average flight hour expenditure rate 30% greater per year than planned.

Similarly, the entire EA-6B fleet is operating at an average of 120% design Estimated Service Life (ESL) (an average aircraft age of 24 years.) The EA-6B was designed and planned to be in service for 20 years.

The P-3 and EP-3 fleets have approached fatigue life expended limits, and are now being closely monitored under a "hazardous risk index" program. The average age of our P-3 fleet is 27.6 years and the average age of our EP-3 fleet is 33.6 years. Both aircraft were expected to serve 30 years.

The FY 2007 Supplemental request contains $825 million in aviation reset, and the FY 2008 GWOT Reset request contains $1,136 million. Figure 9 below lists the major Navy aviation reset end-items contained within both supplemental requests. This list is not all inclusive.

Major Aviation Reset End Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
6 - EA18G	12 - F/A-18 E/F
ICAP III Upgrade	6 - MH-60R
Low Band Transmit (LBT)	3 - MH-60S
Data Link for ATFLIR pods	ICAP III Upgrade
USQ-113 Upgrade	Low Band Transmit (LBT)
Add'l Tactical Common Data Link Sys	GPS & Radio upgrades
	EA-6B software upgrade

Figure 9

GROUND EQUIPMENT/CONSTRUCTION FORCES

Navy Expeditionary Combat Command (NECC) provides task-organized combat support and combat service support forces with sufficient capability and capacity to meet the requirements for Major Combat Operations, the Global War on Terrorism (GWOT) and homeland defense.

Seabee Civil Engineer Support Equipment (CESE) in CENTCOM is being used an average of 14 times more than in a peace-time deployment. The OPTEMPO of some equipment, like generators, is 50 times greater than projected (Figure 10). The high temperatures, airborne dust and

harsh road conditions experienced in theater are also contributing to the rapid degradation of equipment.

Increases in Utilization for Essential U.S. Navy Seabee Equipment Employed in OIF	
CATEGORY	OPTEMP Ratio OIF/Pre-OIF
MTVR	2:1
Grader	5:1
Dump Truck 15 Ton	12:1
HMMWV	12:1
Wheeled Loader	13:1
Generator 30 KW	22:1
Well Drilling Rig	41:1
Water Distributor 2000 Gallon	43:1
Generator 60 KW	54:1

Figure 10

The EOD OPTEMPO in direct support of counter IED missions has increased by a factor of 40 compared to pre OIF/OEF (Figure 11). Consequently, associated standard operating equipment used to "render safe" these terrorist devices such as remote control vehicles, Bomb suits, radiographic imagers, special explosive driven neutralization tools and armored vehicles are being consumed and destroyed at a much higher rate than initially planned.

Increases in Utilization for Essential U.S. Navy EOD Equipment Employed in OIF	
CATEGORY	OPTEMP Ratio OIF/Pre-OIF
EOD PGI	40:1
Bomb Suits	40:1
Dive gear/compression	20:1
NBC	20:1
Surface Ordnance/Demo	35:1
Comms Gear	40:1
HMMWV	25:1
Generators 15/30KW	25:1
Robots	80:1
RCV	60:1
JERRV	100:1

Figure 11

The FY07 Supplemental request contains $461 million in ground equipment reset, and the FY08 GWOT Reset request

contains $560 million. Figure 12 provides a list of major Seabee and EOD end-items contained within both supplemental requests. This is not all inclusive.

EOD & Seabee Major Ground Equipment Reset End-Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
389 - MTVR (Seabee)	214 - MRAPs (Seabee)
540 - HMMWVs (Seabee)	200 – HMMWVs (Seabee)
194 - Earth Moving Equip (Seabee)	39 - Trucks (EOD)
49 - HMMWVs (EOD)	
95 - MRAP (EOD)	
52 - Trucks (EOD)	
24 - 60 KW Generator	

Figure 12

WEAPONS/AMMUNITION

With the direct support to combat forces comes an increased need to replace ordnance (JSOW, Tomahawk, SLAM-ER) expended during OIF/OEF and to replace unserviceable small arms and weapons. Additionally, an increase in training requirements to match the front line roles of Seabee and EOD units increased ammunition requirements for the training, sustaining and deploying of these Sailors. This increased use of weapons coupled with the harsh desert and maritime conditions on deployment, as well as decreased parts support for older weapons models, are accelerating wear of barrels and other components, necessitating greater than expected required replacement.

The FY07 Supplemental request contains $227 million in weapons and ammunition reset, and the FY08 GWOT Reset request contains $209 million. Figure 13 provides a list of major end-items contained within both supplemental requests. This list is not all inclusive.

Major Weapon and Ammunition Reset End Items in FY07 and FY 08 Reset	
FY07 Supplemental	***FY08 GWOT Reset***
30 - JSOW	123 – Tomahawk
60 - MK 38 Mod 2 Gun Mounts	1 – AMRAAM
Replace/provide var small arms, wpns	9 - SLAM-ER kits
	Replace/provide var small arms, wpns

Figure 13

DEPOT MAINTENANCE

As a rotational force, Navy's maintenance strategy incorporates organic, intermediate, and depot level repairs to sustain equipment as needed to achieve its combat capability across the span of its expected service life. The unique operating environment and wartime OPTEMPO of our current conflict results in accelerated maintenance costs at all repair levels.

All levels of maintenance, including depot level maintenance, required to return the equipment to a ready for tasking status following its redeployment is characterized as a reset maintenance requirement. Reset maintenance requirements are dynamic when considering the possible variance in battle-damaged equipment and changing strategies of both friendly and insurgent forces.

The FY07 Supplemental and FY08 GWOT Reset request funds for aircraft, ships and support equipment for maintenance performed at the depot level facility, to include cost to overhaul, clean, inspect, and maintain organic equipment to the required condition at the conclusion of the contingency operation or unit deployment. Major components include airframe rework, engine rework, aeronautical components, ship operating systems, ground command and control equipment, and countermeasures.

CHALLENGES/CONGRESSIONAL SUPPORT

ASW/SONAR

Submarines with improving stealth and attack capability - particularly modern diesel attack submarines - are proliferating world-wide at an alarming rate. Locating these relatively inexpensive but extremely quiet boats presents our Navy with a formidable challenge. Navy is pursuing a distributed and netted approach to ASW.

- ASW Weapons and Sensors. Some of the key ASW programs we must continue to develop and field as quickly as possible include: the Deployable Distributed Autonomous System (DADS); the Reliable Acoustic Path Vertical Line Array (RAPVLA); the Surface Ship Torpedo Defense system (SSTD); the Aircraft Carrier Periscope

Detection Radar (CVNPDR); and, the High Altitude ASW Weapon Concept (HAAWC).

- SONAR restrictions. ASW is a very complex and challenging warfighting competency in which to achieve and sustain the required level of expertise. Therefore every opportunity we have to gain and maintain proficiency at the ship/unit level, and every opportunity we have to integrate units in complex scenarios is crucial to our readiness. Unfortunately, our ability to train in the same manner in which we fight is under attack in public forums, including the courts. Thus far, we have seen little scientific basis for the claims lodged against the Navy. However, these allegations present the potential for severe restrictions on our continued ability to train effectively, as we saw in RIMPAC '06 wherein we lost three days of valuable ASW training with active sonar because of a court restraining order. Navy is currently executing a comprehensive plan of action to cover all our at-sea training areas with environmental compliance documents by the end of 2009. We are committed to maintaining an open dialogue, continuing to advance our scientific understanding of the impacts of sonar on marine mammals, and complying with the relevant statutes. We have consistently made this clear as an organization in our debate on this issue. Maintaining proficiency in ASW is a daily challenge, and while our long-term compliance documents are being developed, we cannot afford to stop training. We owe it to our Sailors to ensure they receive the training they need to fight and win.

The Marine Mammal Protection Act (MMPA) requires permits for activities that may affect marine mammals. This includes military activities, including certain Navy activities at sea. The National Defense Authorization Act of 2004 included a provision that authorizes the Secretary of Defense to grant exemptions to the MMPA for certain military activities critical to our national defense. On 23 January 2007, the Deputy Secretary of Defense granted Navy a National Defense Exemption (NDE) for two years covering mid-frequency active (MFA) sonar activities for major exercises and in major operating areas, as well as the use of Improved Explosive Echo Ranging sonobuoys (IEER). The NDE will help Navy continue to

conduct the sonar training necessary for our national defense while protecting marine mammals through established mitigation measures.

EXPEDITIONARY WARFARE

Naval Expeditionary Combat Command (NECC) is developing into a true force of choice in phase zero (pre-conflict) and phase V (reconstruction) operations, and as a vital part of our nation's long war against terrorism. Included in the Naval Expeditionary Combat Command today are 30,363 Active and Reserve component Sailors including 15,339 in the Naval Construction Force, 6,557 in Naval Coastal Warfare, 3,607 in the Navy Expeditionary Logistics Force, 2,482 in Explosive Ordnance Disposal, 712 in the Riverine Force, 591 in the Navy Expeditionary Guard Battalion, 441 in Visit Board Search and Seizure/Intel, 431 in the Maritime Civil Affairs Group, 85 in Combat Camera, 68 in the Expeditionary Combat Readiness Center, and 50 in the Expeditionary Training Group. All new forces - Riverine, Expeditionary Training Group, Maritime Civil Affairs and Maritime Expeditionary Security Force - will meet full IOC objectives in FY2007. Riverine will deploy its first squadron to Iraq this month to provide area security at Haditha Dam and interdiction operations on the Euphrates River. Your continued support of our Riverine capability and capacity is vital. Our second Riverine Squadron was established on 2 February, 2007 and our third Squadron will be stood up this June.

BALLISTIC MISSILE DEFENSE

Missile tests on the Korean Peninsula and by Iran, along with the proliferation of ballistic missile technology underscores the growing need for a robust, sea-borne ballistic missile defense system. Last year, the Navy made further progress on our Aegis Ballistic Missile Defense (BMD), the sea based component of the Missile Defense Agency's (MDA) Ballistic Missile Defense System (BMDS). It enables surface combatants to support ground-based sensors and provides a capability to intercept short and medium range ballistic missiles with ship-based interceptors (SM-3). The Sea-Based Terminal Program will provide the ability to engage Short Range Ballistic Missiles (SRBMs) with modified SM-2 BLK IV missiles from Aegis BMD capable ships.

ELEVEN CARRIER FORCE

The 30 year shipbuilding plan recognizes that as a result of the retirement of USS ENTERPRISE in FY13, the number of aircraft carriers will drop to ten for a period of approximately 30 months until the USS GERALD FORD enters active service. Legislative relief is required from the FY07 National Defense Authorization Act requiring a carrier force of eleven. In developing the 30 Year Shipbuilding Plan, Navy conducted extensive analysis that concluded the temporary drop to a carrier force of ten from FY13 through FY15 is an acceptable, though moderate, risk. A carrier force of eleven is recognized as minimum risk over the long run.

USS GEORGE WASHINGTON

The USS GEORGE WASHINGTON will relieve USS KITTY HAWK as our Forward Deployed Naval Forces CVN in Japan in FY08. This transition, vital to our security interests in the Asian Pacific region, needs to be fully funded.

MINE WARFARE

Legislative authority for planned ship transfers are an important aspect of inter-operability with the navies of our allies. These transfers also contribute to the 1000 Ship Navy vision by building partner nation capacity, while reducing the taxpayer costs of maintaining or disposing of decommissioned ships. Navy seeks authority to transfer coastal mine hunting ships (MHCs) to Lithuania and Turkey. Limited in speed and endurance, the MHCs were designed as non-deploying assets. With no sweep capability and without redundant engineering and combat systems equipment, they are constrained in their ability to conduct mine clearance operations. For the MHCs to provide utility in a Homeland Defense role, they would have to be strategically distributed across the United States which would drain limited fiscal and manpower resources and hamper the Navy's ability to field a responsive and capable MCM force. These ships are scheduled for decommissioning in FY08 and, if authority is timely, they can be "hot transferred" which is less expensive for both the United States and the recipient.

STRATEGY FOR OUR PEOPLE

Expanding capability-driven workforce requirements and fiscal constraints require the Navy to deliver a more capable, versatile force. The challenges we face in shaping the force are considerable. To develop 21st Century Leaders, we seek congressional support in the following areas:

- Health Care Cost Control. By 2009 our Navy will not only be smaller, it will be leaner. Health care costs continue to rise at a rate disproportionate to inflation. DoD TRICARE costs have more than doubled in five years from $19 billion in FY01 to $38 billion in FY06, and analysts project these costs could reach $64 billion by 2015 - more than 12% of DoD's anticipated budget (versus 8% today). Yet this problem extends beyond our active duty, or even our reserve, health care costs. One of the significant drivers of this increased cost is the TRICARE for Life program developed for the 2001 National Defense Authorization Act. We could not have anticipated the growing number of retirees and their dependents, not yet Medicare eligible, who have chosen or have been driven to switch from private/commercial health care plans to TRICARE in order to better cope with rising health care costs. Despite greatly increased utilization rates, TRICARE Premiums have not changed with inflation since the program began in 1995, so that total beneficiary cost shares have declined substantially - 27% of total benefit cost in 1995 while 12% in 2005. In fact, from FY08 to FY13, Navy's accrual costs for future retirees alone are expected to increase by $4B (a 16% increase) despite a flattened and stabilized end strength over that same period of time. There is no longer any tolerance for inefficiencies in our manpower system and very little flexibility in our MPN account. This has a carry-over effect by further pressurizing our procurement accounts. We again urge Congress to implement the initiatives and administrative actions that will restore appropriate cost sharing relationships between beneficiaries and the Department of Defense.

- DOPMA Relief. While Navy end strength is reduced and stabilizes across the FYDP, the demand continues to increase for experienced officers to fill joint

requirements, core mission areas and jobs related to the war on terror. Navy is already operating at or near control grade limits imposed by Title 10, resulting in billet-grade suppression. Navy currently suppresses 106 captain, 279 commander, and 199 lieutenant commander billets at a lower pay grade (a total of 584 control grade billets). If Title 10 limits were increased by five percent, Navy would be authorized to grow 131 captains, 304 commanders, and 478 lieutenant commanders. Funding to current control-grade requirements would give Navy the authority to grow 25 captains, 25 commanders, and 279 lieutenant commanders as future control-grade requirements emerge. This legislation is critical to Navy's ability to carry out the National Military Strategy.

UNITED NATIONS LAW OF THE SEA CONVENTION

To interact more effectively with our maritime partners, it is time to ratify the Law of the Sea Convention. Robust operational and navigational rights codified in the Law of the Sea Convention must be preserved for the Navy to continue to maximize its ability to execute the National Strategy for Maritime Security. Accession to the Convention is of critical importance to global naval maritime and over flight mobility.

RESEARCH AND DEVELOPMENT

To achieve *the speed of war* Navy is pursuing Innovative Naval Prototypes (INPs) - revolutionary "game changers" for future naval warfare. These initiatives have resulted in the development of an electro-magnetic rail-gun prototype; new concepts for persistent, netted, littoral anti-submarine warfare; technologies to enable Sea-basing; and the naval tactical utilization of space.

BRAC

One area of particular concern is our execution of Base Realignment and Closure (BRAC), which is required to be fully funded and completed by September 15, 2011. The Continuing Resolution (CR), House Joint Resolution 20, was voted into Public Law 110-5 in February 2007. This law decreased Department of Defense BRAC V funding from $5.6B request to $2.5B. The FY07 Department of the Navy

BRAC budget request was for $690M of which $674.9M is for Navy BRAC. The amount allocated to Department of the Navy for BRAC under the Continuing Resolution was $67.647M. Of the amount allocated, $27.464M has been obligated to date, primarily for BRACON ($18.6M) and O&M costs ($8.6M). The amount that would be the Department's "fair share" of the year-long CR would be $305M. Navy's "fair share" of the $305M under the year long CR is 97.9% or $298.6M

This reduction will devastate a program entering the critical stages of execution. Failure to fully fund this account will significantly impact the funding profile and potentially negate our ability to complete the program by the legislatively mandated deadline of September 2011. It will also delay, or in some cases negate, our ability to harvest savings and reap funds from land sales and transfers. These savings are critical to the out year funding of the program.

In addition to reducing BRAC V funding, Public Law 110-5 represents a $409M shortfall in Navy's Basic Allowance for Housing account. Both of these actions will impact the morale and welfare of our Sailors and civilian personnel by affecting personnel actions, including transfers and reductions. Negotiations with communities and Local Reuse Authorities will have to be suspended or significantly altered as we establish new BRAC execution timelines. BRAC Construction (BRACON) actions will be delayed, resulting in increased future construction costs and delayed realignment and closure actions. This will also force us to expend funds to maintain facilities that were to be closed or realigned, thus impacting other programs and negating savings.

Under the proposed funding, we can already project:

- At NSA New Orleans, we will be forced to delay eight administrative and community support projects ($94.1M) and delay moves to Federal City, resulting in disjointed fleet and family services for the assigned military and civilian personnel. $75M in projected savings over the FYDP will be delayed or negated.
- Four operational support projects at NWS Seal Beach Detachment Concord will be delayed ($10.8M), thus precluding our ability to make a timely transfer of property. Transfers of civilian personnel will be

delayed and a projected savings of $16M over the FYDP will be negated.

- The realignment of the Naval Warfare Development Center at Norfolk ($28.4M) would be delayed, inhibiting improvements of fleet and joint experimentation warfare innovation and dissemination of doctrine to supported fleet assets.
- Navy Operational Support Center (NOSC) projects ($30.1M) at Rome, GA and Robins AFB would be delayed, thus delaying the transfer of property at NAS Atlanta to the Georgia National Guard and precluding our ability to fully harvest $101M in savings.
- Delays in funding in support of the realignment of enlisted medical training from three sites across the country to a single site at Fort Sam Houston, TX will not only impact the $6.2M in savings we expected to accrue from this action, but will also impact other Services' ability to realign their training.

CONCLUSION

The security challenges of the 21st Century are complex and varied. They range from the irregular, asymmetric threats of terrorists, self proclaimed Jihadi organizations, and rogue nation states, to the conventional and highly sophisticated military technologies of China, North Korea, and Iran. Our Navy's capabilities and capacity must be balanced to address these diverse strategic challenges.

Our Navy provides a high return on your investment, costing the taxpayers less than 1% of the GDP to support. Though we are increasingly stretched, the Navy is in great shape and our people are remarkable. But as we strive to sustain combat readiness, build a fleet for the future and develop 21st century leaders we cannot allow ourselves to take this for granted. With our ground forces stretched thin in Iraq and Afghanistan, we must maintain our resolve to sustain a strong Navy now and ensure future successes after they return home.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE HOUSE ARMED SERVICES

SUBCOMMITTEE ON READINESS

UNITED STATES HOUSE OF REPRSENTATIVES

SUBJECT: "Adequacy of FY 08 DoD Authorization Budget Request to Meet Military Readiness Needs"

STATEMENT OF: GENERAL JOHN D. W. CORLEY
VICE CHIEF OF STAFF
UNITED STATES AIR FORCE

13 MARCH 2007

NOT FOR PUBLICATION UNTIL RELEASED
BY THE ARMED SERVICES COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES

I. Introduction

Your Air Force is engaged around the world, fighting terrorism and insurgents in the Global War on Terror (GWOT) and fulfilling our roles as Airmen in the interdependent fight for the joint team. Simultaneously, we stand prepared for rapid response and conflict across the globe as our nation's sword and shield. We fly, fight and dominate in three war fighting domains – air, space and cyberspace – giving our nation sovereign options to employ military force no other nation has ever had.

We are also preparing for an uncertain future doing all we can to become even more efficient and effective. Due to increased operations, maintenance, and personnel costs, we have been forced to self-finance the centerpiece of future dominance – a massive and vital re-capitalization and modernization effort for our aging air and space force. Despite our best efforts, we face declining readiness and soaring re-capitalization rates: the time between when an aircraft is first flown and when it is replaced is now up to 50 years. While our aircraft and spacecraft get older, our enemies do not sit idly by; instead, adversaries – both declared and potential – are developing and fielding new and better means to threaten our nation, our interests and our way of life. Our current force is at risk of obsolescence vis-à-vis these emerging threats.

Though we are currently supporting global Combatant Commander (COCOM) requirements and GWOT taskings, *we are being forced to assume risk in force structure, infrastructure and readiness for the future.*

To ensure success, your Air Force is organizing, training and equipping our Airmen for both the current and future fights, building in the flexibility to operate across the entire spectrum of conflict and deliver effects at all levels of war. Your Air Force remains focused on its mission of providing asymmetric range and payload that is part of an interdependent joint team.

It is no coincidence that America's Air Force has unprecedented Global Vigilance, Reach and Power. We learned our lessons from our own history and others', and we invested vast resources and effort to establish and maintain dominance in our three warfighting domains: air, space and cyberspace. We upgraded, modernized, and completely changed our training mindset and programs. The result was a flexible, responsive, and lethal force that spearheaded the joint victories in DESERT STORM, Operation ALLIED FORCE, Operations IRAQI FREEDOM and ENDURING FREEDOM (OIF/OEF). But our future dominance could be at risk.

Let's examine Air Force "readiness" with respect to each of our three main priorities: war fighting, from today's GWOT to tomorrow's wars; developing and caring for Airmen and their families; and re-capitalization and modernization of our aging air and space inventories.

II. War Fighting

Today

Our first priority is to help the U.S. win the long war against terrorism and to ensure we're prepared for the next war. Air Force GWOT missions are only the latest in a string of 16+ consecutive years of combat in the Central Command (CENTCOM) Area of Responsibility (AOR), beginning with our initial Operation DESERT SHIELD deployments in August 1990

through ongoing operations in Iraq, Afghanistan and the Horn of Africa (HOA) today. Your USAF flies approximately 300 airlift;[1] aeromedical evacuation; air-refueling; Command and Control and Intelligence, Surveillance, and Reconnaissance (C2ISR); strike; and electronic warfare sorties daily as part of Operations IRAQI FREEDOM and ENDURING FREEDOM (OIF/OEF).

Of the approximately 25,000 Airmen deployed in the CENTCOM AOR, approximately 5,000 are considered "in lieu of" (ILO) taskings – meaning we are filling other Services' billets in some of their stressed skill areas.[2] Since 2004 we have deployed approximately 16,000 Airmen in support of such ILO tasks, and we expect an increase in that total.[3]

But our engagement in CENTCOM is only the "tip of the iceberg." In addition to the 25,000 Airmen deployed to CENTCOM's AOR at any one time, we also have approximately 213,000 Airmen (183,000 Active Duty plus an additional 30,000 Guard and Reserve) fulfilling other daily COCOM tasks.[4] That equates to about 40% of our Total Force and about 53% of the Active Duty force.[5]

Global Vigilance

Through technological advances and the ingenuity of our Airmen we can now surveil, and if necessary, deliver kinetic or non-kinetic effects to any target anywhere on the face of the Earth day or night, in any weather. Because ISR capabilities are at the core of finding, fixing and engaging targets, ISR has never been more important during our 60 years as an independent Service. In fact, ISR has become the foundation of Global Vigilance, Reach, and Power. Yet ISR assets and Airmen are often "low density" compared to their high demand. We are wearing them out at rates that must be reversed.

We boast the world's preeminent space force today.[6] Yet all the satellites continue to age; every day on-orbit is a day closer to the end of their mission. And, for the first time ever, our satellites are operating in a contested environment as demonstrated by the recent destruction

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[1] In Iraq alone, USAF airlift delivers approximately 3,500 trucks' worth of cargo in an average month, providing the Army and Marines the flexibility to re-mission those vehicles and associated support troops to alternate missions.
[2] Examples include detainee operations, convoy operations and protection, explosive ordnance disposal, civil engineering, security, interrogators, communications, fuels, medical, logistics, intelligence, and base operating support (BOS).
[3] The Air Force ILO footprint has grown from about 1900 in 2004 to 5000 in 2007, and is projected to reach approximately 6000 ILOs in 2008. (AFPC/A1P) On top of ILO tasks, the Air Force also supports another 1,200 Individual Augmentee (IA) joint manned positions.
[4] Other COCOM tasks include such missions as space control and situational awareness, counter-drug, homeland defense, nuclear deterrence, and national C^4ISR.
[5] As of March 2007, the Air Force comprises approximately 345,024 Active Duty, 105,877 Guard and 73,108 Reserve, or 524,009 Total Force uniformed Airmen. We also have 166,004 civilian Airmen.
[6] The Air Force space force includes nearly 10,000 credentialed space professionals (vs. the Army's 198 [FA40], Navy's 51, and Marines' 110) operating 75 satellites with an additional 59 satellites operated jointly with other agencies. Our space professionals conduct 450+ satellite ops / day while operating a worldwide space command and control network that contributed to the "rescue" of approximately ~$11 billion in satellites in 2005. Our space professionals also operate a worldwide space surveillance network, tracking satellites from 55 countries. Through our sovereign capabilities, we know there are over 560 daily flights over Baghdad by satellites of all nations. And our space professionals operate a worldwide missile warning network.

of an in-orbit satellite by China, proving that space is not a sanctuary. Perhaps most dauntingly, satellite development, acquisition and launch timelines now run about 10 years. That means our nation must act now to modernize and re-capitalize its space force if we want to maintain our position as both an economic and military force in a world ten years from now. The readiness of our space force impacts our way of life and national security today. Who can imagine a world today without GPS navigation and timing signals, instantaneous communications and accurate weather? To help ensure the asymmetric information advantage the Air Force provides the joint team we have increased communications readiness funding by $300 million. This increase will help the Air Force continue to expand our dominance into the cyberspace domain, a domain which underpins how we fight today. Over the next decade our dependence on space and cyberspace is bound to grow and our ability to dominate these domains for the joint team will be further challenged.

Global Reach

America's Global Reach relies on Air Force tankers, airlift, and spacelift.[7] Like our space and cyber forces, tankers and lift are single points of failure. Without them we will not be able to deliver on our commitments to the nation and the joint force. Like our ISR forces, Global Reach assets and Airmen have relatively low density compared to the incredible demand for them. Since 11 Sep 01, Air Force cargo planes have flown 884,223 mobility sorties, moved more than 7,670,000 passengers and transported 2,940,000 tons of cargo. These sorties feed and fuel the joint force by providing vital supplies for the joint force. One of our Air Mobility Command aircraft departs an airfield somewhere on the globe every 90 seconds, every day, 365 days a year. The force multiplier which underpins our Global reach is our tanker fleet. Yet our tanker aircraft are the oldest in our inventory and showing severe signs of fatigue and stress. Some of our venerable KC-135s turned 50 years old in 2006, and the average KC-135 is over 46, often older than the aircrews flying them. The cost to operate and maintain these older airframes is growing rapidly. But it is not just a dollar figure we are concerned about, it is the lives of our Airmen who are doing everything they can to execute the mission day in and day out. We are in uncharted territory and that makes us nervous, we have aircraft operating under weight and speed restrictions further emphasizing the need to divest and recapitalize our fleet.

Depot maintenance is a key component to maintaining an older fleet, such as the KC-135s. Although we are increasing funding by $400 million from last year we are losing ground. Despite the increase, only 74% of the requirement is funded in FY 08. Rising costs have forced the Air Force to accept risk in this area as we attempt to be good stewards of the money entrusted to us and prepare for today's fight as well recapitalize for future threats.

Global Power

Ultimately, range and payload are the soul of an air force, and at its core are flying and fighting. Each day the U.S. Air Force flies approximately 2700 sorties around the planet involving tens of thousands of Airmen, including nearly a hundred strike, special operations, and combat search and rescue sorties. Each day thousands of Airmen not flying actual combat fly thousands of training sorties to prepare them for their Global Power roles. Each day Airmen monitor and guard 500 on-call ICBMs across a combined landmass the size of the state of Pennsylvania, providing a nuclear backstop for the nation and deterring and dissuading potential

[7] Our space lift rockets and Airmen have successfully launched the last 49 national security payloads in a row, and we have had 100% success with our EELV class of vehicles.

enemies from using weapons of mass destruction. And each day Airmen deliver expeditionary, reversible counterspace effects, helping provide freedom of movement for deployed forces.

But each day the readiness of both our Airmen and our equipment is eroding. The number of our units reporting "green," or fully mission capable, has declined from 68% in 2004 to 56% today. That trend has thus far been slowed mainly by our amazing, dedicated Airmen and adaptable capabilities. Spare parts have increased in cost 6% this year and the older aircraft we are flying are consuming more of them. Despite possessing 1,200 fewer aircraft the Air Force is flying the same number of hours as we did 13 years ago. The added wear and tear is fueling the increased demand for spare parts, creating a vicious cycle, providing a further mandate to recapitalize the force. Our Airmen must have the tools and parts to accomplish the mission.

As the DoD's largest consumer of aviation fuel, the cost per barrel of oil has an enormous impact on the Air Force's budget. Every $10 increase in the price of a refined barrel of fuel costs the Air Force $600 million annually, which translates in to reduced flying hours and ultimately, readiness. Our average cost per flying hour of our legacy fleet is increasing by 10%. To help balance this trend we are programming a 10% reduction in flying hours in FY08, anticipating being able to take advantage of high fidelity simulators to make up that difference. We are accepting risk in this area; though simulators are a phenomenal tool there is *no* substitute to flying and fixing aircraft.

Infrastructure

While we are forced to take risk in infrastructure to invest in necessary modernization, our funding is focused on the critical infrastructure requirements needed to support the Air Force's priorities of winning the GWOT, caring for Airmen and their families, and re-capitalizing the force.

Tomorrow

While the GWOT is the appropriate priority for the near-term, the nation must be prepared for emerging global threats at all levels. We must continue to be able to detect, deter and dissuade other potential enemies – both state and non-state actors – and fight battles and react to contingencies across the spectrum of conflict. Our nation deserves no less. The future security environment will be different from today's operating environment and the full range of military capabilities will be needed to maintain relevance and advantage. Failure to anticipate is catastrophic in its impact on strategy and operations precisely because it leads to the psychological dislocation of surprise. We cannot fail to anticipate increasingly lethal enemies or how they'll conduct war in the future.

The last time an American Soldier was attacked by enemy aircraft was 1953. The ability to look up in the sky and know there's nothing to fear is priceless. Yet, air superiority – the precondition of effective operations on land, at sea, as well as in the air – is not an entitlement; it is a battle that must be fought and won, often at high cost.

Today, America depends on air power to an unprecedented extent. The Air Force contributes to a national strategy of reassuring allies, while deterring, dissuading and decisively defeating enemies. Your Air Force gives others strategic pause and our Nation political leverage

by our presence. Its re-capitalization is an *urgent national security need*, not a discretionary luxury.

Our men and women in uniform trust each other with their lives. They count on each member of the Joint Team to deliver the full range of Service-unique effects. Only the Air Force can provide global surveillance, global command and control, and the requisite range, precision and payload to strike any target, anywhere, anytime, at the speed of sound or the speed of light.

Despite any future reduction in the "footprint" in Iraq and Afghanistan, we expect that air, space, and cyber power will remain heavily engaged. Even after 16+ years of combat in the region we see little likelihood of reduced Air Force operations tempo (OPSTEMPO). The U.S. has vital interests in the Middle East and the Air Force must be able to promote and defend those interests. If, as we expect, we are still engaged in CENTCOM in 2016 the Air Force will have been engaged in non-stop combat for a quarter century.

Without an accelerated plan for re-capitalization, the elevated OPSTEMPO – which has become a *de facto* "steady state" – will continue to challenge the readiness and availability of Air Force assets to support our overall defense strategy. Such overstretch is an invitation to existing and would-be competitors to destabilize and threaten U.S interests in regions around the world. We are already seeing advanced military capabilities propagate around the globe. Double-digit SAMs are proliferating and remain the primary threat to air dominance in the future. Current and projected air defenses will be capable of crippling a legacy air force. Adversary air-to-air fighters will be comparable or superior to U.S. legacy aircraft. By 2010, numerous nations will also possess low-observable land attack cruise missiles increasing the anti-access threat in range and lethality. Adversaries around the globe are pursuing new camouflage, concealment and deception technologies and new armament like directed energy weapons that present us further challenges. Bringing the entire Air Force to the next generation of capability is crucial to defeating these threats and sustaining America's asymmetric joint warfighting advantages.

The Strategic Planning Guidance (SPG) recognizes this emerging threat environment, and provides guidance on capabilities needed from the Nation's Air Force. Specifically, the 2006 SPG directs the Air Force to rebalance toward unmanned systems, stealth, penetration, persistent long-range strike, and other systems to sustain operations in denied areas against adversaries equipped with advanced military capabilities.

Charged with accomplishing these strategic ends and given the means set in the QDR, the Air Force is taking its lead from the 2006 Force Planning Construct that identifies the scale and scope of requirements for us to defend our nation, its ideals and interests. For the foreseeable future, steady-state operations, including operations as part of the long war against terrorist networks, and associated rotation base and sustainment requirements, will be the main determinant for sizing U.S. forces. The Air Force must be sized to accommodate steady state and surge operations in homeland defense, GWOT, Irregular Warfare, and Conventional Campaigns.

For homeland defense, the Air Force must be capable of providing the Nation and the COCOMs with capabilities to detect, deter, and, if necessary, defeat threats to the U.S.

homeland, and enable partners to contribute to U.S. national security. Examples of capabilities provided or operations conducted by the Air Force for homeland defense include, but aren't limited to: strategic deterrence, North American air defense and air sovereignty operations, consequence management, and other defensive operations in air, space and cyberspace.

For the war on terror, the Air Force must provide the COCOMs with capabilities to conduct large-scale, potentially long duration irregular warfare campaigns including counterinsurgency, security, stability, transition and reconstruction operations. The Air Force must also remain capable of "surging" in irregular warfare to meet the demands of future operations similar to those in Iraq and Afghanistan.

To conduct and win conventional campaigns, the Air Force must provide the COCOMs with capabilities to wage two nearly simultaneous conventional campaigns (or one conventional campaign if already engaged in a large-scale, long-duration irregular campaign), while selectively reinforcing deterrence against opportunistic acts of aggression. In one of the two campaigns the Air Force must be prepared to remove a hostile regime, destroy its military capacity and set conditions for the transition to, or for the restoration of, civil society. This is the strategic guidance we've been given.

To meet these steady-state and surge demands, the Air Force must re-capitalize to 86 modern, ready combat wing equivalents. Only with a force of this size and capability will the Air Force – through a single Combined Forces Air Component Commander per AOR – be able to provide the full range of air, space, and cyberspace capabilities to the COCOMs.

III. Airmen

A continuing priority is developing and caring for our Airmen and their families. Airmen are our most precious resource and enable the Air Force to be the instrument of national power it is today. With Program Budget Decision (PBD) 720, the Air Force planned to reduce by 40,000 Active Duty, Guard, Reserve and civilian Full-time Equivalents (FTEs) in order to submit a balanced budget and self-finance the critical re-capitalization and modernization of our aircraft, missile and space inventories. Because our Airmen are so important, this self-financing decision was difficult, but our only viable re-capitalization option in the tight budgetary climate. With increased fuels and maintenance costs reducing our buying power, we saw reducing our own end strength by 40,000 full-time equivalents over a 3-year period as an alternative to generate the needed investment capital. But we are not just reducing numbers to generate investment money. We are moving and retraining Airmen to have the proper skill set to shape the Air Force into the proper force structure.

Our force drawdown efforts have placed us on a glide slope to meet our PBD 720 end strength targets of 334,000 in FY07 and 328,400 in FY08. But personnel changes of this magnitude come with a degree of uncertainty and difficulty for our Airmen and their families. We are using voluntary measures to shape the force with the right skill sets, increase manning in stressed career fields, leverage new technologies, and lean our internal processes to reduce workload and reduce or eliminate unnecessary work through Air Force Smart Operations 21, or AFSO21. Ultimately, our goal is to ensure the Air Force maintains the right size and mix of forces to meet the global challenges of today and tomorrow.

Since 2001 the AF has reduced its end-strength by 7% but our deployments have increased by 30% – primarily in support of the GWOT. The Air Force understands the Nation is at war and we are helping relieve stress on the Army and Marine Corps. Our brave Airmen are filling ILO taskings and performing roles or missions outside their normal Air Force core competencies. To be able to accomplish their ILO missions, many of our Airmen require additional training. Such extra training means more time away from families and from units already stretched thin by the OPSTEMPO. These ILO tasks add significant levels of stress on the deployed Airmen as well as the rest of our force. Because ILO-tasked units and Airmen are no longer available for core Air Force or home-station missions, and because our core missions must still be accomplished, the workload shifts to other Airmen at home and abroad.

Additionally, faced with a reduced inventory of support personnel, commanders are assessing how they can operate base support functions more efficiently given fewer resources. Inevitably, commanders may be required to consolidate capabilities on some bases to maintain services to our people. We must face these tough decisions today, so that tomorrow's Air Force will be better than today's. The mission must come first, but it's critical we take care of our Airmen and their families so they can better focus on the mission.

The bottom line is that the combination of self-financed manpower reductions, increased GWOT OPSTEMPO, and additional non-core ILO taskings are stressing our Airmen. Our unit-level leadership (officers and non-commissioned officers) continue to mitigate the risk, utilizing all the resources and programs available.

IV. Re-Capitalizing & Modernizing

The QDR-identified requirement for the Air Force to build a force organized around 86 modern combat wings is essential to meeting our national security strategy requirements. Our top five procurement priorities – the KC-X, CSAR-X, spaced-based early warning and communications satellites and equipment, F-35A, and next generation bomber – will help equip these wings.

Currently, the Air Force comprises 81 combat wings but we will divest three legacy fighter wings by FY2013 to free up the resources needed to help bridge some of the gap and reach 86 ready, modern combat wings by FY2025. The Air Force plans to increase to 23 wings of modernized air, space, and cyberspace assets capable of providing the nation the unblinking eye of Global Vigilance. The Air Force will remain relatively steady at 27 mobility wings, but modernize its Global Reach with KC-X, precision air-drop, and new intra- and inter-theater airlift capabilities. The Air Force plans to achieve a Global Power capability of 36 strike wings, including next generation bombers, fifth generation fighters, air operations centers, ballistic missiles, battlefield airmen, special operations, and modernized combat search and rescue assets. We owe the nation the ability to provide a full range of options, lethal and non-lethal, kinetic and non-kinetic, at the speed of sound or the speed of light, any time, anywhere the nation needs us to deliver effects across the spectrum of conflict.

As we evaluated the QDR-identified strategic environment we recognized the long-term need to expand both the capacity and capability of our force. Eighty-six fully-equipped and manned modern combat wings is the right force for defending our nation and preserving our interests over the long-term. To reach the objective of 86 modern combat wings, however, we need to ensure our investments are synchronized to maximize effect.

Currently, the Air Force's ability to meet its objective of 86 ready, modern combat wings is at risk. The procurement holiday of the 1990s is impacting our ability to meet the ends we have been assigned. In the 1990s, the Air Force assumed risk in modernization and sustained aging weapon systems throughout continual combat operations. The start of the Global War on Terror coincided with the period when the Air Force expected to recover and begin a force-wide re-capitalization. While victory in the war on terror is our number one priority, the nation cannot afford to take another procurement holiday that places our future at risk.

The Air Force has already begun to build toward 86 combat wings, but we need Congress' help to achieve the benchmark. In 2005, we began divesting aging aircraft either too costly to operate or approaching obsolescence. In 2006, we initiated a graduated decline in endstrength to match our declining force structure. As investments in research, development, and procurement increase, the Air Force will eventually begin to grow again – towards 86 combat wings – and our endstrength must eventually grow along with those additional combat wings. These two elements of our force must move in tandem to minimize wasted resources from a lack of synchronization between our platforms and people and we look forward to working with the Congress to ensure the synchronization of our programs.

Fiscal responsibility is a critical element of our plan. The Air Force is committed to planning and operating within our allocated resources, but we realize that commitment will not be enough to achieve what we need to do. The Air Force appreciates Congressional language in the 2007 National Defense Authorization Act supporting our efforts to retire our older aircraft. However, legislative restrictions on aircraft retirements remain an obstacle to efficient divestiture of our older, least capable, and costly to maintain platforms and equipment. These costs cascade into procurement delays for future platforms and divert resources away from expanding joint capabilities. We earnestly seek relief from Congress so we can execute a synchronized plan for aircraft retirement, replacement, and modernization. We realize executing a successful re-capitalization plan is a balancing act. We must continue to meet today's operational needs while ensuring that future Airmen fly and fight in an Air Force that is relevant, capable and sustainable.

V. Conclusion

We have learned lessons from history. We cannot repeat the mistakes of the past nor can we rest on the laurels of our current dominance. The United States of America depends on air, space and cyberspace power to an extent unprecedented in history. We are ready and engaged today, but our future is at risk. *Our nation must invest today to ensure tomorrow's air, space and cyberspace dominance.*

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Released by the HASC

STATEMENT OF

GENERAL ROBERT MAGNUS
ASSISTANT COMMANDANT OF THE MARINE CORPS

BEFORE

THE HOUSE ARMED SERVICES COMMITTEE

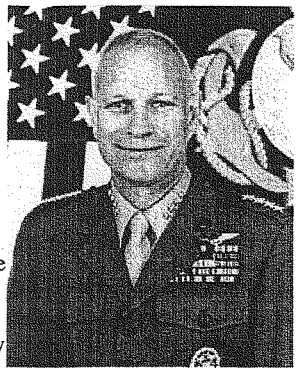
On

READINESS

13 March 2007

Not public until
Released by HASC

General Robert Magnus
Assistant Commandant of the Marine Corps



General Magnus assumed his duties as Assistant Commandant of the Marine Corps on 8 September 2005.

Gen Magnus is a graduate of the University of Virginia (1969) and Strayer College (1993). His formal military education includes Naval Aviator Training, U.S. Marine Corps Command and Staff College, and the National War College.

Gen Magnus' operational assignments include: Intelligence Officer, HMM-264; Operations Officer, H&MS-15 SAR Detachment, Task Force Delta, Nam Phong, Thailand; Training Officer, SOES, MCAS Quantico; Aviation Safety Officer, MAG-26 and HMM-263; Weapons and Tactics Instructor, MAG-26 and HMM-261; Operations Officer, MAG-29; Commanding Officer, HMM-365; Commander, Marine Corps Air Bases Western Area; and Deputy Commander, Marine Forces Pacific.

Gen Magnus' staff assignments include: Aviation Assault Medium Lift Requirements Officer; Chief, Logistics Readiness Center, Joint Staff; Executive Assistant to the Director of the Joint Staff; Head, Aviation Plans and Programs Branch; Assistant Deputy Chief of Staff for Aviation; Assistant Deputy Commandant for Plans, Policies, and Operations; and Deputy Commandant for Programs and Resources.

Chairman Ortiz, Representative Davis, and distinguished Members of the Committee; on behalf of your Marine Corps, I want to thank you for your generous support and I welcome this opportunity to report to you today.

America's Marines are fully engaged in the Long War—in campaigns in Iraq and Afghanistan as well as throughout the world. The challenges we face today are part of a generational struggle that will not be won in one battle, in one country, or by one method. Throughout this war, your Marine Corps has been able to rapidly adapt to challenging strategic conditions and wide-ranging threats. This past year, you have seen evidence of this not only in Iraq and Afghanistan, but also in Lebanon (where we were partners in the largest noncombatant evacuation since Vietnam); in the southern Pacific—as part of humanitarian assistance and relief efforts in the wake of multiple natural disasters; and around the globe in numerous theater security cooperation engagements.

The operational tempo of the last several years has demonstrated the flexibility and exceptional capability of your Marines. This sustained effort has come at substantial cost in terms of both personal sacrifice on the part of individual Marines and in the cumulative wear and tear on our equipment. It is imperative that we continue to support our Marines in combat as the first priority and that we look to the future and ensure we can restore and maintain our Corps. We remain true to our Congressionally mandated mission *"to be most ready when the Nation is least ready";* providing the Nation a flexible force in readiness to meet both current and future challenges.

I. <u>Supporting the Plus-up for Operation IRAQI FREEDOM.</u>

Currently, the Marine Corps has approximately 4,000 Marines affected by the plus up of forces in Iraq. The units affected will be extended for approximately 45 - 60 days. This change impacts our Marines and their families, but we believe that the support systems that we have in place within the units and family support systems back home will help our Marines and their families meet the challenges associated with this extension on deployment. Furthermore, between their return and next deployment, the addition of new infantry battalions will allow these units to lengthen the dwell time at their home station.

Battalions moved forward in the rotation cycle will complete all required pre-deployment training that fully qualifies them for employment in combat operations. These battalions will be subject to the same pre-deployment training standards as their fellow Marines. We have accelerated the normal cycle through our main mission rehearsal exercise, Mojave Viper, to accommodate consistent training for all units rotating into theater. Units assigned missions other than their primary organizational missions develop training programs tailored to their new assignment. By using standards-based Training and Readiness Manuals, these provisional units conduct home station training that prepares them for their new tasks. The effectiveness of this training is then assessed during mission rehearsal at Mojave Viper, or alternate training venues, in events tailored specifically to their new Mission Essential Task List. For example, an Artillery Battery assigned the role of provisional Military Police Company is trained and assessed in detainee handling and firm base operations rather than conventional artillery tasks.

The accelerated battalions will deploy with equipment from their home stations, and the additional equipment required will be provided by cross-leveling assets in theater as well as leveraging equipment already positioned forward. As we ensure that our deployed forces have the right amount of the right equipment, this has resulted in some home station shortfalls and has limited some stateside units' ability to train for other missions and contingencies. While the readiness of deployed units remains high, we have experienced a decrease in the readiness of some non-deployed units.

There are no Marine Corps Reserve units involved in the plus up of forces.

II. Personal Protective Equipment

Marine units preparing to deploy to Iraq or Afghanistan are fully equipped for the mission assigned. The Corps will continue to pursue technological advancements in personal protective equipment—our Marines deserve nothing less. Fully recognizing the trade-off between weight, protection, fatigue, and movement restriction, we are providing Marines the latest in personal protective equipment—such as the Modular Tactical Vest, Quad Guard, Lightweight Helmet, and Flame Resistant Organizational Gear.

Body Armor. Combat operations in Iraq and Afghanistan have highlighted a need to evolve our personal protective vest system. Therefore, in February, we started transitioning to a

newly designed Modular Tactical Vest or MTV. This vest is virtually the same weight as its predecessor, the Outer Tactical Vest, but it more easily integrates our other personal protection systems. It provides greater comfort through the incorporation of state-of-the-art load carriage techniques that better distributes the combat load over the torso and onto the hips of the Marine. The acquisition objective for the Modular Tactical Vest is 60,000 systems, with anticipated completion of deliveries in September 2007. The MTV also incorporates our existing Enhanced Small Arms Protective Inserts, or E-SAPI, and Side SAPI plates. These plates are currently provided to every Marine in theater. The E-SAPI provides the best protection available against a wide variety of small arms threats, to include protection against 7.62mm ammunition threats.

QuadGard. The QuadGard system is designed to provide ballistic protection for a Marine's arms and legs when serving as a gunner on convoy duty. This system, which integrates with other personal ballistic protection equipment such as the Modular Tactical Vest, Enhanced SAPI, and Lightweight Helmet, reduces minimum standoff distances from the Marine to ballistic threats, particularly improvised explosive device fragmentation.

Lightweight Helmet. We are committed to providing the best head protection available to our warfighters. The Lightweight Helmet weighs less than its predecessor, and provides a high level of protection against fragmentation threats and 9mm bullets. We now require use of the pad system as study results demonstrated it provides greater protection against non-ballistic blunt trauma than the sling suspension system. We are retrofitting more than 150,000 helmets with the pad system and have already fielded enough helmet pads for every deployed Marine. Now, Lightweight Helmets are being produced by the manufacturer with the approved pad system installed. Additionally, we are procuring ballistics pads which attach to the rear portion of the helmet and provide enhanced protection to the occipital region of the head.

Flame Resistant Organizational Gear (FROG). In January, we began fielding FROG components to all deployed and deploying Marines. This life saving ensemble of clothing items – gloves, balaclava, long-sleeved fire resistant shirt, combat shirt, and combat trouser – is designed to mitigate potential injuries to our Marines from flame exposure. These clothing items provide protection that is comparable to that of the NOMEX combat vehicle crewman suit/flight suit with additional comfort properties to include moisture wicking, anti-microbial, and reduced drying time.

With this mix of body armor, undergarments, and outerwear, operational commanders can determine what equipment their Marines will employ based upon mission requirements and environmental conditions.

III. Protected Vehicles and Mobility

Ground Mobility. The Army and Marine Corps are leading the Services in developing light tactical wheeled vehicle requirements for the joint force. The defined capabilities reflect an appropriate balance in survivability, mobility, payload, network enabling, transportability, and sustainability. The Army/Marine Corps Board has proven a valuable forum for coordination of tactical wheeled vehicle development and fielding, the production of Central Command armoring kits and up-armored HMMWVs, and rapid response to Combatant Commander's requests for Mine Resistant Ambush Protected (MRAP) vehicles. Additionally, the Army/Marine Corps Board has been the focal point for development of the joint requirements for a Joint Light Tactical Vehicle (JLTV) focused on providing protected, sustained, networked, and expeditionary mobility to the joint force in the light tactical vehicle weight class.

Mine Resistant Ambush-Protected (MRAP) vehicles. MRAP vehicles are designed with a "V" shaped hull and are employed to protect against the three primary kill mechanisms of mines and improvised explosive devices—fragmentation, blast overpressure, and acceleration. These vehicles provide the best available protection against improvised explosive devices and experiences in theater have shown that a Marine is four to five times safer in a MRAP than in an up-armored HMMWV. There will be three categories of new near-term MRAP vehicles. Category I, a Mine Resistant Utility Vehicle, will accommodate up to six personnel and will be employed in urban operations. Category II vehicles are similar to Cougar/Joint Explosive Ordnance Disposal Rapid Response Vehicles, and will accommodate up to ten personnel, and will be multi-mission capable. Category III, Buffalo vehicles, will be used for route clearance and explosive ordnance disposal missions.

The MRAP is an example of our adaptation to evolving threats. It is an attempt to acquire the very best technology available in the shortest amount of time in order to protect our Marines. The USMC requirement is 3,700 MRAP vehicles and we are aggressively pursuing the acquisition of this rapidly emerging requirement. This quantity includes vehicles designated

specifically for the MEFs and for the training establishment. Our long-term MRAP vehicle training plan is for Marines to receive operator-level skill training at their home stations, followed by additional training at Mojave Viper mission rehearsal exercises, and concluding with vehicle and theater-specific training once they arrive in their area of operation. Given sufficient resourcing up front, we are confident that we can have this capability fully fielded within a year.

M1114 HMMWV– Upgrade via Fragmentation Kit 2 and Fragmentation Kit 5. The Corps' already fielded M1114 fleet is undergoing an upgrade with Fragmentation Kits 2 and 5 Fragmentation Kit 2 enhances ballistic protection in the front driver and assistant driver wheel-well. Fragmentation Kit 5 degrades improvised explosive device effects and reduces armor debris that results from overmatch. Installation of both Fragmentation Kits is underway, with anticipated completion of 1754 Fragmentation Kit 2 and 2142 Kit five requirements by 31 March 2007. All new Marine Corps M1114, M1151, M1152, and M1165 HMMWV's will have Fragmentation Kits 2 and 5 protection integrated prior to delivery. We will continue to evaluate lessons learned and potential improvements to this family of vehicles.

IV. Marine Corps Intelligence, Surveillance, Reconnaissance Enterprise (MCISR-E)

Since 2001, the Marine Corps has worked towards transforming its ISR programs to provide a robust, integrated system of ground and air platforms. We have matured our Intelligence Fusion Centers to provide commanders with the analysis and fidelity to locate, identify, track, and target threats. Our Counterintelligence and Radio Battalion Marines continue to do Yeoman's work in providing needed tactical and operational intelligence and are two examples of units whose operational tempo will improve as the Marine Corps grows. In addition to these critical assets, the Marine Corps also employs and incorporates aviation and persistent ISR assets that I would like to highlight.

The Unmanned Aircraft Systems (UAS) Family of Systems (FoS). The MAGTF role of the USMC UAS Family of Systems (FoS) is to provide Battle Space Awareness, Force Protection, and Force Application through a joint-interoperable, three-tiered approach.

Tier I UAS. Tier I UAS are man-packable, hand-launched, autonomous systems designed to support and provide the small unit commander with a reconnaissance and

surveillance capability to see over the next hill on the battlefield or around the next building in the urban environment. The Marine Corps is transitioning this year from the highly successful Dragon Eye UAS to the Joint Raven B UAS. Our deployment of Raven B down to the battalion level will begin in Sept 2007. This year's Presidential Budget has $13.1M programmed for the continued procurement of Raven B systems, and our total Acquisition Objective (AO) is 467 systems.

Tier II UAS. Tier II UAS are designed to support our Divisions, Regiments, Battalions and MEUs. Tier II is funded to begin in Fiscal Year 2008 with an Initial Operating Capability scheduled for Fiscal Year 2011. In the interim, we must continue to employ Scan Eagle UAS under a fee-for-service agreement to fill this capability gap. We are working with the Navy, Air Force and US Special Operations Command (USSOCOM) to develop a tactical, expeditionary, and long endurance UAS capable of multiple missions. It is being designed with plug-and-play payloads, advance target acquisition, and fire support capabilities. We plan to use an incremental acquisitions approach to reach our requirement of 26 systems.

Tier III UAS. Tier III UAS are designed as the primary support for our MEFs and Joint Task Forces. We currently fly the Pioneer UAS and this legacy system has served us well since 1986; it has proven its worth in the fight against insurgent forces and terrorists in Iraq. However, due to the Pioneer's age and obsolescence, the Marine Corps decided to transition to the Army Shadow UAS during the fourth quarter of Fiscal Year 2007. The Shadow will provide the MEFs with a day/night ISR and target acquisition capability. This year's Presidential budget contains a request for $90.3M for procurement of five of thirteen Shadow systems. We envision the Shadow serving as an interim system until a Vertical UAS (VUAS) is developed.

Persistent ISR (P-ISR). The focus of P-ISR is to enable the MAGTF Commander to sense enemy activity across the electromagnetic spectrum in near-real-time values without any interruption. UAS FoS and their payloads fulfill unique attributes associated with P-ISR. They will allow for a much more robust set of capabilities to include, platform endurance, sensor fidelity, fire support, strike, communications relay, and electronic warfare.

Additionally, we are bringing two critical capability sets into the fighting force, based on valuable operational recommendations from both I MEF and II MEF. Combined with current

UAS capabilities, ANGEL FIRE and Ground Based Operational Surveillance System (G-BOSS) will give us insight into the future by providing critical layers to the MAGTF P-ISR concept. This systems approach to current operational challenges will contribute to the MAGTF Commander's all-encompassing view of the battlespace.

ANGEL FIRE. ANGEL FIRE provides enhanced situational awareness and support to urban warfare, disaster relief, and other operations. The initial deployment of this capability is scheduled for late spring/summer 2007.

G-BOSS. The G-BOSS System of Systems concept is to integrate command and control; commercial off the shelf and government off the shelf sensors to ground, airborne, and space-based platforms. The military objective of G-BOSS is to detect, identify, and track insurgent activities, specifically associated with the emplacement of IEDs. The initial employment of autonomous camera tower systems has performed admirably in theater. The integration of a fully networked G-BOSS system of systems is anticipated to begin this month.

V. Aviation Survivability Equipment

The Marine Corps is mitigating threats to rotary wing aviation in GWOT theaters through a combination of tactics, centralized command and control, and upgraded Aircraft Survivability Equipment (ASE). Increased DoD Science and Technology (S&T) community focus and funding on developing the next generation helicopter survivability equipment is required to counter emerging threats, i.e., advanced technology MANPADS, and to operate in degraded visibility environments. Marine aviation has invested $390M on rotary wing ASE development and procurement from PB00 through PB07. We have additionally requested $225M in the FY07 and FY 08 Supplemental budgets for continued RDT&E and procurement of the latest available ASE technology for our helicopters. For POM 08 the Marine Corps has requested $193M for continued Directed Infrared Countermeasures (DIRCM) development, a state of the art ASE system that will enable Marine aviation to stay ahead of the threat as we see increased proliferation of advanced anti-aircraft systems. Your continued support of this critical need for our fleet of aircraft is greatly appreciated as we ensure our pilots and aircrew have the most current survivability technology available to them.

VI. Right Sizing our Marine Corps

To meet the demands of the Long War as well as the inevitable crises that arise, our Corps must be sufficiently manned in addition to being well trained and properly equipped. Like the Cold War, the Long War is a continuing struggle that will not be measured by the number of near-term deployments or rotations, and while we seek to capitalize on advances in technology, we know it is our magnificent Marines who invariably decide the outcome.

In order to ensure the readiness and protection of our most precious asset, the individual Marine, we must ensure that our personnel policies, organizational construct, and training are able to operate at the "sustained rate of fire." Operating at the "sustained rate of fire" means that the Corps will be able to maintain operations indefinitely with proper considerations for unit readiness, cohesion, individual deployment tempo, and families. The proposed Active Component end strength increase is intended to enable us to operate at the "sustained rate of fire."

Strain on the Individual. Despite an unparalleled personnel tempo, the morale of our Marines and their families remains high. To avoid an adverse toll on our Marines and their families, and to prevent a decrease in readiness, the former Secretary of Defense established a 1:2 deployment-to-dwell ratio goal for all active component forces. This ratio relates to how long our forces are deployed versus how long they are at home, e.g. the goal is for every seven months a Marine is deployed, they will be back at their home station for fourteen months. We need to relieve the strain on those superb Americans who have volunteered to fight the Nation's battles.

Strain on the Family. We must not forget the sacrifices made by those families who also endure the strain of separation. Increasing time between deployments is crucial in relieving the strain placed upon our Marine families. Our family support programs, such as the Key Volunteer Network and the return and reunion programs, are critical to educating and informing the families of our Marines and Sailors. Over the last several months, we have hosted several conferences to ensure that these programs are on a wartime footing and meet the needs of the families and service members.

Strain on the Institution. The current deployment cycle requires commanders to focus solely on those skill sets required to accomplish the mission in Iraq and Afghanistan. This

deterioration of capabilities is exacerbated by individual augments and training team requirements and by many units being deployed for missions outside of their normal duties. The result of this strain is evident in the Marine Corps' limited ability to provide trained forces to project power in support of other contingencies. Reduced training time and a necessarily singular focus on current contingency requirements prevents significant opportunities for units to train to the full range of military operations in varied operating environments, such as jungle or mountain terrain. To fulfill our mandate to be *"most ready when the Nation is least ready,"* our deployment cycles must not only support training for irregular warfare, they must also provide sufficient time for recovery, maintenance, and training for other contingency missions. By increasing the dwell time for our units and allowing them additional time at home stations, we can accomplish the more comprehensive training needed for the sophisticated skill sets that have enabled Marine Air Ground Task Forces to consistently achieve success in all types of military operations and operating environments. Our goal is to increase dwell time and achieve a 1:2 deployment-to-dwell ratio for our active forces—our Operating Forces are routinely falling short of this target.

Reducing the Stress. I must emphasize that the underlying requirement for an end strength increase is separate from, indeed it pre-dates, the plus up of forces in Iraq. The proposed increase to our Active Component end strength to 202,000 Marines will reduce the strain on the individual Marines and the Institution. Our first task is to build three new infantry battalions and their supporting structure – approximately 4,000 Marines. The resources for this force have been included in our Fiscal Year 2007 Supplemental request. These funds will pay for initial costs associated with the stand up of these infantry battalions as well as essential enablers, which are vital not only for the current fight, but are also critically needed to support long-term Marine Corps capabilities to accomplish other missions. These enablers include combat support and combat service support such as intelligence, military police, and civil affairs capabilities. We will systematically add individuals to create units on a schedule of approximately 5,000 per year. This plan will gradually improve the deployment-to-dwell ratio of our habitually high operational tempo units. We are initially funding this initiative with the GWOT request and baseline funding in Fiscal Year 2008, but will include all known future costs in our baseline budget as of Fiscal Year 2009.

Reserve Component End Strength. Our efforts in the Long War have been a Total Force effort, with our Reserves once again performing with grit and determination. Recent policy changes within the Department of Defense match up very well with our existing policies and will allow us to use the Reserve forces as they were structured to be employed—to augment and reinforce our Active Component forces. To this end, our goal is to obtain a 1:5 deployment-to-dwell ratio for our Reserve Component Marines. We currently believe our authorized Reserve Component end strength of 39,600 Selected Reserve Marines is right. As with every organization within the Marine Corps, we will continue to review the make-up and structure of the Marine Corps Reserve to ensure they have the needed mix and balance to augment and reinforce Active forces with Marine Forces Reserve units and our Individual Mobilization Augmentees. Finally, as our active force increases in size, our reliance on the Reserve forces to relieve Active force tempo should decrease—helping us achieve the desired deployment-to-dwell ratios across the total force.

Manning the Force. An equally important factor in sustaining a viable force is continuing to recruit and retain qualified young men and women with the right character, commitment, and drive to become Marines. With over 70% of the end strength increase comprised of first-term Marines, both recruiting and retention efforts will be challenged. A major part of this effort will involve increased funding for both the Enlistment Bonus and the Selective Reenlistment Bonus Programs. We will need the continued strong support of Congress to achieve ongoing success.

Our recruiting standards will remain high. While exceeding DOD quality standards, we continue to recruit the best of America into our ranks—in Fiscal Year 2006, the Marine Corps achieved over 100 percent of our active component accession goal. The Marine Corps Reserve also achieved 100 percent of its recruiting goals, but reserve junior officer numbers remain challenging because our primary accession source is from officers who leave active duty. We appreciate the continued authorization for Selected Reserve Officer Affiliation Bonuses in the Fiscal Year 2007 National Defense Authorization Act—they continue to contribute in this crucial area.

We forecast that both active and reserve recruiting will remain challenging in Fiscal Year 2007, particularly when viewed through the lens of accession missions to meet the increased end

strength of the Marine Corps. We will need the valuable support of Congress for enlistment bonuses and other recruiting efforts, such as advertising, which will be essential to us continuing to meet these challenges.

Retention is the other important part of manning the force. In Fiscal Year 2006, the Marine Corps exceeded its retention goals for both the First Term and Career Forces. For Fiscal Year 2007, we expect to exceed our goals again. This success can be attributed to the Marine Corps' judicious use of the Selective Reenlistment Bonus, and we now offer qualified first term and career enlisted Marines $10,000 in Assignment Incentive Pay to reenlist in certain assignments. To keep the very best of our Marines, we must increase the size of our bonus program in order to ensure that we have the right grade and MOS mix to support the growing force. Not only will we have to retain more first-term Marines, but we will also have to increase the number of Marines reenlisting at the eight and 12-year mark. This will require a shift toward more funding in targeted key areas in the career force. We will continue to evaluate the effectiveness of bonuses and incentives to ensure we have the best tools to support accession and retention needs.

VII. Preparing for the Next Contingency

To meet the demands of the Long War, we must reset the force in order to simultaneously fight, train, and sustain our Corps. To support our Marines in combat, we have routinely drawn additional equipment from strategic stocks, prepositioned stocks, home stations, and from units not in the predeployment or deployment phases, which need to be replenished to remain responsive to emerging threats. The Congress has responded rapidly and generously to our requests for equipment and increased protection for our Marines and Sailors. It is our responsibility to manage these resources prudently, as we modernize our force.

Equipment Readiness. 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 more than a lifetime's worth of wear stemming from increased vehicle mileage, operating hours, and harsh environmental conditions. This increased maintenance requirement is a consequence of not only operational tempo and operating environments, but also the sheer amount of equipment employed in operations. Approximately thirty percent of all

Marine Corps ground equipment and nearly twenty-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; it remains in combat, used on a near-continuous basis at an operating tempo that far exceeds normal peacetime usage.

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

The cost of this success is a decrease in non-deployed unit readiness as well as an increase in the maintenance required per hour of operating time. Equipment across the Marine Corps is continuously cross-leveled and redistributed to ensure that units preparing to deploy have sufficient equipment to conduct our rigorous pre-deployment training programs. Because the stateside priority of equipment distribution and readiness is to units preparing to deploy, there has been a trade-off in unit training for other types of contingencies such as amphibious, jungle, mountain and combined arms operations. The timely delivery of replacement and reset 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. Congress has responded to our need for funds, however, much of this equipment is still many months from delivery.

Reset of Ground Equipment. Operations in Iraq and Afghanistan are placing demands on ground equipment far beyond what is typically experienced during training or home station operations. Some of these demands rise from higher usage rates, others from the rigors of extended operations in harsh environments. These higher demands increase the maintenance requirements for equipment employed in theater and continue when this equipment is redeployed to home stations. For example, in Operation Iraqi Freedom (OIF) crews are driving Light Armored Vehicles (LAVs) in excess of 8,700 miles per year—3.5 times more than planned annual utilization rates of 2,480 miles per year. Overall, our light and heavy tactical vehicle fleet is experiencing some of the most dramatic effects of excessive wear, operating between three and six times the planned rates

Our ground equipment strategy is focusing in on reset for today and modernization for tomorrow. We continue to take advantage of active production lines to procure ground equipment to backfill the effects of GWOT crossleveling deficiencies within our home station and prepositioned inventories. Wherever possible we are pursuing ground equipment modernization programs such as the Joint Light Tactical Vehicle that will provide the warfighter with superior protection and expeditionary mobility. We have ramped up depot rebuild capacity for legacy weapons systems where commercial production lines are no longer active in order to sustain those capabilities and support the Long War.

Reset of Aviation Equipment. The operationally demanding and harsh environments of Iraq, Afghanistan, and Djibouti have highlighted the limitations of our aging fleet of aircraft. In order to support our Marines, sister Services, and coalition partners successfully, our aircraft have been flying at two to three times their planned utilization. Despite this, the efforts of our maintenance and support personnel have sustained an aviation mission capable rate for deployed Marine aircraft at 79 percent over the past twelve months. 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 75 percent over the past twelve months. To maintain sufficient numbers of aircraft in deployed squadrons, our home squadrons have taken significant cuts in available aircraft and parts as they prepare for deployment. Reset funding will eventually mitigate this strain, but continued funding is needed because we are simply running short of aircraft on our flight lines due to age, attrition, and wartime losses. Maintaining the readiness of our aviation assets while preparing our aircrew for their next deployment is and will continue to be a monumental effort and a constant challenge for our Marines.

We have mitigated aircraft readiness degradation through specific aircraft modifications, proactive inspections, and additional maintenance actions enabled by reset programs. Sustaining aircraft material condition drives aircraft readiness and is the determining factor in combat aviation support provided to our Marines in harm's way. 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 for years.

Resetting Marine Aviation means not merely repairing and replacing damaged or destroyed aircraft, but getting more capable and reliable new production aircraft into the operational deployment cycle sooner. Your Marines rely on these aircraft on a daily basis to provide a wide array of missions including casualty evacuation for our wounded and timely close air support for troops in contact with the enemy. Most production lines to replace legacy aircraft lost in support of the Long War are no longer active; therefore, it is urgent and imperative for the Marine Aviation Plan to remain fully funded and on schedule. Additionally, to ensure Marine aviation is postured to support the current needs of our country, the Marine Corps is working to restoring 7 CH-53E war reserve aircraft for return to active service. For the FY08 budget, we are asking for the restoration of two additional CH-53Ds and one CH-53E and acceleration of the upgrades of MV-22 pre-production aircraft to help maintain aircraft inventories at minimal acceptable operating levels. For example, the Marine Corps is modifying pre-production MV-22s to provide capable aircraft to meet transition schedule operational demands and deployment timelines. Resetting our full aviation capability requires full support of current and future budget requests for repair, restoration, and upgrades of destroyed or damaged airframes, unmanned aerial vehicle components, refurbishment of air traffic control equipment, replacement of targeting pods, and numerous other efforts.

Reset of Prepositioning Programs. Eleven Maritime Prepositioning Force (MPF) vessels from all three Maritime Prepositioning Force Squadrons (MPSRON) were downloaded and used in theater during the initial phases of Operation IRAQI FREEDOM operations. The Marine Corps has reconstituted two of three MPSRONs to meet potential contingencies in other areas of the world. This reconstitution was conducted both in theater and at the USMC's Blount Island facilities in Jacksonville, Florida. In February 2004, MPSRON-2 was downloaded in support of Operation IRAQI FREEDOM II and has been partially reconstituted.

Since the MPF offloads in support of Operations IRAQI FREEDOM I and II, MPSRON-1 and MPSRON-2 have gone through a complete maintenance cycle for attainment and supply rotation. Attainment for major end items is 91 percent and 48 percent respectively. Some of our major end item shortfalls are a result of ongoing Operation IRAQI FREEDOM / Operation ENDURING FREEDOM equipment requirements and component availability from the manufacturers. Our end item shortfalls in the MPF program will be reset during the ships'

maintenance cycles as equipment becomes available. Readiness for all equipment loaded aboard the MPS has historically been 98 percent or better. MPSRON-3 is currently undergoing its maintenance cycle and we project an attainment of 100 percent for equipment when completed in April 2007. MPSRON-2's maintenance cycle should begin in April 2008 and be completed by June 2009.

Equipment from Marine Corps Prepositioning Program – Norway (MCPP-N) was used in support of Long War operations and to reset other Marine Corps shortfalls with a higher operational priority. Current attainment for major items is 38 percent. The USMC will reset MCPP-N as soon as practical in line with USMC operational priorities.

Depot Maintenance. The two Marine Corps depots have rapidly realigned capability and capacity to meet immediate needs. This has been accomplished by overtime, additional shifts, and utilizing commercial vendors and other DoD depots. The depots are currently working a 10-hour first shift and 12-hour second shift in selected areas of high demand or expedited requirements, with the option of expanding to accommodate increased requirements where applicable. Currently, our depots are not constrained by funding or capacity and have no backlog. We fully expect to see an increase in depot rebuild requirements as the Marine Corps increases its deployed battalions forward in Iraq, while concurrently executing a robust equipment rotation strategy for combat forces. The Marine Corps utilizes several depot level maintenance programs to repair ground equipment, to include Service Life Extension Program (SLEP) Inspect and Repair Only As Necessary (IROAN), Repair and Return (R&R), and Rebuild. Rebuild is defined as "that maintenance technique to restore an item to a standard as near as possible to original or new condition in appearance, performance, and life expectancy.

Examples of equipment currently being repaired at Marine Corps depots are Light Armored Vehicles (LAVs), Amphibious Assault Vehicles (AAVs), Logistic Vehicle Systems (LVSs) (which include both power units and trailer variations), radars, communications (electronics suites), water purification units, howitzers, and a variety of small arms.

VIII. Taking Care of our Marines and Their Families

Just as every Marine makes a commitment to the Corps and the Nation when they earn the title Marine, we make an enduring commitment to every Marine and Marine family. Marines

are renowned for "taking care of our own." Part of taking care of our own means we will provide for Marines and their families through appropriate pay and compensation, housing, health care, infrastructure, and community services. Strong Congressional support for many Administration initiatives has made possible the significant investments required to improve each of the components of quality of life. This support requires continuous assessment to ensure that it is both sufficient and relevant, particularly during war. These programs must be on a wartime footing to seamlessly sustain our Marines and their families for the duration—long past the redeployment of our Marines and Sailors.

We are scrutinizing the support for our Marines and their families to ensure our family support programs remain on a wartime footing—particularly those that assist in integrating civilian, military, charitable, and Veterans Affairs programs. This support targets both Marines who suffer from the physical costs of this war, and those who carry unseen scars—those suffering from Traumatic Brain Injury (TBI) and Post-Traumatic Stress Disorder (PTSD). We feel strongly that these wounds of war should be characterized as any other wound—and our commitment to those Marines who suffer from these ailments will not falter.

We continue to aggressively monitor post-deployment mental health screenings as well as suicide, domestic violence, and divorce rates. Marine commanders and noncommissioned officers at every level are charged to monitor these indications closely and to stay engaged on these issues. Our Casualty Assistance, Marine For Life, Wounded Warrior Regiment, and Combat / Operational Stress Control Program continue to be the frontline of support to our wartime efforts.

Hospital Liaison Teams. To assist wounded Marines and Sailors, the Marine Corps has Hospital Liaison Teams assigned to each of the major medical centers. These Active and Reserve component Marines assist our wounded warriors and their families through their inpatient and outpatient care, assist in scheduling appointments, and provide transportation support. Additionally, these Liaison Teams interface with the local Veterans' Affair medical facilities to assist in the transition of wounded service members to the VA system.

Casualty Assistance. Each fallen Marine is a tragic loss to the survivors, the Corps, and our Nation. We endeavor to honor their sacrifices with sincerity and commitment. Our Casualty Assistance Calls Officers are trained to treat next of kin and other family members as they would

their own family. Rendering casualty assistance begins with the basic tenet that there is no standard casualty call; each case is distinct, as families grieve in different ways. Assistance to surviving families is individually tailored to facilitate their transition through the stages of grief and the completion of the casualty process.

Wounded Warrior Regiment. While the support to our Marine Corps and families has been exceptional, we intend to increase this support through the creation of a Wounded Warrior Regiment. This regimental headquarters will provide centralized oversight of the care for our wounded Marines and assist in the integration of their support with military, Department of Veterans Affairs, charitable, and civilian systems. The regiment will have a battalion headquarters on each coast, commanded by officers personally selected by the Commandant. Our criteria for this leadership will be rigorous, as we will seek to select only those officers with previous command experience. Our staff is reviewing the fiscal requirements for this unit now—to include facilities, manning, and support requirements.

Combat/Operational Stress Control (COSC). Battlefields are familiar territory for Marines—we train Marines to excel in chaotic and unpredictable surroundings. Yet all Marines will experience combat/operational stress to some extent, as transient symptoms for most, but as persistent stress injuries for others. Managing combat stress is vital to the operation of the Marine Corps as a fighting force and the long-term health and well-being of Marines and their families. All deploying Marines receive warrior preparation, transition briefs, and health assessments. In addition, mental health professionals or specially trained medical officers brief Marine leaders on the prevention and management of adverse stress reactions. We have also implemented the innovative Operational Stress Control and Readiness (OSCAR) program, which embeds mental health providers with ground forces. Operational Stress Control and Readiness provides early identification and treatment of combat/operational stress problems, attempts to defeat the stigma of combat stress, and overcomes the barriers to care.

The Combat/Operational Stress Control deployment cycle resources for families include the Family Deployment Support Program. The program's components consist of Family Readiness Days, family crisis support services, Return and Reunion Briefs for spouses, and building a sense of community among our military families.

Marine For Life. The Marine For Life Injured Support program assists seriously and very seriously injured Marines, Sailors who served with Marines, and their families. This program bridges the gap between military medical care and the Department of Veterans Affairs by providing individualized support through the transition period.

Individual case tracking and enduring support for our injured Marines and Sailors complements the Office of the Secretary of Defense's Military Severely Injured Center, which enables the program to provide around-the-clock injured support service. Marine For Life provides support tailored to an individual's needs, including pre- and post-service separation case tracking, assistance with the physical evaluation board process, and an interactive website that acts as a clearinghouse for all disability and benefit information. The program also provides employment assistance through a preexisting Marine For Life network that establishes local coordination with veterans, public, private, and charitable organizations that provide support to our injured warriors.

In April 2005, Marine For Life integrated Marine Corps and Department of Veterans Affairs' handling of Marine cases by assigning a Marine field grade officer to the Department of Veterans Affairs Headquarters' Seamless Transition Office. This integrates Marines into the Department of Veterans Affairs system and provides service oversight of Veterans Health Administration care and Veterans Benefits Administration benefits delivery. The Marine For Life program provides the direct point of contact for problem resolution for Marines within the Veterans Administration system.

IX. Conclusion

This Nation has high expectations of her Corps—and Marines know that. Your Marines are answering the call around the globe, performing with distinction in the face of great danger and hardships. As your Marines continue to serve in combat, we must continue to provide them all the resources required to complete the tasks we have given them. Now more than ever they need the sustained support of the American people and the Congress to simultaneously maintain our readiness, reset the force during an extended war, modernize to face the challenges of the future, and fulfill our commitment to Marines, Sailors, and their families. On behalf of your Marines, I extend great appreciation for your support to date and thank you in advance for your

ongoing efforts to support our brave countrymen and women in combat. I promise you that the Corps understands the value of each dollar provided and will continue to provide maximum return for every dollar spent. Today 180,000 Active and 39,000 Reserve Force Marines, growing to 202,000 Active Marines in the future, remain ready, relevant, and capable… and we aim to stay that way.

QUESTIONS AND ANSWERS SUBMITTED FOR THE RECORD

MARCH 13, 2007

QUESTIONS SUBMITTED BY MR. TAYLOR

Mr. TAYLOR. I would very much appreciate a definitive statement on behalf of the Marine Corps as to what you need to fully fund the MRAP program.

General MAGNUS. To fully fund the USMC MRAP Program requirement, a total of 2.784B is required in FY08 broken out as follows:

2.372B Procurement
89M O&M
10M RDT&E

The FY08 requirement includes completing the procurement of the USMC 3700 vehicles, Initial support for vehicles procured in FY08 and FY07, GFE for vehicles procured in FY08, Upgrade kits for all 3700 vehicles, Shipment to theater for vehicles procured in FY08 and a majority of the FY07 procured vehicles, Sustainment for vehicles delivered in FY07/prior, and a small amount of RDT&E for Spiral development of vehicle upgrades. The FY09 requirement is currently 482M broken out as follows:

10M RDT&E
472M OMMC Sustainment

Mr. TAYLOR. When you consider your budget, do they consult with you as to what the needs are and what you need to include in your budget? I know that sometimes they place limitations, but does DOD consult with you as to what you need to put in there? I would very much like to see the difference between what you, as a general in the Army, ask for and what the DOD actually sent over here by way of the previous request.

General CODY. The table below displays the Army's combined base program request and supplemental request since FY03 in three columns: as submitted to the Office of the Secretary of Defense (Comptroller), as approved by OSD, and the Office of Management and Budget and as appropriated by the Congress.

Army's Budget Request as Submitted to OSD from FY03—FY08

($billion) Total Budget	Army Request to OSD	OMB/OSD Position	Congressional Position (APPN)
FY 2003	135.6	115.6	115.2
FY 2004	145.6	131.2	134.2
FY 2005	168.3	155.4	159.5
FY 2006	187.7	165.9	165.7
FY 2007 (Base and Title IX Only)	160.4	160.7	159.0

This table shows the amounts requested by the Army and subsequently approved by OSD/OMB for the FY07 Emergency Supplemental, FY08 Base budget and FY08 GWOT Request.

($billion) Budget Request	Army Request to OSD	OMB/OSD Position
FY 2007 Main Supplemental *	66.0	58.9
FY 2008 Base **	130.7	130.0
FY 2008 GWOT Allowance ***	105.1	92.1

*-Adds $12.2 billion for Afghanistan Security Force Fund (ASFF), Iraqi Security Forces Fund (ISFF), and the Joint IED Defeat Organization (JIEDDO) not included in the Army's request to OSD but submitted to Congress by OMB/OSD.
**-Includes $7.7 billion for Grow the Army.
***-Adds $8.7 billion for ASFF, ISFF, and JIEDDO not included in the Army's request to OSD but submitted to Congress by OMB/OSD.

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